

# **BERGRIVIER MUNICIPALITY**

## **DRAFT ANNUAL REPORT 2015/16**

### **Volume 1**



***ONS DIEN MET TROTS / WE SERVE WITH PRIDE***  
***SISEBENZA NGOKUZINGCA***

## Table of Contents

<b>FOREWORD BY THE EXECUTIVE MAYOR .....</b>	<b>6</b>
<b>FOREWORD BY THE MUNICIPAL MANAGER.....</b>	<b>9</b>
<b>CHAPTER 1: MUNICIPAL OVERVIEW AND EXECUTIVE SUMMARY .....</b>	<b>11</b>
<b>1.1 INTRODUCTION TO BERGRIVIER MUNICIPALITY .....</b>	<b>12</b>
<b>1.2 GEOGRAPHIC OVERVIEW.....</b>	<b>13</b>
<b>1.3 DEMOGRAPHIC OVERVIEW .....</b>	<b>17</b>
1.3.1 POPULATION.....	17
1.3.2 HOUSEHOLDS.....	21
<b>1.4 SOCIO ECONOMIC OVERVIEW .....</b>	<b>21</b>
1.4.1 EDUCATION.....	21
1.4.2 HEALTH CARE .....	25
1.4.3 POVERTY .....	25
1.4.4 THE LOCAL ECONOMY .....	27
1.4.5 EMPLOYMENT.....	31
<b>1.5 ENVIRONMENTAL OVERVIEW.....</b>	<b>33</b>
<b>1.6 GOVERNANCE OVERVIEW .....</b>	<b>34</b>
1.6.1 POLITICAL AND ADMINISTRATIVE GOVERNANCE .....	35
1.6.2 INTERGOVERNMENTAL RELATIONS.....	36
1.6.3 PUBLIC PARTICIPATION AND ACCOUNTABILITY .....	36
1.6.4 CORPORATE GOVERNANCE.....	37
<b>1.7 SERVICE DELIVERY OVERVIEW .....</b>	<b>38</b>
1.7.1 WATER .....	39
1.7.2 SANITATION .....	39
1.7.3 ELECTRICITY .....	40
1.7.4 WASTE MANAGEMENT .....	40
1.7.5 HUMAN SETTLEMENTS (HOUSING) .....	40
1.7.6 FREE BASIC SERVICES .....	41
<b>1.8 ORGANISATIONAL DEVELOPMENT OVERVIEW .....</b>	<b>42</b>
1.8.1 THE MUNICIPAL WORKFORCE .....	42
1.8.2 CAPACITATING THE MUNICIPAL WORKFORCE .....	43
1.8.3 MANAGING THE WORKFORCE EXPENDITURE .....	43
<b>1.9 FINANCIAL HEALTH OVERVIEW.....</b>	<b>43</b>
1.9.1 FINANCIAL PERFORMANCE.....	43
1.9.2 SPENDING AGAINST CAPITAL BUDGET .....	45
1.9.3 CASH FLOW MANAGEMENT AND INVESTMENTS .....	45
1.9.4 FINANCIAL STABILITY AND SUSTAINABILITY .....	<b>Error! Bookmark not defined.</b>
<b>1.10 AUDITOR GENERAL REPORT .....</b>	<b>46</b>

1.11	STATUTORY ANNUAL REPORT PROCESS .....	47
<b>CHAPTER 2: GOVERNANCE .....</b>		<b>49</b>
<b>INTRODUCTION .....</b>		<b>50</b>
<b>2.2</b>	<b>POLITICAL AND ADMINISTRATIVE GOVERNANCE .....</b>	<b>51</b>
2.2.1	POLITICAL GOVERNANCE .....	51
2.2.2	ADMINISTRATIVE GOVERNANCE .....	67
<b>2.3</b>	<b>INTERGOVERNMENTAL RELATIONS .....</b>	<b>71</b>
2.3.1	INTERGOVERNMENTAL RELATIONS.....	71
<b>PART B: INTERGOVERNMENTAL RELATIONS.....</b>		<b>71</b>
2.3.1	<b>NATIONAL INTERGOVERNMENTAL FORUMS .....</b>	<b>73</b>
2.3.2	PROVINCIAL INTERGOVERNMENTAL FORUMS.....	73
2.3.3	DISTRICT MUNICIPALITY INTERGOVERNMENTAL FORUMS.....	74
<b>2.4</b>	<b>PUBLIC PARTICIPATION AND ACCOUNTABILITY .....</b>	<b>74</b>
2.4.1	PUBLIC PARTICIPATION .....	75
<b>2.5</b>	<b>IDP PARTICIPATION AND ALIGNMENT.....</b>	<b>78</b>
<b>2.6</b>	<b>CORPORATE GOVERNANCE .....</b>	<b>78</b>
<b>2.7</b>	<b>AUDIT UNIT .....</b>	<b>78</b>
<b>2.8</b>	<b>RISK MANAGEMENT.....</b>	<b>79</b>
<b>2.9</b>	<b>ANTI-CORRUPTION AND FRAUD.....</b>	<b>79</b>
<b>2.10</b>	<b>BY-LAWS.....</b>	<b>80</b>
<b>2.11</b>	<b>THE MUNICIPAL WEBSITE .....</b>	<b>81</b>
<b>2.12</b>	<b>DELEGATIONS.....</b>	<b>83</b>
<b>2.13</b>	<b>PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....</b>	<b>84</b>
<b>CHAPTER 3 SERVICE DELIVERY PERFORMANCE.....</b>		<b>86</b>
<b>3.1</b>	<b>INTRODUCTION .....</b>	<b>87</b>
<b>3.2</b>	<b>BASIC SERVICES .....</b>	<b>87</b>
3.2.1.	WATER .....	88
3.2.2	SANITATION .....	94
3.2.3	ELECTRICITY AND STREET LIGHTING .....	97
3.2.4	WASTE MANAGEMENT .....	100
3.2.5	HUMAN SETTLEMENTS (HOUSING) .....	104
3.2.6	FREE BASIC SERVICES AND INDIGENT SUPPORT.....	107
<b>3.3</b>	<b>ROADS AND STORM WATER.....</b>	<b>108</b>
3.3.1	ROADS.....	108
3.3.2	STORM WATER .....	111
<b>3.4</b>	<b>PLANNING AND DEVELOPMENT .....</b>	<b>113</b>

## DRAFT ANNUAL REPORT 2015/16 VOLUME I

3.4.1	PLANNING AND DEVELOPMENT (SPATIAL PLANNING)	113
3.4.2	BUILDING CONTROL	117
<b>3.4.3</b>	<b>LOCAL ECONOMIC DEVELOPMENT</b>	<b>119</b>
<b>3.4.4</b>	<b>SOCIAL DEVELOPMENT</b>	<b>129</b>
<b>3.5</b>	<b>COMMUNITY SERVICES</b>	<b>131</b>
3.5.1	LIBRARY SERVICES	131
3.5.2	MUSEUMS	137
3.5.3	COMMUNITY FACILITIES (MUNICIPAL BUILDINGS AND FACILITIES)	139
3.5.4	CEMETERIES	140
<b>3.6</b>	<b>ENVIRONMENTAL PROTECTION</b>	<b>141</b>
3.6.1	POLLUTION CONTROL	142
<b>3.6.2</b>	<b>BIODIVERSITY AND CLIMATE CHANGE</b>	<b>142</b>
<b>3.7</b>	<b>SAFETY AND SECURITY</b>	<b>144</b>
3.7.1	TRAFFIC AND LAW ENFORCEMENT SERVICES	144
3.7.2	FIRE SERVICES AND DISASTER MANAGEMENT	148
<b>3.8</b>	<b>COMMUNITY PARKS, SPORT AND RECREATION</b>	<b>152</b>
3.8.1	PARKS AND OPEN SPACES	152
3.8.2	SPORT FIELDS AND SWIMMING POOLS	154
3.8.3	SPORT DEVELOPMENT	155
3.8.4	RECREATION RESORTS	157
<b>3.9</b>	<b>CORPORATE AND OTHER SERVICES</b>	<b>160</b>
3.9.1	EXECUTIVE AND COUNCIL	161
3.9.2	FINANCIAL SERVICES	161
3.9.3	HUMAN RESOURCE SERVICES	162
3.9.4	ADMINISTRATION AND INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	163
	<b>DETAILED ANNUAL PERFORMANCE REPORT</b>	<b>168</b>
<b>3.1</b>	<b>INTRODUCTION</b>	<b>168</b>
<b>3.2</b>	<b>LEGISLATIVE FRAMEWORK</b>	<b>168</b>
<b>3.3</b>	<b>OVERVIEW OF PERFORMANCE MANAGEMENT AND REPORTING SYSTEM</b>	<b>168</b>
<b>3.4</b>	<b>PERFORMANCE AS MEASURED AGAINST THE MUNICIPALITY'S STRATEGIC OBJECTIVES</b>	<b>169</b>
<b>3.4.1</b>	<b>PERFORMANCE OVERVIEW</b>	<b>169</b>
	<b>PERFORMANCE OF EXTERNAL SERVICE PROVIDERS</b>	<b>192</b>
	<b>CHAPTER 4 ORGANISATIONAL DEVELOPMENT PERFORMANCE</b>	<b>199</b>
<b>4.1</b>	<b>INTRODUCTION TO THE MUNICIPAL WORKFORCE</b>	<b>200</b>
4.1.1	STAFF ESTABLISHMENT	200
4.1.2	EMPLOYMENT EQUITY	204
<b>4.2</b>	<b>MANAGING THE MUNICIPAL WORKFORCE</b>	<b>208</b>
4.2.1	HUMAN RESOURCE POLICIES AND PLANS	208
4.2.2	TERMINATIONS, RECRUITMENT, SELECTION AND ABSENTEEISM	208
4.2.3	INJURIES ON DUTY	213
4.2.4	ABSENTEEISM	214
4.2.5	PERFORMANCE REWARDS	215
4.2.6	DISCLOSURES OF FINANCIAL INTERESTS	215
<b>4.3</b>	<b>CAPACITATING THE MUNICIPAL WORKFORCE</b>	<b>215</b>

4.3.1	SKILLS DEVELOPMENT AND TRAINING .....	215
<b>4.4</b>	<b>THE WORKFORCE EXPENDITURE.....</b>	<b>218</b>
<b>4.5</b>	<b>EMPLOYEE EXPENDITURE .....</b>	<b>218</b>
	<b>CHAPTER 5 FINANCIAL PERFORMANCE.....</b>	<b>220</b>
<b>5.1</b>	<b>STATEMENTS OF FINANCIAL PERFORMANCE AND POSITION.....</b>	<b>221</b>
5.1.1	STATEMENTS OF FINANCIAL PERFORMANCE .....	221
5.1.2	FINANCIAL GRANTS.....	223
<b>5.1.2</b>	<b>FINANCIAL GRANTS .....</b>	<b>224</b>
	ASSET MANAGEMENT .....	225
<b>5.2</b>	<b>FINANCIAL RATIOS AND INDICATORS .....</b>	<b>226</b>
5.2.1	CURRENT RATIO .....	226
5.2.2	COST COVERAGE .....	227
5.2.3	SERVICE DEBTORS TO REVENUE .....	227
5.2.4	DEBT COVERAGE .....	228
5.2.5	CREDITOR SYSTEM EFFICIENCY .....	228
5.2.6	CAPITAL CHARGES TO OPERATING EXPENDITURE.....	228
5.2.7	EMPLOYEE COSTS .....	229
5.2.8	REPAIRS AND MAINTENANCE .....	229
5.2.9	DEBT RECOVERY RATE .....	229
<b>5.3</b>	<b>SPENDING AGAINST CAPITAL BUDGET .....</b>	<b>230</b>
5.3.1	CAPITAL EXPENDITURE .....	230
5.3.2	SOURCES OF FINANCE.....	230
<b>5.4</b>	<b>CASH FLOW MANAGEMENT AND INVESTMENTS.....</b>	<b>231</b>
5.4.1	CASH FLOW .....	231
5.4.2	BORROWING AND INVESTMENTS.....	232
5.4.3	SUPPLY CHAIN MANAGEMENT .....	235
5.4.4	GRAP COMPLIANCE .....	235
<b>5.5</b>	<b>2015/16 ANNUAL FINANCIAL STATEMENTS .....</b>	<b>236</b>
<b>TABLES</b>	Error! Bookmark not defined.	
<b>FIGURES</b>	Error! Bookmark not defined.	
<b>ACRONYMS AND ABBREVIATIONS.....</b>	Error! Bookmark not defined.	
<b>APPENDIX A: COUNCILLORS: COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX B: COMMITTEE AND COMMITTEE PURPOSES .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX C: THIRD TIER ADMINSTRATIVE STRUCTURE.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX D: FUNCTIONS OF MUNICIPALITY/ENTITY.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX E: WARD REPORTING.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX F: WARD INFORMATION .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX H: LONG TERM CONTRACTRS AND PUBLIC PARTNERSHIPS .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>APPENDIX K: REVENUE COLLECTION PERFORMANCE.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>	

**APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG** ..... ERROR! BOOKMARK NOT DEFINED.

**APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWEL PROGRAMMES: INCLUDING MIG**ERROR!  
BOOKMARK NOT DEFINED.

**APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR** ..... ERROR! BOOKMARK NOT DEFINED.

**APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR**ERROR! BOOKMARK NOT DEFINED.

**APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS**ERROR! BOOKMARK NOT DEFINED.

**APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION** ..... ERROR! BOOKMARK NOT DEFINED.

**APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY** ERROR! BOOKMARK NOT DEFINED.

**APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIMES UNDER MFMA S 71**ERROR! BOOKMARK NOT DEFINED.

**APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT**ERROR! BOOKMARK NOT DEFINED.

**APPENDIX U: CODE OF CONDUCT FOR COUNCILLORS**..... ERROR! BOOKMARK NOT DEFINED.

**APPENDIX V: REPORT FROM THE OVERSIGHT COMMITTEE** ..... ERROR! BOOKMARK NOT DEFINED.

**APPENDIX W : CLIENT SERVICES SURVEY** ..... ERROR! BOOKMARK NOT DEFINED.

BEHUISINGSAANSOEKE ..... **Error! Bookmark not defined.**

BOUPLANNE ..... **Error! Bookmark not defined.**

Omvang: Die diens behels die toepassing van verkeerswetgewing, asook munisipale verordeninge.**Error! Bookmark not defined.**

Omvang: die onderhoud en diens by die 2 Munisipale strandoorde (Stywelyne, Pelikaan).**Error! Bookmark not defined.**

Omvang: Die diens (inhoud, personeel, fasilliteite) wat die inwoners by al die biblioteke ontvang.**Error! Bookmark not defined.**

GRONDGEBRUIK ..... **Error! Bookmark not defined.**

STADSBEPLANNING ..... **Error! Bookmark not defined.**

5.2.10 GRONDVERKOPE EN VERHURING ..... **Error! Bookmark not defined.**

5.2.11 HANTERING VAN MOTORREGISTRASIES- EN LISENSIES..... **Error! Bookmark not defined.**

**APPENDIX X : REPORT FROM THE BERGRIVIER TOURISM ORGANISATION 1 JULY 2014- 30 JUNE 2015** ERROR!  
BOOKMARK NOT DEFINED.

**APPENDIX Y : REPORTS FROM THE MUSEUM COMMITTEES: 1 JULY 2014 – 30 JUNE 2015**ERROR! BOOKMARK NOT DEFINED.

## FOREWORD BY THE EXECUTIVE MAYOR



It is with great appreciation and pleasure that I submit this Annual Report for the 2015/16 financial year. This is the fifth Annual Report of our Council's term of office and it marks an appropriate time to reflect on what we have achieved in terms of our Integrated Development Plan.

Our vision is to *"Strive towards a satisfied community through sustainable service delivery"*. Our mission is *"To create an effectively governed administration that is committed to sustainable development of the municipal area and the delivery of services that are responsive to the unique needs of the Bergrivier community"*.

The strategic objectives of our municipality are set out in our Integrated Development Plan (IDP) and a great deal of effort has been taken to ensure that we as a municipality are part of an integrated planning approach whereby our IDP, budget and performance management system align with one another while simultaneously aligning to National and Provincial plans and frameworks, specifically the National Development Plan 2030. Furthermore, we strive to achieve the strategic goals as stipulated in our IDP and that corrective measures are implemented where necessary. The focal point is excellence in service delivery, while concurrently complying with all legislative requirements and governance challenges.

Our key focus is on service delivery and we continuously strive to improve on both the quality and standard of services that we provide to our community. We are unapologetically pro-poor and will continue to upgrade our poorest communities namely Eendekuil, Redelinghuys, Aurora & Noordhoek- and integrate all communities in Bergrivier through social cohesion and integrated planning and development.

We are particularly proud of our achievements for this financial year, some of which include:

- During March 2016 Bergrivier Municipality was nominated as the 3<sup>rd</sup> best municipality in South Africa. This evaluation was co-ordinated by Good Governance Africa with the sole objective of providing honest, fact-based information pertaining to Local Government in Africa.
- Bergrivier Municipality won the national Eco-Logic award during April 2016 for the very successful Fostering Local Well-Being (FLOW) programme done in partnership with Meshfield, UCT, ACDI, the Flemish Government and with the 10 local FLOW Ambassadors.
- The achievement of an unqualified audit for the 2014/15 financial year was acknowledged by the Auditor General with only minor non-financial matters requiring further attention. The municipality made a concerted effort to improve on all these identified aspects during this financial year. An unqualified Audit Report with no matters was achieved during the 2015/16 financial year.
- The improvement of the municipality's financial position and cash flow.
- The municipality was able to further roll-out the implementation of its Housing Pipeline that was approved in the 2012/13 financial year and implemented during the following financial years. One hundred and sixteen (116) beautiful affordable houses were awarded to new owners in Porterville, the upgrade of 34 hostels in Velddrif, the construction of 89 affordable houses on Erf 3046 Velddrif and 18 affordable houses in Albatros Street, Velddrif.
- The municipality managed to keep water- and electricity losses at 10,53% and 10,13% respectively. This is much lower than the industry norm and a money saver for our customers.

- The municipality facilitated funds from Provincial Government to assist with service delivery challenges in the Moravian Town of Wittewater. The upgrading of their water network and water source was completed by September 2015 to the value of R 1 145 000.
- The municipality acknowledges the need for sustainable development and made a special effort to upgrade and maintain infrastructure for basic services. Specific attention was given to:
  - The storage capacity for water in Velddrif with the construction of the first phase of a 5 mega litre reservoir;
  - The water pipeline and division chamber in Porterville were upgraded to improve the sustainability of the water resources;
  - In Eendekuil the municipality facilitated a job creation initiative by paving the bus route with skills transfer to unemployed inhabitants;
  - The municipality procured Accelerated Infrastructure Project Funding (ACIP) from the National Department of Water and Sanitation for the water demand and conservation management in Porterville (R 1,64 million) as well as the upgrading of the waste water treatment works in Porterville (R 2,85 million);
  - Due to the effects of Global Warming and Climate Change, the storm water drainage system in Piketberg proved to be inadequate. The municipality improved several areas to ensure effective storm water drainage to all communities.
  - The municipality managed to improve its water quality in Bergrivier from 95,4% to 96,7%. We continue to deliver excellent drinking water of a high standard and quality in line with SANS 241.
  - The municipality created 660 work opportunities (full time equivalent of 110) through the Extended Public Works Programme (EPWP) in inter alia the cleaning and beautification of our towns. Through this programme we managed to keep all our towns clean and healthy.
- The implementation of performance management and the cascading of the performance evaluation to lower levels to improve accountability and service excellence.
- The improvement of the Piketberg cricket field to the value of R 1,75 million to enhance sport development as part of phase 1 of the project. Phase 2 will be implemented during the 2016/17 financial year.
- The establishment of a new library at the Dwarskersbos Holiday Resort to the value of R 605 000 to improve accessibility for all communities.
- The municipality facilitated an oral history project launched by the Minister of Arts, Culture and Sport to honour our heritage through story telling.
- Bergrivier Municipality values their staff and knows the value of skills development. During this financial year 254 employees of Bergrivier Municipality (60%) received training to the amount of R 1,2 million. This assists to improve service delivery through knowledge enhancement.
- During the year we had the privilege of working together in a number of sustainable partnerships with government and non-government organisations. The output of these partnerships were further enriched by the participation of the community.
- The municipality launched an Economic Development Forum during November 2015 consisting of four working groups to implement the approved Local Economic Development (LED) Strategy and thereby improve economic development in our area.
- The municipality successfully implemented the new Spatial Planning Land Use Management Act (SPLUMA) and established a Municipal Planning Tribunal to consider Land Use Planning Applications. An integrated Zoning Scheme By-Law was drafted, workshopped and approved during this financial year.



Although we are immensely proud of our achievements, we still face numerous challenges which we are addressing on an on-going basis. Some of these challenges include:

- The achievement of a “Clean Audit’ with no matters.
- The high cost of compliance to current and proposed legislation. Compliance requirements are the same for all municipalities, irrespective of their size, and smaller municipalities such as Bergrivier have limited human and financial resources to allocate to compliance.
- The on-going implementation of the housing pipeline, especially the funding of the infrastructure required to provide houses and make serviceable land available.
- A sustainable service delivery solution for the burgeoning settlements that are owned by the Moravian Church of South Africa.
- The rehabilitation of the licenced waste sites and the improvement of recycling in all communities.

For all these challenges, the necessary implementation plans and corrective measures were developed and collectively Council and the administrative staff, ensured through our oversight responsibilities, that our plans were implemented effectively and carried out efficiently.

In conclusion, I would like to express my appreciation and thanks to my fellow Councillors, senior management team and all officials of Bergrivier Municipality for their hard work. On behalf of the Bergrivier Council I would also like to thank members of our ward committees and all members of the community for their support and participation in the affairs of our municipality during the year. We will continue to provide you with the best possible services.

**ALDERMAN EB MANUEL**

**EXECUTIVE MAYOR**

## FOREWORD BY THE MUNICIPAL MANAGER

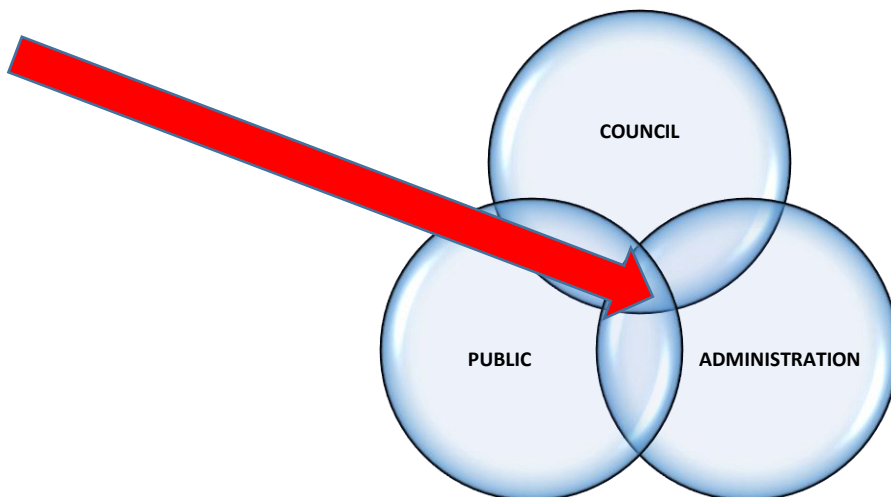


I am proud to be associated with Bergrivier Municipality. It is an institution where we truly strive to satisfy our community by delivering excellent services, which we do sustainably. The appreciation and thankfulness that we receive from our communities are evidence of this.

Bergrivier Municipality is a Category B Municipality in terms of Section 155 of the Constitution of South Africa (1996) and performs all the executive, legislative and administrative powers and functions assigned to it in terms of Section 156 of the Constitution read with Chapter 3 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Systems Act).

At Bergrivier Municipality we strongly uphold the definition of a Municipality as contained in the Systems Act, which states that a municipality consists of three equal partners namely the Council, the Administration and the Public. It is where these three partners work seamlessly together, that we see the magic happen!

### **Magic!**



Obviously we are not perfect and there is still much that we can and must do, but we are satisfied that we truly function as three circles working together in close partnership to benefit all the people living and working within our Municipal area. For these reasons we take great care and effort to work well with sector departments in our area to obtain maximum successes. Please refer to the list of successes listed by the Executive Mayor in his foreword.

Our international relations with Belgium Federal Government and Heist-op-den-Berg Municipality in particular assisted Bergrivier in knowledge sharing, skills transfers and the procurement of much needed funding. Bergrivier Municipality is privileged to be selected as one of only three Municipalities in South Africa to apply for funding from the Belgium Federal Government. We have submitted our business plan during May 2016 on the improvement of waste management with the theme: Turning waste into prosperity.

While attending to our own areas of service delivery within Bergrivier Municipal area, we are also in conversation with the Moravian Church of South Africa about sustainable service delivery models. At the moment the Church is still acting as “Municipality” in both Goedverwacht and Wittewater (two Moravian Towns within our area) with poor levels of success. The Municipality and the District Municipality are

currently assisting the Church with service delivery where and when needed, but we are seeking a sustainable future solution jointly and in partnership to ensure a better future for all people living in the Moravian towns. This is an ongoing discussion and the rhythm of progress is dictated by the Church. The Municipality is frustrated by the slow progress, but we are doing everything in our power to expedite a solution.

The revenue trend for the Municipality for the past three years consist mainly of income derived from services, rates and government grants. The revenue from own sources, rates and services represents 70 % of the total operational income. During the past financial year the Council took up external loans to the value of R 6,1 million for the construction of capital infrastructure to enhance the delivery of services. Government grants received represents 20 % of revenue. This money was also spent on infrastructure improvement to ensure that all residents have access to the full complement of Council's services. During this financial year we made a special effort and are proud to have been able to realize a revenue collection rate of 99,4%.

Bergrivier Municipality is blessed with a skilled and loyal work force and we had no changes during this financial year in our Top Management. The Directors of Bergrivier have permanent employment contracts and that supports stability and attracts better skills and experience. The Council values continuity and will ensure stability in the administration for the next term. As a Municipality we do risk assessments annually and have dedicated risk meetings quarterly to develop and implement mitigating measures. Our top 4 strategic risks with the highest residual ratings include the increase in population growth threatening our sustainable development, the impact on the natural environment caused by the increasing demand in natural resources, the implementation of a mSCOA ready financial system by 1 July 2017 and financing for a Geographical Information System (GIS) for the Municipality.

Looking back we are thankful for a very successful year with many highlights (as indicated by our Executive Mayor), but we are also constantly aware of the sustainability challenges facing Local Government in South Africa. Together we can face any challenge that comes our way if we continue to work in partnership. I believe that there are no challenges that we cannot successfully tackle together. We truly strive to serve with pride!

**ADV H LINDE**  
**MUNICIPAL MANAGER**

# CHAPTER 1: MUNICIPAL OVERVIEW AND EXECUTIVE SUMMARY



Verlorenvlei Estuary, Redelinghuys from a different view point  
**Photographer unknown: Photo provided**

## 1.1 INTRODUCTION TO BERGRIVIER MUNICIPALITY

The Constitution of the Republic of South Africa (1996) states that the government comprises of national, provincial and local spheres (municipalities) of government which are distinctive, interdependent and interrelated (Section 40). Bergrivier Municipality is an organ of state within the local sphere of government, and is established in terms of Section 12 of the Municipal Structures Act, 1998, (Act 117 of 1998) (Municipal Structures Act) as a Local Municipality with an Executive Mayoral System combined with a Ward Participatory System.

Section 152 (1) of the Constitution sets out the objectives of local government namely:

- To provide democratic and accountable government to the community;
- To ensure the sustainable provision of services to the community;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage communities and community organisations to get involved in local government matters.

The Constitution also assigns a developmental duty to Municipalities which requires them to structure and manage their administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community whilst promoting social and economic development of the community.

The functions of municipalities are set out in Schedules 4B and 5B of the Constitution, and municipalities must perform these functions in a manner that enables them to achieve the Constitutional objectives as indicated above.

Section 84 of the Municipal Structures Act, regulates the division of functions between district and local municipalities and the following table indicates the functions that Bergrivier Municipality is authorised to perform.

**TABLE 1: MUNICIPAL FUNCTIONS**

Schedule 4, Part B functions	Yes/No	Schedule 5, Part B functions	Yes/No
Air pollution	Yes	Beaches and amusement facilities	Yes
Building regulations	Yes	Billboards and the display of advertisements in public places	Yes
Child care facilities	Yes	Cemeteries, funeral parlours and crematoria	Yes
Electricity and gas reticulation	Yes	Cleansing	Yes
Firefighting services	Yes	Control of public nuisances	Yes

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

Schedule 4, Part B functions	Yes/No	Schedule 5, Part B functions	Yes/No
Local tourism	Yes	Control of undertakings that sell liquor to the public	Yes
Municipal airports	None in our area	Facilities for the accommodation, care and burial of animals	Yes
Municipal planning	Yes	Fencing and fences	Yes
Municipal health services	No (West Coast District Municipality – WCDM)	Licensing of dogs	No (West Coast District Municipality – WCDM)
Municipal public transport	Yes	Licensing and control of undertakings that sell food to the public	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	Local amenities	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	Local sport facilities	Yes
Storm water management systems in built-up areas	Yes	Markets	Yes
Trading regulations	Yes	Municipal abattoirs	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	Municipal parks and recreation	Yes
		Municipal roads	Yes
		Noise pollution	Yes
		Pounds	Yes
		Public places	Yes
		Refuse removal, refuse dumps and solid waste disposal	Yes
		Street trading	Yes
		Street lighting	Yes
		Traffic and parking	Yes

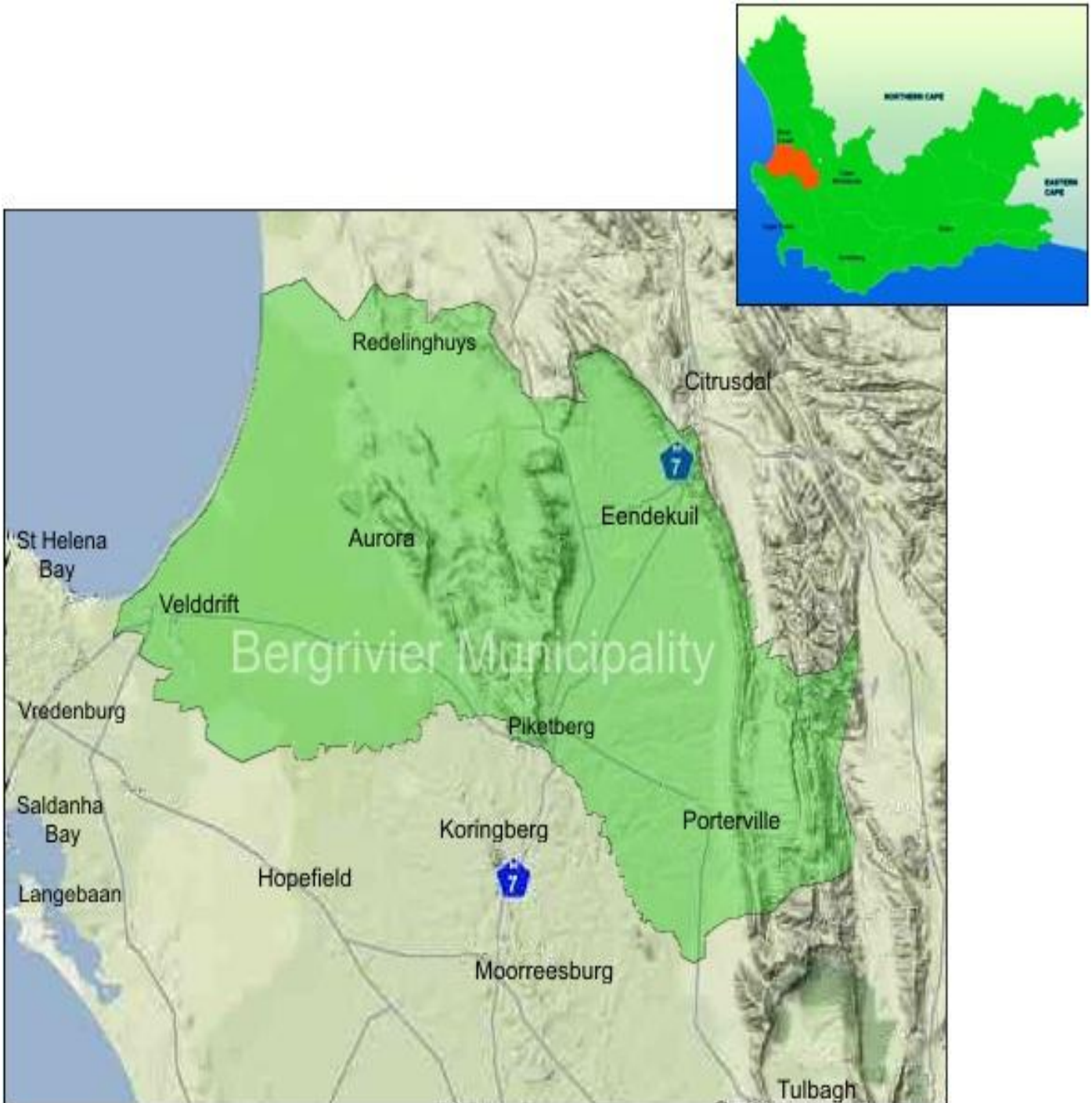
## **1.2 GEOGRAPHIC OVERVIEW**

Bergvriër Local Municipality is situated in the West Coast District of the Western Cape Province. The Municipality is bordered to the North by Cederberg Municipality, to the West by Saldanha Bay Municipality, to the South by Swartland Municipality and to the East by Drakenstein and Witzenberg Municipalities. The Municipality covers a geographic area of approximately 4 407.04 km<sup>2</sup> and is geographically diverse. It includes 9 urban settlements, approximately 40 kilometres of coastline and a vast rural area. The main urban settlements that constitute the Municipality are: Piketberg which is the administrative seat, Porterville, Velddrif (which includes Port Owen, Laiplek and Noordhoek), Dwarskersbos, Eendekuil, Aurora,

Redelinghuys, Goedverwacht and Wittewater. The latter two towns are Moravian settlements on private land.

The following figure depicts the Bergrivier Municipal Area as well as the position of Bergrivier Municipality in relation to the West Coast District.

FIGURE 1: POSITION OF BERGRIVIER MUNICIPALITY IN RELATION TO THE WEST COAST DISTRICT



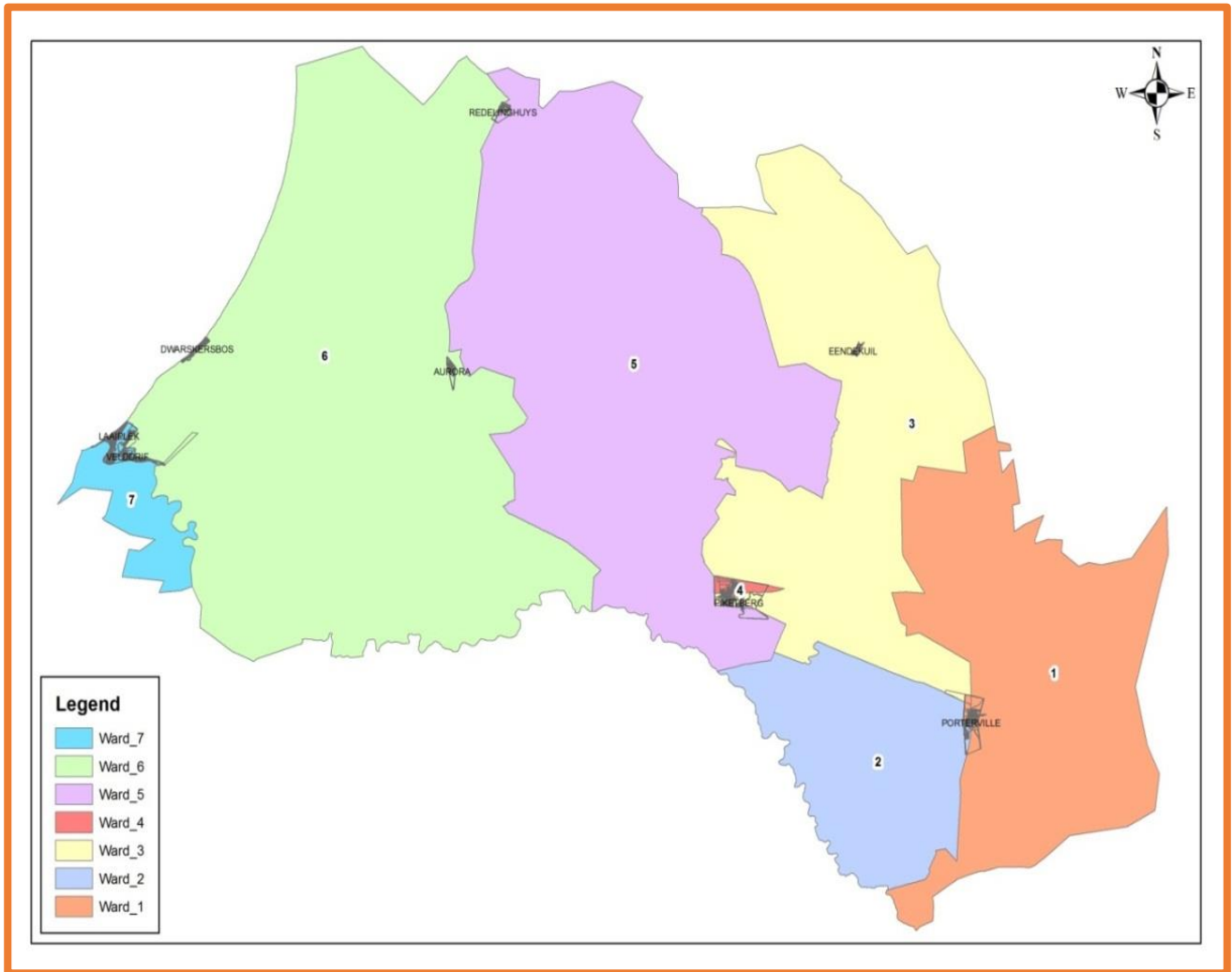
The following table provides an overview of the various settlements that constitute the Bergrivier Municipal Area:

**TABLE 2: BERGRIVIER SETTLEMENT TYPES, CHARACTERISTICS AND ECONOMIC BASE**

<b>SETTLEMENT</b>	<b>CHARACTERISTICS AND ECONOMIC BASE</b>
Velddrif (Including Laaiplek, Port Owen and Noordhoek)	Velddrif is a coastal town which functions as a focal point for the fishing industry along the West Coast. The most important resources are the sea, the coastal environment, salt pans and the Bergrivier Estuary Tourism, retirees and second home residents provide a solid base for the local economy.
Dwarskersbos	Dwarskersbos is a coastal town characterised by its property market, holiday accommodation and tourism. The sea and coastal area are the most important natural resources. The main function of the town is to provide holiday accommodation. Tourism, retirees and second home residents provide a solid base for the local economy.
Piketberg (Including Piket Bo Berg)	Piketberg is classified as a central place and is the administrative seat of the Bergrivier Municipality. It is also the service and commercial centre of the surrounding agricultural area. The primary economic base of Piketberg is agriculture. Public-sector activities related to the municipal head office, district offices, provincial government offices and other public functions also provide a solid base for the local economy.
Porterville (Including Dasklip Pass)	Porterville is classified as a central place and sound infrastructure has contributed towards the establishment of a Regional Kaap Agri Office as well as the Voorberg prison. The economic base of Porterville is primarily agriculture, which is supplemented by some recreational and tourism activities.
Redelinghuys	Redelinghuys is classified as an isolated village. The town mainly functions as a residential area for the surrounding agricultural sector and retired people. There is some recreational and tourism potential in the Verlorenvlei which is a Ramsar Site which falls partially within Bergrivier's area of jurisdiction. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Aurora	Aurora is also classified as an isolated village. The town has a rural character against a picturesque topographical setting. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Eendekuil	Eendekuil is also classified as an isolated village. It functions as a low-order agricultural service centre that is dependent on Piketberg for higher-order services. Mainly a dormitory town for farm workers and retired people. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Goedverwacht and Wittewater	Goedverwacht and Wittewater are also classified as isolated villages. These towns are located on private land, within a predominantly agricultural area. They are Mission Stations run by the Moravian Church of South Africa, and have little direct investment to stimulate economic activities. Inhabitants work mainly on the surrounding farms, but the villages do boast some very good builders. The scenic mountains and the missionary culture offer some tourism potential, but this can only be realized within the context of the larger tourism plan for the region.



FIGURE 2: WARD DEMARCATION



The Municipal area is demarcated into seven Municipal Wards in terms of the Local Government Municipal Demarcation Act, 1998, (Act 27 of 1998) (Municipal Demarcation Act). The geographic composition of each ward is as follows:

- ▲ Ward 1 comprises the northern part of Porterville and the rural area to the north of Porterville;
- ▲ Ward 2 comprises the southern part of Porterville, the rural area to the south of Porterville and the Voorberg prison;
- ▲ Ward 3 comprises the western and southern portion of Piketberg Town, Eendekuil and an extensive rural area;
- ▲ Ward 4 is predominantly urban and comprises the north eastern portion of Piketberg Town;
- ▲ Ward 5 is predominantly rural with a smattering of private settlements including Wittewater, Goedverwacht and Genadenberg which belong to the Moravian Church of South Africa and De Hoek, a private residential area situated on the premises of the Pretoria Portland Cement factory (PPC) a few kilometres to the south of Piketberg;

- ▲ Ward 6 is predominantly rural and comprises the towns of Aurora, Redelinghuys and the coastal town of Dwarskersbos and the rural areas between these settlements;
- ▲ Ward 7 is predominantly urban coastal settlement and comprises Velddrif which includes Noordhoek, Port Owen and Laaiplek.

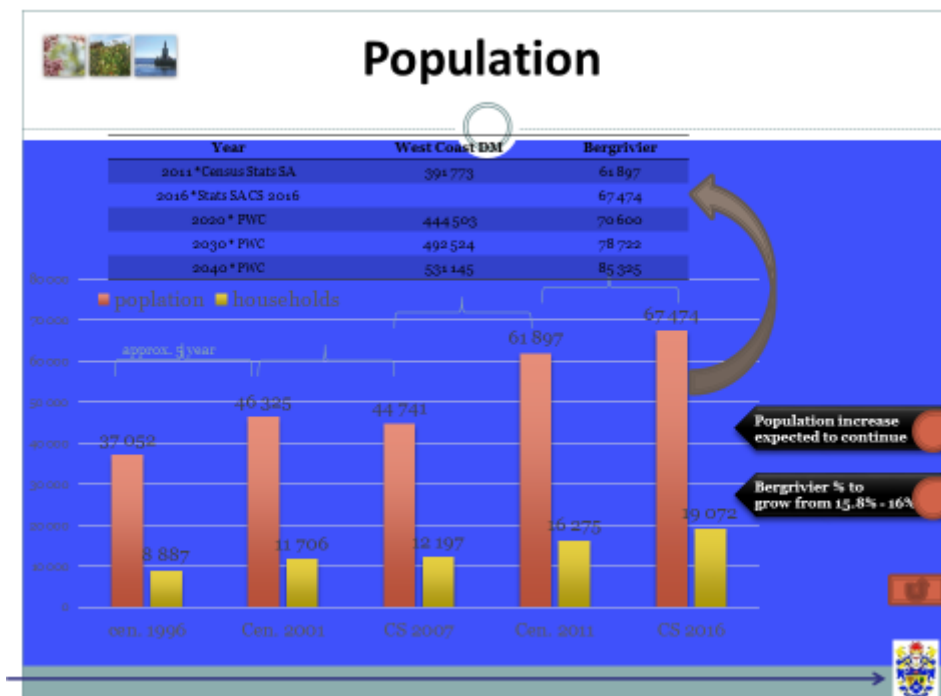
It should be noted that the ward demarcation was reviewed during 2015 and these new ward demarcations will be applicable for the 2016-municipal elections. The above mentioned ward demarcation was therefore still applicable during the 2015/16 financial year.

### 1.3 DEMOGRAPHIC OVERVIEW

#### 1.3.1 POPULATION

The estimated population figure for Bergrivier Municipality in 2001 was 46 327. This figure increased substantially to 61 897 in 2011, which is indicative of extensive migration into the Municipal Area. The estimated population growth for the Bergrivier Municipal area is 0.2 % per annum which translates to a population for 2016 of 67 474. The figure below represents a population pyramid for Bergrivier Municipality. The shape of the pyramid typically depicts an area with a rapid growth rate.

FIGURE 3: POPULATION PYRAMID



Source: StatsSA Community Survey 2016

The following table indicates the population dispersion per ward.

**TABLE 3: POPULATION PER MUNICIPAL WARD**

WARD	DESCRIPTION	POPULATION
Ward 1	Comprises Porterville Town and the rural area to the North of Porterville;	10 507
Ward 2	Comprises the remainder of Porterville (Monte Bertha), the rural area to the South of Porterville and the Voorberg prison;	5 209
Ward 3	Comprises the Western and Southern portion of Piketberg Town, Eendekuil and an extensive rural area;	8 726
Ward 4	Predominantly urban and comprises the North Eastern portion of Piketberg Town;	9 461
Ward 5	Predominantly rural with a smattering of private settlements including Wittewater, Goedverwacht and Genadenberg which belong to the Moravian Church of South Africa and De Hoek, a private residential area situated on the premises of the Pretoria Portland Cement factory (PPC) a few kilometres to the south of Piketberg;	13 015
Ward 6	Predominantly rural and comprises the towns of Aurora, Redelinghuys and Dwarskersbos and the rural areas between these settlements;	3 646
Ward 7	Predominantly urban coastal settlement and comprises Velddrif which includes Noordhoek, Port Owen and Laaiplek.	11 333
Total Bergrivier Population		61 897

The following table indicates the population dispersion per town/area:

**TABLE 4: POPULATION PER TOWN / AREA**

TOWN /AREA	FEMALE	MALE	TOTAL
Redelinghuys	279	297	576
Bergrivier Rural Area	12918	12262	25180
Eendekuil	780	750	1530
Dwarskersbos	347	322	669
Aurora	309	267	576
Velddrif	5668	5350	11018
Goedverwacht	1014	965	1979
Beaverlac	23	36	59
Piketberg	6275	5800	12075
De Hoek	135	195	330
Wittewater	428	421	849
Porterville	3660	3396	7056
<b>TOTAL</b>	<b>31836</b>	<b>30061</b>	<b>61897</b>

Statistics South Africa: Census 2011

The gender composition from 2001 to 2011 remains relatively unchanged and well balanced, with a slightly higher ratio of females to males. The population is predominantly youthful with 58% of the population falling within the national definition of youth (under 35). There is a significant increase of 24.2% in this age group.

The following tables indicate the population dispersion by age and gender.

**TABLE 5: POPULATION BY AGE AND GENDER**

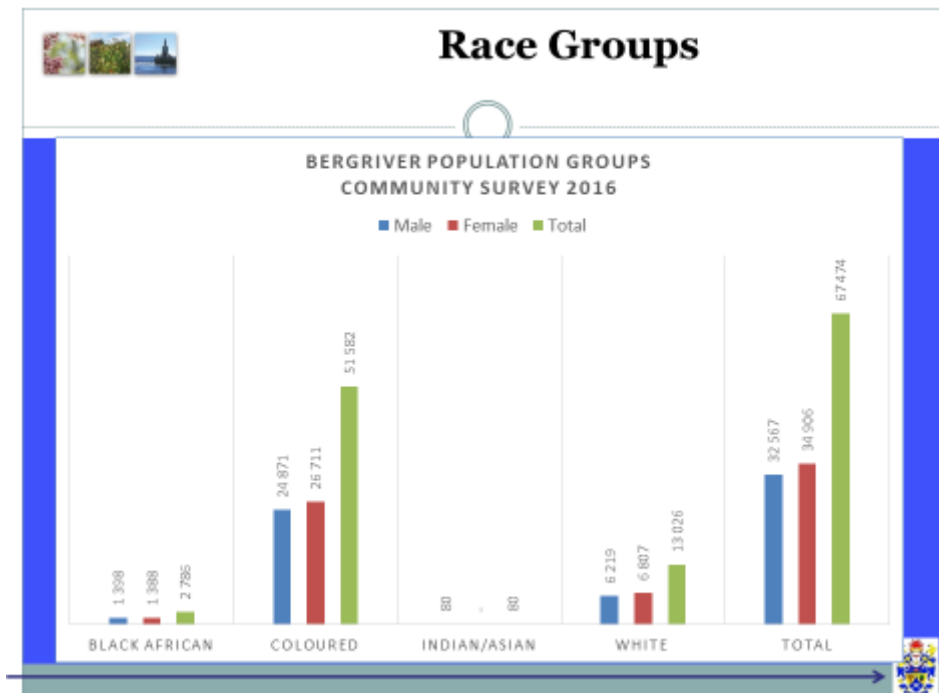
AGE GROUPS	CENSUS 2001			CENSUS 2011		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
0 - 4	2060	2034	4094	2709	2736	5445
5 - 9	2100	2122	4222	2521	2477	4999
10 - 14	1995	2054	4049	2498	2489	4987
15 - 19	1907	2102	4009	2535	2705	5240
20 - 24	1910	1883	3793	2584	2941	5525
25 - 29	2467	2127	4594	2622	2709	5331
30 - 34	2253	1989	4242	2225	2268	4493
35 - 39	2009	1928	3937	2360	2436	4796
40 - 44	1549	1556	3105	2258	2262	4520
45 - 49	1348	1244	2592	1861	2140	4000
50 - 54	963	981	1944	1591	1690	3282
55 - 59	743	839	1582	1422	1391	2814
60 - 64	634	705	1339	1030	1108	2137
65 - 69	534	595	1129	708	824	1532
70 - Plus	654	1042	1696	1136	1659	2796
<b>TOTAL</b>	<b>23126</b>	<b>23201</b>	<b>46327</b>	<b>30060</b>	<b>31837</b>	<b>61897</b>

Statistics South Africa: Census 2011

The racial composition from 2001 to 2011 has changed slightly, with the Black African population increasing by 5.3% and the Coloured population diminishing by 4.8%.

The following figure indicates the racial composition in Bergrivier.

FIGURE 4: RACIAL COMPOSITION

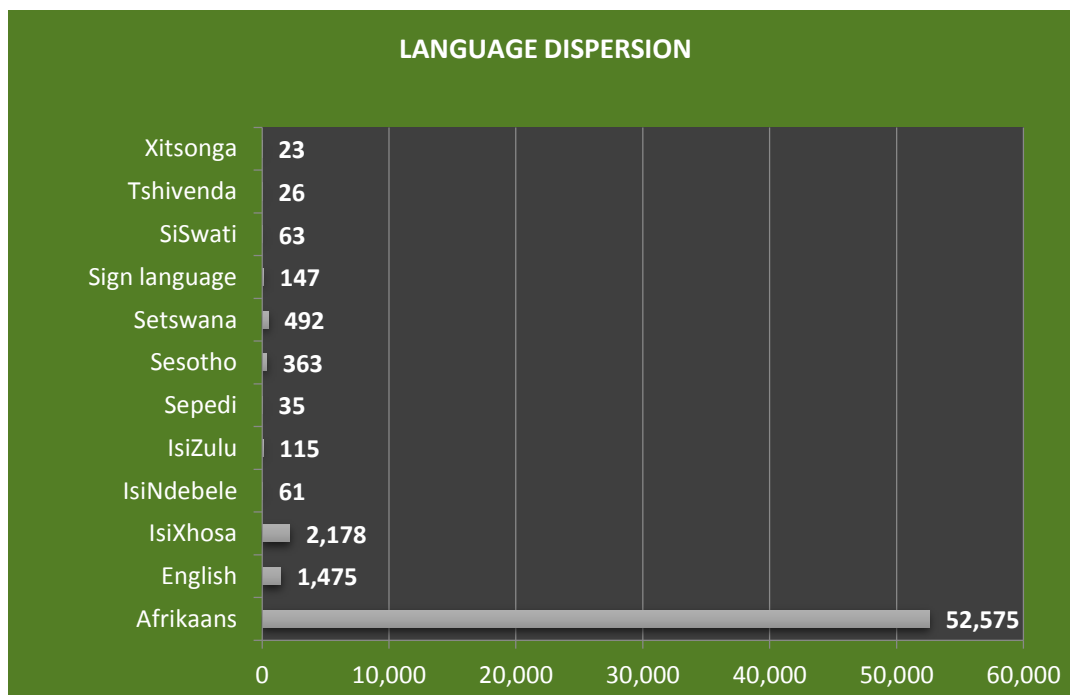


Source: StatsSA Community Survey 2016

The predominant language in the Municipal Area remains Afrikaans which is spoken by 91% of the population. This is also the predominant language in all wards, followed by isiXhosa and English. In Wards 1, 4, 5 and 7, isiXhosa is the second most predominant language while in Wards 2, 3 and 6 English is the second most predominant language.

The following figure indicates the language dispersion in Bergrivier.

FIGURE 5: LANGUAGE DISPERSION



Statistics South Africa: Census 2011

### 1.3.2 HOUSEHOLDS

The number of households is based on the number of refuse removal accounts as at the end of the financial year. This is considered to be a reliable data source as Bergrivier does not have informal townships and each and every household receives an account for refuse removal.

There is a total of 9 210 urban households in the Municipality (2015/16) of which 1 793 are poor (indigent). This figure constitutes 19.46 % of the total number of households and is a significant decrease from the previous years where indigent households constituted 20.12 % of the total number of households. Indigent households are defined as households where the combined monthly income of the household is less than the equivalent of two state pensions plus 10 %.

The following figure indicates the household dispersion in Bergrivier over the last 3 (three) financial years:

FIGURE 6: HOUSEHOLD DISPERSION



Source: StatSA Community Survey 2016

## 1.4 SOCIO ECONOMIC OVERVIEW

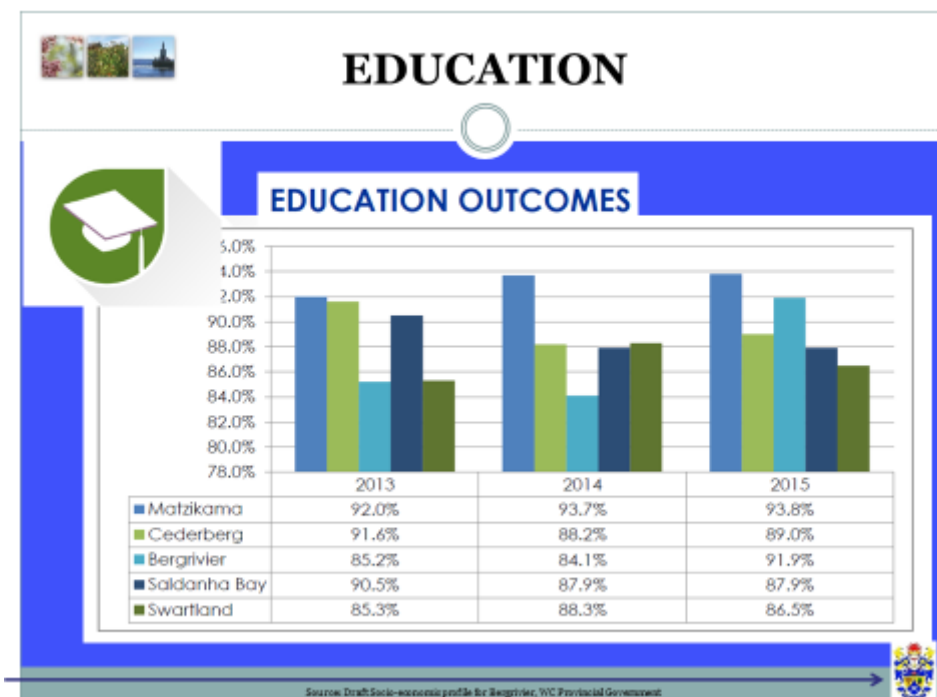
### 1.4.1 EDUCATION

Education and skills will improve access to available employment opportunities. The low education and skills levels of the Bergrivier Community are contributing to unemployment and poverty and are cause for concern.

Further education and training opportunities are limited by the absence of any tertiary education facilities in the Municipal Area.

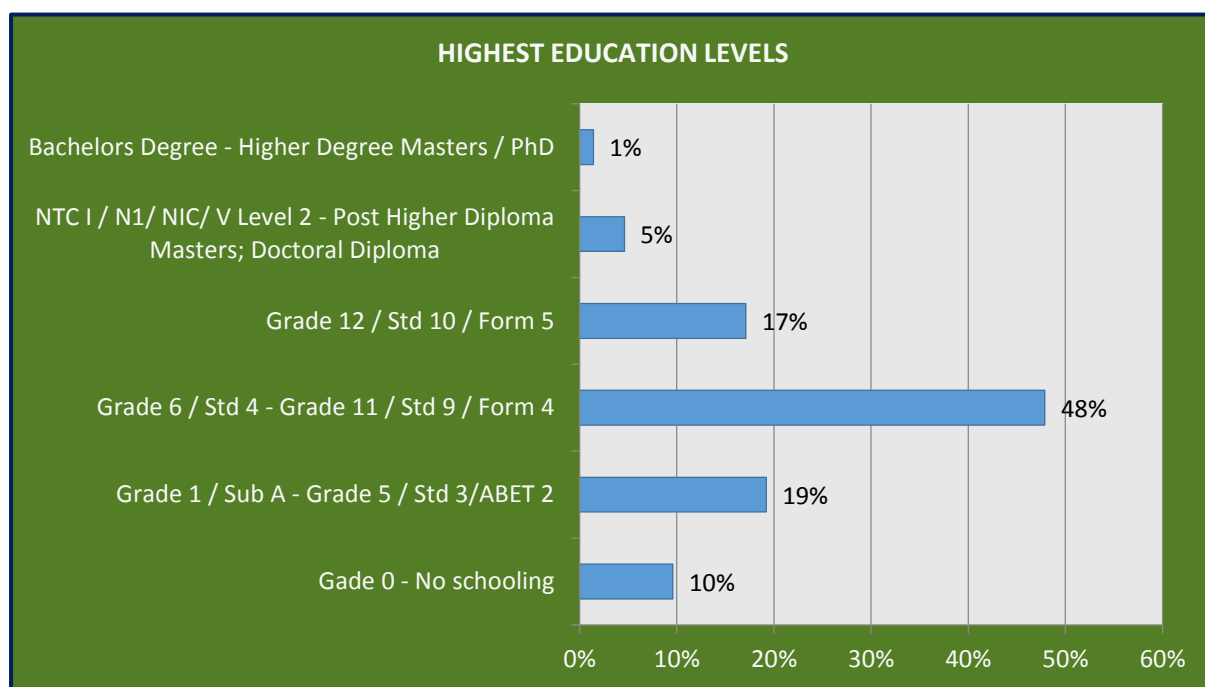
The following table and figure provides an overview of the highest education levels achieved by school leavers. Of particular significance is the fact that 48% of the population are not completing their schooling and are leaving school during secondary school, despite the fact that there are 21 schools in the Municipal Area of which 11 are no fee schools. (Western Cape Government: Provincial Treasury: Regional Economic Development Profile 2013). It is also significant that only 6 % of school leavers have some form of tertiary education. Of particular significance is the fact that the number of people over the age of 20 years with no schooling has reduced significantly (Census 2011).

**TABLE 6: EDUCATION LEVELS**



Statistics StatSA Community Survey 2016

FIGURE 7: HIGHEST EDUCATION LEVELS



Statistics South Africa: Census 2011

The problem is exacerbated by a low literacy rate, which is an indicator of the levels of education and skill in the economy. The literacy rate is calculated as the proportion of persons 14 years and older who have successfully completed a minimum of 7 years of formal education.

According to the Western Cape Government: Provincial Treasury: Municipal Economic Review and Outlook (MERO) 2014, the Municipality's literacy level is 76.4 % which is lower than the Provincial and District norms of 87.2% and 79.1% respectively. A positive is that it has increased by 6 % since 2001. Education is the functional mandate of the Department of Education, but the impact of shortcomings within the education system impact on the Municipality. The Municipality therefore has a vested interest in working co-operatively with the Department of Education and related departments whose functional mandates fall within the realm of social development.

Educational indicators for Bergrivier Municipal Area are as follows:

**TABLE 7: EDUCATIONAL INDICATORS: BERGRIVIER MUNICIPALITY**

INDICATOR	2014	2015
Learner enrolment	8 709	10 304
Average learner / teacher Ratio	2,76%	2,52%
Average dropout rate	40%	-
Drop % in FET phase	28%	-
No of schools	20	20
▲ Primary	21	21
▲ Secondary	4	4
No of no fee schools	8	8



INDICATOR	2014	2015
Matric pass rate	92,4%	93.3%

Department of Education

A major concern is that the number of children of school going age is increasing, yet learner enrolments are also on the increase. The relatively high matric pass rate is also of little significance if it is considered that 40 % of the learners are dropping out before matric and that there were only 248 matrics who passed Grade 12 in 2013. Teenage pregnancies are also contributing significantly to the school dropout rate.

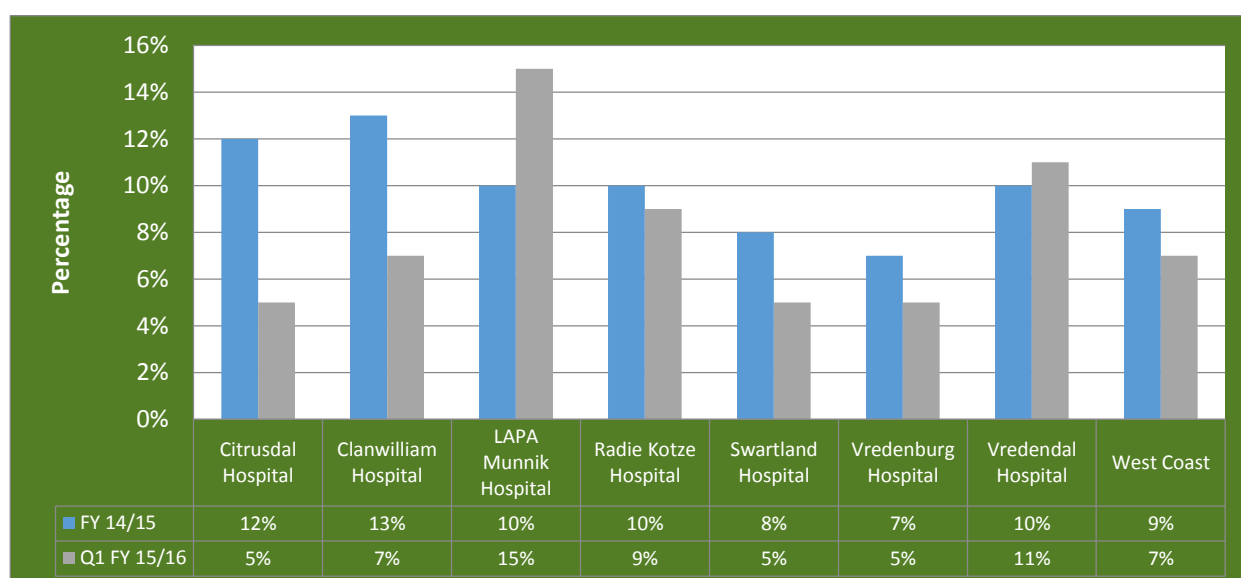
**TABLE 8: BERGRIVIER MUNICIPALITY LEARNER ENROLMENT FIGURES**

TOTAL GR R LEARNERS			TOTAL GR 1-7 LEARNERS				TOTAL GR 8-12 LEARNERS			
2012	2013	2014	2012	2013	2014	2015	2012	2013	2014	2015
633	737	715	5 647	5 694	5 662	6 790	2 426	2 350	2332	3 448

Department of Education

The following graph states the percentage of children younger than 18 years that gave birth in the various West Coast District public hospitals during the Provincial Government’s 2014/15 financial year (1 April 2014 to 31 March 2015) and the Province’s first quarter of the 2015/16 financial year (1 April 2015 to 30 June 2015). LAPA Munnik Hospital and Radie Kotze Hospitals are located in the Bergrivier municipal area. The rate for both hospitals is 10 % for the 2014/15 financial year and 15 % and 9 % respectively for the first quarter of the 2015/16 financial year.

**FIGURE 8: TEENAGE PREGNANCIES**



The Municipality actively engages with all Government Departments constituting what is known as the Social Cluster in the Municipal Area (Health, Social Development and Community Safety) in a bid to collectively address these issues and they form an integral component of the Municipalities IDP Representative Forum. Education was the highest priority on the Joint Planning Initiative.

### 1.4.2 HEALTH CARE

Access to healthcare is directly dependent on the distribution and accessibility of healthcare facilities. Critical health issues in the Bergrivier Municipal Area are:

- There are 14 health care facilities in the Municipal Area, including 3 clinics, 5 satellite clinics, 4 mobile clinics, and 2 district hospitals. The Municipality has the lowest number of health facilities in the District. There is a need for improved access to service delivery points, especially in rural areas, where people have to walk great distances to access services.
- HIV/AIDS remains a major concern. The Anti- Retroviral Treatment (ART) patient load in the Municipal Area as at June 2011 was 253 patients who had access to 9 Anti-Retroviral Treatment Sites. This is the lowest patient load in the District which may be attributable to the fact that the Municipality has the highest number of treatment sites. (Western Cape Government: Provincial Treasury: Regional Economic Development Profile 2013).
- Oral Health, especially the high burden of dental caries amongst young children;
- Teenage pregnancies which are increasing and which are also a major cause of school drop outs;
- Increase in violence-related injuries most of which arise as a result of substance abuse. (Western Cape Government: Bergrivier Municipality Consolidated Joint Planning Initiative (JPI) Report 2014)

The Municipality actively engages with all Government Departments constituting what is known as the Social Cluster (Health, Social Development and Community Safety) in a bid to collectively address these issues.

### 1.4.3 POVERTY

High poverty levels impact on the well-being of the community and the sustainability of the Municipality as it reduces the ability of people to pay for services and increases dependency on indigent grants which the Municipality finances from its equitable share. Development Indicators as a numerical measure of quality of life is being used to measure levels of development and poverty.

The following table provides a summary of Bergrivier Municipality's development indicators:

**TABLE 9: SUMMARY OF DEVELOPMENT INDICATORS**

INDICATOR	DESCRIPTION	BERGRIVIER		WEST COAST	WESTERN CAPE
		2001	2014	2014	2014
<b>Poverty Rate (2010)</b>	The poverty rate is the percentage of people living in households with an income less than the poverty income. The poverty income is defined as the minimum monthly income	34.2%	33.8%	30.4%	22.1%

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

INDICATOR	DESCRIPTION	BERGRIVIER		WEST COAST	WESTERN CAPE
		2001	2014	2014	2014
	needed to sustain a household and varies according to household size.				
<b>Literacy (2011)</b>	The literacy rate is an indication of the levels of education and skill in the economy.	70%	76.4%	79.1%	87.2%
<b>Gini coefficient (2011)</b>	The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households ear nothing).	0.56	0.58	0.58	0.58
<b>Human Development Index (2012)</b>	The HDI is a composite, relative index that quantifies the extent of human development of a community. It is based on measures of life expectancy, literacy and income.	0.66	0.66	0.67	0.68
<b>Unemployment Rate(2011)</b>	Unemployed are those people within the economically active population who (a) did not work in the seven days prior to census night, (b) wanted to work and were available to start work within a week of census night, and (c) had taken active steps to look for work or start some form of self-employment in the four weeks prior to census night.	7.6%	6.8%	14.8%	21.6%
Newest indicators vary from 2010 to 2013 and the date of the newest indicator is indicated in column 1					

Western Cape Government: Provincial Treasury: Municipal Economic Review and Outlook (2014)

According to the 2011 Census data, 74.8% of the population over the age of 18 years have a monthly income of less than R1600 per month.

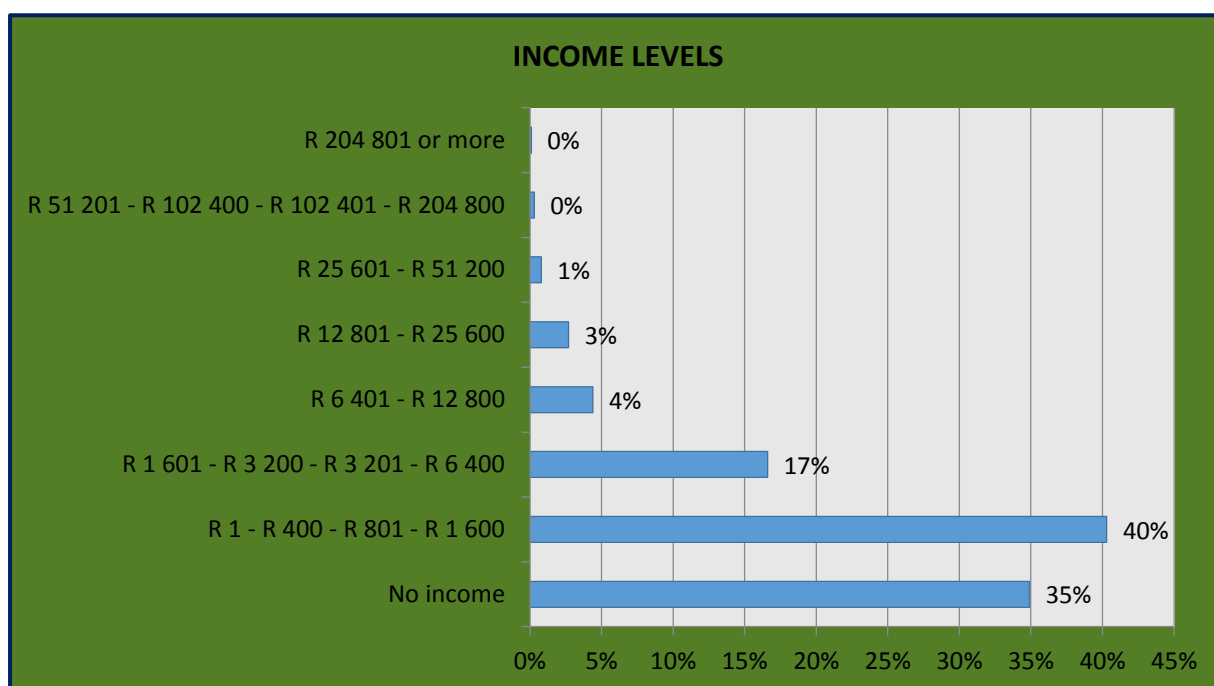
The following tables provide an overview of income levels within the Bergrivier Municipality:

**TABLE 10: INDIVIDUAL MONTHLY INCOME**

INCOME LEVEL	MALE	FEMALE
No income	7704	10757
R 1 - R 400 - R 801 - R 1 600	10178	11351
R 1 601 - R 3 200 - R 3 201 - R 6 400	5379	3526
R 6 401 - R 12 800	1487	879
R 12 801 - R 25 600	1070	410
R 25 601 - R 51 200	334	94
R 51 201 - R 102 400 - R 102 401 - R 204 800	117	52
R 204 801 or more	41	11

*Statistics South Africa: Census 2011*

**FIGURE 9: INCOME LEVELS**



*Statistics South Africa: Census 2011*

#### 1.4.4 THE LOCAL ECONOMY

Global, national, provincial and regional economic trends impact on the local economy. The global economy hit a recessionary low point in 2009 before turning around and growing at a rate of about 5% in 2010 and 2011. Since 2012, world growth has declined to 2.6 % per annum. The national economy has followed suit and is also in decline. The Western Cape economy fared slightly better with economic growth in the region decelerating from 3.5 % in 2011 to an estimated 3 % in 2012.

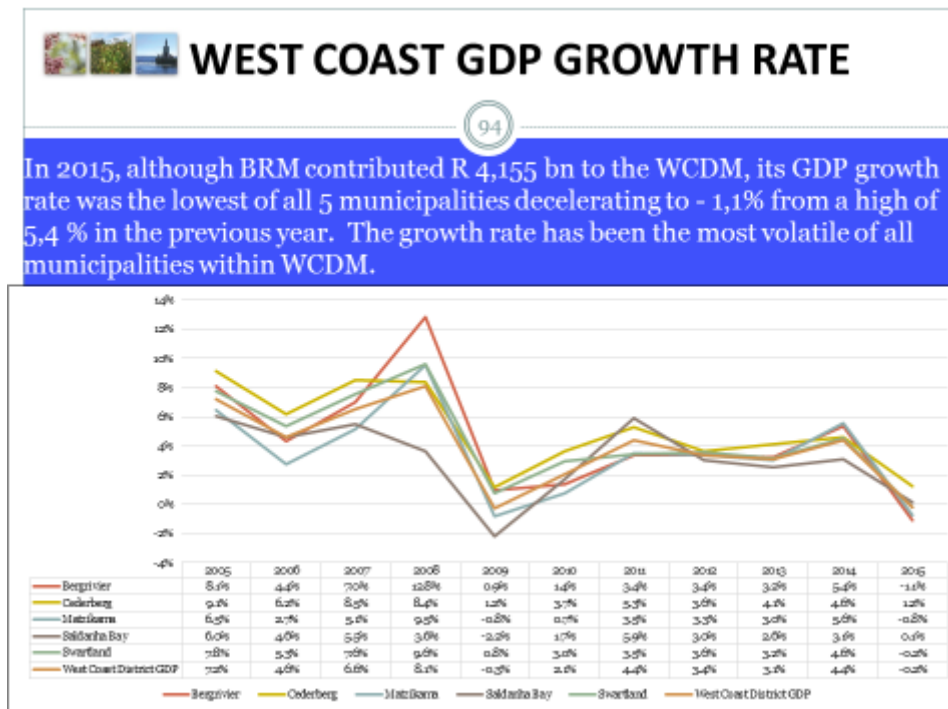
The West Coast District (WCD) economy was affected by the global recession. During 2013 the real GDP only grew by 2 % and in 2014 it dropped to 1, 1 %. The growth rates of the WCD of 2013/14 are below the average rate of 2,6 % which occurred between 2010 – 2014. For the 2015-2020 forecast period the estimated average annual growth is projected at 2,6 %.(*Western Cape Government: Municipal Economic Review & Outlook: West Coast District 2015, 2<sup>nd</sup> Draft*).

Economic growth is measured by Regional Gross Domestic Product (GDPR) and is driven by two components, namely population growth and labour productivity. Labour productivity reflects the ability to provide increased output from the existing quantity of labour in the economy. Various government agencies and independent analysts produce measures of labour productivity. For high-level analyses of the second component of economic growth, a productivity measure using overall economic production provides the most comprehensive and consistent measurement of economic productivity.

The following table indicates the growth across sectors for the period 2000 -2011. As can be seen, the agriculture, forestry and fishing sector remains in decline. Mining and quarrying, electricity gas and water and general government sectors have also declined. The construction, wholesale and retail trade, catering

and accommodation, transport, storage and communication, finance, insurance, real estate and business services and community, social and personal services sectors have experienced some growth.

**TABLE 11: MUNICIPAL GDPR GROWTH ACROSS SECTORS (2000 - 2011)**



Source: StatsSA Community Survey 2016

The following table indicates the sector composition of the Municipalities’s GDPR. The wholesale & retail trade, catering and accommodation sector is the most significant contributor, followed by the manufacturing sector and the agriculture, forestry & fishing sector. The wholesale and retail trade sector includes the tourism subsector, which has been identified as a sector for future economic growth in the Municipal Area.

**TABLE 12: SECTORAL COMPOSITION ACROSS MUNICIPALITIES (GDPR)**

West Coast GDP contribution/sector						
2015	West Coast	Bergervier	Cederberg	Matzikama	Saldanha Bay	Swartland
Agriculture, forestry & fishing	20,9%	31,9%	22,3%	29,7%	12,2%	18,7%
Mining & quarrying	0,5%	0,1%	0,2%	2,9%	0,2%	0,0%
Manufacturing	19,7%	20,3%	19,4%	12,5%	20,7%	22,5%
Electricity, gas & water	1,5%	1,3%	2,0%	2,0%	1,2%	1,5%
Construction	5,2%	3,9%	5,6%	5,2%	5,5%	5,3%
Wholesale & retail trade, catering & accommodation	15,3%	12,0%	13,9%	15,3%	16,1%	16,9%
Transport, storage & communication	7,8%	5,1%	13,0%	5,9%	8,7%	7,1%
Finance, insurance, real estate & business services	12,3%	10,9%	9,5%	9,6%	17,9%	10,0%
Community, social & personal services	6,3%	5,7%	5,6%	6,6%	6,3%	6,8%

Source: StatSA Community Survey 2016

The following table indicates the number of people employed in the six most predominant sectors in the Bergervier Municipal Area:

**TABLE 13: EMPLOYMENT PER SECTOR**

INDUSTRY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	CHANGE
Agriculture, forestry & fishing	12126	11122	9978	8797	7846	6995	5820	4469	3388	2760	2624	-11277
Manufacturing	1949	1957	1910	1962	2003	1984	1963	1904	1759	1686	1627	-327
Construction	800	862	800	848	975	1101	1114	1064	1013	967	1010	241
Wholesale and retail trade, catering & accommodation	2261	2467	2536	2786	3159	3407	3571	3672	3707	3789	3965	1780
Transport, storage and communication	274	276	291	291	289	276	266	274	257	260	263	-4
Finance, insurance, real estate and business services	838	947	1024	1077	1054	1120	1163	1189	1124	1124	1208	479

Western Cape Government: Municipal Economic Review &amp; Outlook: West Coast District 2015

Of particular interest to note is that the agriculture, forestry and fishing sector have always been regarded as the Municipality's most dominant employment sector, but this picture changed in 2009 when the wholesale and retail trade, catering and accommodation sector became most dominant. Between 2000 and 2011, a total of 11 277 jobs were lost in the agriculture, forestry and fishing sector. Agriculture nevertheless

remains a very important economic driver of the Bergrivier economy and it is imperative that the Municipality focus on ways to support this sector.

Tourism is part of the wholesale and retail trade, catering and accommodation sector and is one of the largest sources of employment in the country and uses a high rate of unskilled labour. The Bergrivier Tourism Survey 2015 indicated that the 183 registered tourism products in the Bergrivier Municipal Area created an estimated 427 permanent jobs and 191 temporary jobs during high season. National, Provincial and Regional strategies are placing a high priority on marketing, brand management and stimulating regional and domestic tourism and interventions include the development of business and events tourism, niche product, rural tourism development, responsible tourism development, increasing investment in tourism development, increasing investment in the tourism sector, transformation of the sector, promoting decent work, improving service excellence, addressing community beneficiation and effective co-operative partnerships.

Events tourism is highlighted as a growth area in all the strategies. It is estimated that the 350 visitors to Porterville in 2013, to participate in the Paragliding World Cup, has contributed approximately R 4 million to the local economy over an eight day period. Events such as these provide ample free marketing opportunities. The development and improvement of public and private tourism infrastructure is critical for sustainable growth. The standard of facilities, comfort, convenience and points of interest are vital to persuade the traveller to spend time and money in the Municipal Area rather than just passing through. During 2013 an ad hoc survey amongst estate agents in Velddrif indicated that up to 50 % of new property owners were exposed to the area during a family holiday. In Dwarskersbos the number was even higher at 85 % and in Port Owen 90 % of property owners confirmed that their decision to buy was influenced by holiday experiences.

There are significant opportunities in the Bergrivier Municipal Area that should be utilized for economic growth, especially the proximity to the Saldanha IDZ and to Cape Town. Bergrivier also needs to focus on the development of the tourism sector and optimally utilise our natural resources and the ability to offer unique experiences. There are a number of role players who are already contributing to the development of the economy of Bergrivier who needs support and needs to work together with organisations such as the Bergrivier Tourism Association (BTO) whom the Municipality supports through an annual grant. Other role players include the agriculture sector and the Piketberg, Wittewater, Goedverwacht (PWG) Community Engagement Forum which comprises representatives from civic organisations within Piketberg, Wittewater and Goedverwacht and which was established for the purpose of consultation and identification of community needs and projects.

### 1.4.5 EMPLOYMENT

High poverty levels are exacerbated by unemployment. The Census 2011 statistics for Bergrivier indicate that the overall unemployment rate for Bergrivier Municipality reduced from 8.7% in 2001 to 6.8% in 2011 (Unemployment rate based on Unemployed (1719)/Employed (25493) in 15 – 60 age group). The youth unemployment rate reduced from 10% in 2001 to 9.6% in 2011.

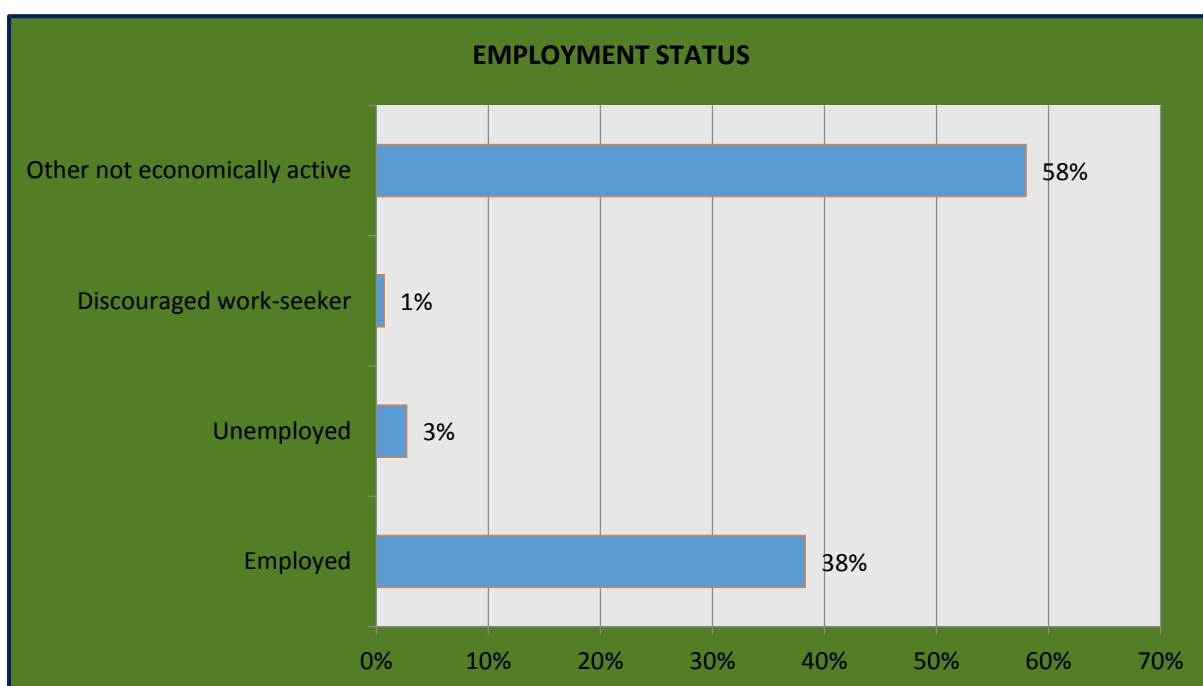
The same data sets indicate that 38 % of the economically active population are employed and only 4% of the economically active population (18 - 65 years) are unemployed or discouraged from seeking work. This means that 58% of the population between the ages of 18 and 65 who could be economically active are not economically active for various reasons and this translates to high levels of dependency on the economically active population.

The unemployment rate is believed to be somewhat optimistic, if compared to income and poverty levels within the Municipality and job losses that have been suffered. Another factor that needs to be taken cognisance of, is the fact that a high proportion of the Municipality’s economically active population are seasonal workers in the agricultural subsector who only work during certain times of year.

There is a gender imbalance in terms of employment and 5 % more men are employed than women. The economically inactive population indicates that 7 % more women are economically inactive than men. The unemployed and discouraged work seekers are almost on a par. This attests to a need to empower women.

The following figure and tables graphically depict the Municipality’s employment levels:

**FIGURE 10: EMPLOYMENT LEVELS**





**TABLE 14: EMPLOYMENT STATISTICS (18-65 YEARS)**

CATEGORY	MALE	FEMALE
<b>EMPLOYED</b>		
Black African	1584	1004
Coloured	9472	7720
Indian or Asian	55	37
White	2235	1499
Other	129	26
<b>Total</b>	<b>13475</b>	<b>10286</b>
<b>UNEMPLOYED</b>		
Black African	191	179
Coloured	575	629
Indian or Asian	2	4
White	61	81
Other	8	3
<b>Total</b>	<b>837</b>	<b>896</b>
<b>DISCOURAGED WORK-SEEKER</b>		
Black African	18	26
Coloured	177	191
Indian or Asian	-	-
White	21	30
Other	-	-
<b>Total</b>	<b>216</b>	<b>247</b>
<b>OTHER NOT ECONOMICALLY ACTIVE</b>		
Black African	1443	2557
Coloured	11262	13890
Indian or Asian	86	71
White	2688	3841
Other	54	49
<b>Total</b>	<b>15533</b>	<b>20408</b>

*Statistics South Africa: Census 2011*

Unemployment leads to poverty which impacts negatively on the Municipality's income as it reduces the ability of people to pay for services. People become dependent on indigent grants which the Municipality has to finance through its equitable share, as well as other grants provided by other government agents (such as SASSA).

The Municipality faces a number of challenges relating to unemployment, the most fundamental being that it must find ways and means to stimulate the local economy which will in turn lead to job creation. Coupled to this is the need to facilitate the establishment of education and training facilities in the Municipal Area that will provide access to training and skills development. This will enable the local community to take

advantage of available employment opportunities. A further challenge is ensuring that job opportunities within the Municipal Area are utilised by local communities. There is dissatisfaction in the Community because migrant labour is being brought in from other places to work on farms. The extent and reasons for this trend are not known and need to be investigated through engagement with appropriate stakeholders.

## 1.5 ENVIRONMENTAL OVERVIEW

The Environment is a concurrent National and Provincial competency in terms Schedule 4A of the Constitution. The Municipal Systems Act requires municipalities to work together with other organs of state to contribute to the progressive realisation of the right to environment (Section 23). The Bill of rights (Section 24) states that

*“Everyone has the right –*

- a) to an environment that is not harmful to their health or well-being; and*
- b) to have the environment protected, for the benefit of present and future generations through reasonable legislative and other measures that;
  - i. prevent pollution and ecological degradation*
  - ii. promote conservation*
  - iii. secure ecologically sustainable development and use of natural resources while**
- c) promoting justifiable economic and social development”*

In addition, there are numerous other statutes that give a defined role to municipalities in the conservation and sustainable development of the environment. There are also statutes that regulate the way in which municipalities perform their functions to ensure minimal negative impact to the environment.

Bergvriër Municipality consciously strives to conserve the natural environment by minimising the impact of its own activities. It also strives to minimise the impact of other parties’ activities through the utilisation of mechanisms provided by law. There are a number of factors that impact on the environment, one of the most critical being poverty which forces impoverished people to rely on natural resources which are often used unsustainably. Conversely private and public development initiatives which are needed to address poverty also have the potential to impact negatively on the environment if not managed correctly. The challenge that the Municipality faces is to ensure that all development is done in a sustainable manner.

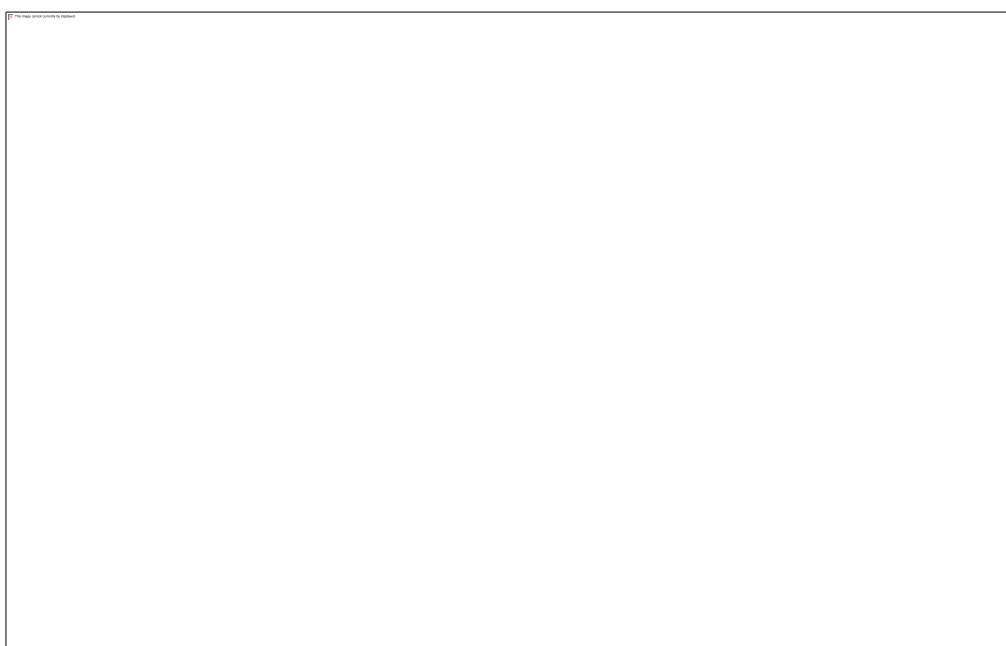
As stated in the preceding section, the wholesale, retail trade, catering and accommodation sector has the highest GDP growth and is the most significant employment sector in Bergvriër Municipality. Tourism is included in this sector and in Bergvriër Municipality the natural environment is the foundation of the tourism industry.

The following table provides an overview of some of the key natural resources and its significance in and for Bergvriër.

**TABLE 15: KEY NATURAL RESOURCES**

NATURAL RESOURCE	SIGNIFICANCE TO COMMUNITY
<b>Berg River and Estuary</b>	<ul style="list-style-type: none"> <li>➤ Provides a range of eco system services (primary water source of Municipality)</li> <li>➤ Recreation (especially angling, canoeing, boating)</li> <li>➤ Agriculture (irrigation)</li> </ul>
<b>Coastal Zone (Including Berg River Estuary)</b> See cover page of Chapter 2	<ul style="list-style-type: none"> <li>➤ Recreation (especially angling, canoeing, boating)</li> <li>➤ Conservation</li> <li>➤ Tourism (especially birding)</li> <li>➤ Fishing industry</li> <li>➤ Salt industry</li> </ul>
<b>Verlorenvlei (upper reaches near Redelinghuys)</b> See cover page of Chapter 1	<ul style="list-style-type: none"> <li>➤ Conservation</li> <li>➤ Tourism (especially birding)</li> <li>➤ Recreation</li> </ul>
<b>Rocherpan</b>	<ul style="list-style-type: none"> <li>➤ Conservation</li> <li>➤ Tourism (especially birding)</li> <li>➤ Recreation</li> </ul>
<b>Groot Winterhoek Wilderness Area</b> See cover page Chapter 3	<ul style="list-style-type: none"> <li>➤ Conservation</li> <li>➤ Tourism (especially eco-tourism)</li> <li>➤ Recreation</li> </ul>

The Municipality works in partnership with various organs of state and private institutions to ensure that it gives effect to its environmental obligations.



**Rocherpan Nature Reserve**

## 1.6 GOVERNANCE OVERVIEW

Chapter 2 provides detailed information on the governance performance of the Municipality during the 2015/16 financial year.

### 1.6.1 POLITICAL AND ADMINISTRATIVE GOVERNANCE

Sections 153(1) and (2) of the Constitution state that the executive and legislative authority of a municipality is vested in its municipal council and that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution. Municipal councils may exercise their authority within an area of jurisdiction as determined by the Municipal Demarcation Board in terms of the Local Government: Municipal Demarcation Act, 1998, (Act 27 of 1998).

- **Political governance**

The Municipality's political governance structures comprise:

- The Municipal Council which is constituted by 13 Councillors and led by a DA majority working together with COPE;
- The Office of the Speaker who is the chairperson of the Municipal Council and responsible for the application of the Code of Conduct, public participation and ward committees;
- The Executive Mayor and Mayoral Committee. The Council has delegated all its executive functions except those which it may not delegate by law to the Executive Mayor and the Mayoral Committee to ensure optimal operational efficiency;
- Portfolio Committees, of which there are three namely a Corporate -, Finance - and Technical Services Portfolio Committee, which are chaired by the Deputy Mayor and the two members of the Mayoral Committee. The remaining members of these Committees comprise the other Councillors. Portfolio Committees have no powers and may only make recommendations to the Mayoral Committee.
- Other Committees established by the Council for specific purposes, namely the Municipal Public Accounts Committee (MPAC), Performance/Audit Committee and Oversight Committee.

The Municipal Council functions in terms of the Council's Rules of Order, which have the same status as a by-law. The Rules of Order were promulgated in the Provincial Gazette on 7 June 2013. Councillors are bound by the Code of Conduct for Municipal Councillors which is contained in the Schedule 1 of the Municipal Systems Act.

- **Administrative governance**

The Municipal Manager is the Head of the Administration and Accounting Officer of the Municipality, and is primarily responsible for service delivery. The Municipal Council approved a new macro structure on 29 October 2013, which was implemented with effect from the beginning of the 2013/14 financial year. The next revisions of the macro structure follows the next local government elections during 2016.

### 1.6.2 INTERGOVERNMENTAL RELATIONS

Section 3 of the Municipal Systems Act requires municipalities to exercise their executive and legislative authority within the constitutional system of co-operative government envisaged in Section 41 of the Constitution. The Municipality participates on numerous National, Provincial and District intergovernmental forums. The municipality is furthermore involved in the development of a partnership agreement with a Belgium municipality to share experiences and to implement joint projects.

### 1.6.3 PUBLIC PARTICIPATION AND ACCOUNTABILITY

The Constitution (Section 152) sets out the objectives of local government, one of which is the provision of democratic and accountable government to local communities. This is reiterated by Section 15(b) of the Municipal Systems Act (2000) which requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff.

- **Public participation**

Municipalities are required to encourage local communities and community organisations to participate in the matters of local government. A Municipality is required to develop a culture of community participation and develop a system of participatory municipal governance that compliments formal representative governance. The Municipality is also required to supply its community with information concerning municipal governance, management and development. Bergrivier Municipality makes use of the following public participation structures:

- Public meetings; A total of 13 public meetings were held during the year.
- Ward Committees; A total of 29 ward committee meetings took place during the year.
- IDP Representative Forum meetings took place on 17 & 18 September 2015 and 2 Forum meetings were held on 25 & 26 April 2016. The objectives of these meetings were to provide the formal sectors of the community with an opportunity to give input into the IDP and budget process. The IDP Forum meetings also assisted greatly in the Joint Planning process with Provincial Government by assisting the Municipality with the identification and prioritisation of game changers in our area.
- Sector engagements; in a bid to enhance the quality of public participation outcomes, the Municipal Area was divided into 14 sectors and have commenced with individual sector engagements with registered stakeholders in each sector. Sector engagements take the form of two way dialogues between and amongst sector representatives and the Municipality and are proving to be very effective as it focusses on issues as well as ways and means of resolving issues jointly. It also enables the Municipality to solicit more detailed inputs than it is possible to do in public meetings. During this financial year Bergrivier focused on local economic development and had sector engagements with tourism, business and the hospitality industry.

#### 1.6.4 CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws and relationships affecting the way an institution is directed, administered or controlled.

- **Audit Unit**

The Municipality has an Internal Audit Unit as required by Section 165(1) of the MFMA and an Internal Auditor who reports to the Municipal Manager. The Internal Auditor is responsible for the Audit Unit and must also ensure that the Audit Committee and the Performance Audit Committee meets as legislated and that all aspects required by legislation are submitted at these meetings to ensure that the committees are informed and that recommendations can be made and implemented.

- **Risk management**

The Municipality has a Risk Committee which meets quarterly. Strategic risks are identified during the annual strategic planning session of the Council as well as by senior management at management meetings and Risk Committee Meetings. Departmental and operational risks are identified by the directorates and managed by the respective Directors. Strategic risks are captured in an automated electronic risk register (Risk Assist) after Council approves the Annual Risk Register.

#### **Anti-corruption and fraud**

Bergvriër Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. The policy of the municipality is zero tolerance to corruption and fraud.

Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent.

Implementing good governance, ethics, accountability as well as strategies and policies to prevent fraud and corruption is based on the principle that service delivery is the priority of the Municipality. Implementation of these principles and awareness are continuous processes aimed at ensuring that the interest and needs of the public are met.

- **By-laws**

Section 11 of the Municipal System Act gives Municipal Councils the executive and legislative authority to pass and implement by-laws. By-laws are discussed in Chapter 2.

The Municipality is in the process of implementing one new by-law, SPLUMA (Spatial Planning Land Use Management Act). This piece of legislation was enacted during this financial year and most of the work needed for the implementation of SPLUMA was completed during the financial year. The main change

is that no politically elected person (Councillor) will in future be involved in decisions taken on planning applications. The Municipality appointed a Municipal Planning Tribunal consisting of officials from the Municipality, the District Municipality and Provincial Government to deal with the planning applications. In this regard the Municipality approved a new Planning By-Law.

- **The Municipal Website**

The Municipal Systems Act (Section 21(B)) requires the Municipality to establish an official website. The Municipal Website is an integral part of the municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Bergrivier Municipality's official website is [www.bergmun.org.za](http://www.bergmun.org.za).

- **Public satisfaction on Municipal Services**

In April 2016, the Strategic Services Department undertook a Client Services Survey. The objective of the survey was to enable the Municipality to evaluate its compliance with its Client Services Charter. This evaluation was undertaken through 4 105 random surveys which evaluated 27 individual functions and 5 generic functions. For 2016 the survey classified volunteers into three different groups, namely: private home-owners, rentals and businesses. The survey revealed that the Community are generally satisfied with the standard of service delivery they receive.

## **1.7 SERVICE DELIVERY OVERVIEW**

Chapter 3 provides more detailed information on basic service delivery as well as all other functions rendered by the Municipality during 2015/16. The functions of the Municipality are set out in Section 156, read together with Schedules 4B and 5B of the Republic of South Africa Constitution, 1996.

Government policy places specific emphasis on the provision of basic services, which entail the provision of electricity, water, sanitation and waste collection. These services underlie the delivery of housing which is a concurrent Provincial and National Government competency.

The Municipality has been providing basic services at the prescribed level to all urban households within its area of jurisdiction since the 2008/09 financial year, but still faces major challenges when it comes to ensuring that residents of the private Moravian towns have access to minimum service standards. There are on-going discussions between the Municipality, Moravian Church of South Africa, West Coast District Municipality and Province to find a sustainable service delivery solution. The Municipality managed to facilitate funds from Provincial Government to assist with service delivery challenges in the Moravian Town of Wittewater. The Municipality upgraded their water network, increase the water source capacity by eradicated and removed the alien vegetation, improved and cleaned the weir in order to increase the capabilities of raw water intake, repaired the raw water feeder pipeline as well as upgraded the boreholes and pumps.

### **1.7.1 WATER**

The Municipality is a Water Services Authority in terms of the Water Services Act 1997, (Act 108 of 1997) and provides water services to all urban areas within its jurisdiction with the exception of the private towns. Water is provided to these towns on request and land owners billed accordingly. Registered indigent households within the Municipality's supply area are entitled to 6 Kl of free basic water. A key challenge that is emerging is the high housing demand and the expanding presence of backyard dwellers due to home owners renting out structures in their yards. Highlights of the 2015/16 financial year were that the Municipality still managed to keep water losses below 11% namely 10.13 % in 2015/2016 which is well below the national norm of 37 %. The quality of the Municipality's water as measured against National Standard SANS 242 and is still improving and well within the set norms as prescribed by the SANS 242. Abstract data from the supply system drinking water quality performance report from the Department of Water Affairs and Sanitation. Data is collected directly from the laboratory results and capture on a national database. Water is analyzed according to 4 criteria, namely Microbiological, Chemical, Physical Organoleptic and SANS 241 Operational Tests with an average of 96.4 %.

The Municipality completed the water infrastructure project at Porterville by increasing the capacity of the water treatment plant and replacing the pipeline from the water sources and upgrading the water division chamber at Porterville to make provision for future developments. The Municipality also started with the construction of the first phase of a 5 Mega Litre reservoir at Velddrif.

The Municipality also was successful by accessing grand funding from the Department of Water Affairs and Sanitation (ACIP) for Porterville for Water Demand Management and Conservation to the amount of R 1.65 million.

### **1.7.2 SANITATION**

The Municipality provides sanitation services to all urban areas within its jurisdiction with the exception of private towns. All urban households have access to minimum standards of sanitation and all indigent households receive free basic sanitation.

The Municipality was also successful by accessing grand funding from the Department of Water Affairs and Sanitation (ACIP) for Porterville for the upgrading of the Waste Water Treatment Works to the amount of R 2.84 million.

The key challenge applicable to water provision also applies to sanitation.



### **1.7.3 ELECTRICITY**

The Municipality is responsible for the distribution of electricity in all urban areas with the exception of private towns and a portion of Eendekuil. In Eendekuil the Municipality only distributes electricity to the area where the low cost houses are situated (162 households). ESKOM distributes electricity to the areas not serviced by the Municipality. All existing households within the Municipality's area of supply have access to minimum standards of electricity and get their first 50kWh free. There is also street lighting in all towns.

The Municipality completed a new electricity master plan with funding obtained from the Department of Local Government of R 400 000, 00. There was a slight increase in our electricity losses from 8.88 % in 2014/15 to 10.53 % in 2015/2016.

### **1.7.4 WASTE MANAGEMENT**

All households in urban areas, including Goedverwacht and Wittewater, have access to a weekly refuse removal service. Refuse is taken to refuse transfer stations at Piketberg, Velddrif and Porterville from where it is transported to license landfill sites at Malmesbury and Vredenburg in accordance with agreements concluded with the Swartland and Saldanha Bay Municipalities.

A key challenge is the rehabilitation of these sites due to the high cost involved. Highlights of the year include the conclusion of the aforesaid agreement with Saldanha Bay Municipality, which has resulted in a monthly saving of approximately R 25 000 on waste transportation costs, the closure and licensing of all unlicensed landfill sites and the obtaining of recycling permits for Piketberg and Velddrif.

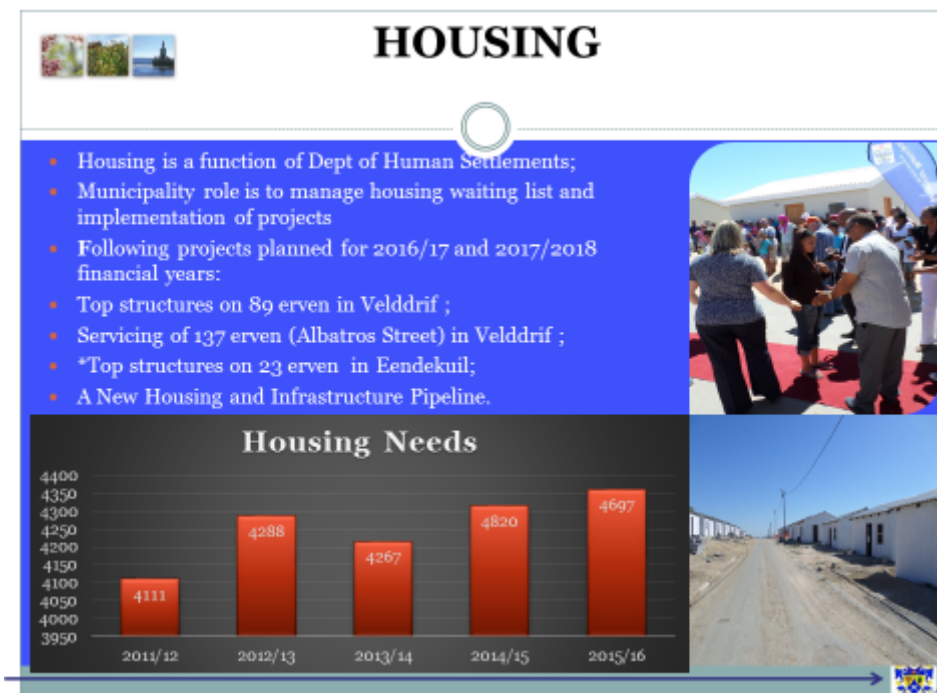
The Municipality recycle on average 7 % of the waste generated (excluding green material and building rubble), which contributes to lower dumping costs and transport costs.

The Municipality extended the recycling plant at Velddrif in order to accommodate the increasing recycled waste material and equipped the Piketberg and Velddrif transfer stations with weighbridge and a weigh pad respectively.

### **1.7.5 HUMAN SETTLEMENTS (HOUSING)**

Housing is a concurrent National and Provincial competency in terms of Schedule 4A of the Constitution. Section 10 of the Housing Act, 1997 (Act 107 of 1997) sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between the Municipality and the Provincial and National Departments responsible for Housing. The following figure provides an overview of the Municipality's housing needs as at 30 June 2016.

FIGURE 11: HOUSING NEEDS



Bergvriev Municipality Housing Waiting List as at 30 June 2016

The above figure indicates clearly a decline from 2012/13 to 2013/14 and 2015/2016 due to beneficiaries who passed away or who may have been accommodated elsewhere. In 2015/16, there is again an increase in number of beneficiaries on the waiting list.

A ten year housing and infrastructure pipeline was approved by Council on 25 November 2014 as well as an updated housing selection policy.

Key challenges are the scarcity of suitable land for housing and the high cost of bulk and service infrastructure. The Municipality was able to commence with the implementation of its Housing Pipeline that was approved in the 2012/13 financial year, and is currently in the process of revising the infrastructure and housing pipeline. Infrastructure and top structures required for the development of 116 low cost houses in Porterville and 107 (89 Erf 3046 and 18 Albatros Street) Top structures in Laaiplek were completed, as well as the upgrading of 34 hostels at Laaiplek. This is the first time in over 10 years that low cost housing was built in Porterville. The services and electricity were completed during the 2015/2016 financial year and the Municipality commenced with construction of the houses. In addition, the Municipality concluded services for 107 erven along Albatros Street in Velddrif.

**1.7.6 FREE BASIC SERVICES**

In the past, free basic water and electricity (6 kl water and 50 kW/h electricity) were supplied to all households irrespective of their financial position. From 2013/14, it was decided to provide free basic water to indigent households only. During 2014/15 the provision of free basic electricity followed and was only

delivered to indigent households. Free basic refuse removal and sanitation are provided to indigent households only.

## **1.8 ORGANISATIONAL DEVELOPMENT OVERVIEW**

Chapter 4 provides detailed information on the Municipalities organisational development.

### **1.8.1 THE MUNICIPAL WORKFORCE**

The new macro structure that was adopted by Council on 13 February 2013 was implemented with effect from the 2013/14 financial year.

#### 1.8.1.1 Management

The Municipal Manager is appointed on a fixed term contract in terms of Section 57 of the Municipal Systems Act and the three Directors reporting to the Municipal Manager are appointed on permanent contracts. Employment contracts and performance agreements are in place for the Municipal Manager and all Directors.

#### 1.8.1.2 Workforce, turnover and vacancies

The municipality employed 376 employees at the end of June 2016 and the total vacancy rate inclusive of funded and unfunded posts is 17.36 %. Currently 64 funded posts and 15 unfunded posts are still vacant. The vacancy rate for funded posts is 14.07 % which is quite higher than the 10.33 % of 2014/15. The vacancy rate is carefully managed and strategically done as a saving mechanism. The total staff turnover rate for the financial year to date is 0.48 %.

#### 1.8.1.3 Employment equity

The Municipality is strongly committed to the achievement of employment equity and equal opportunity for all employees and is actively working towards creating and maintaining a fair and equitable working environment, free from all forms of discrimination and harassment. It is difficult for the Municipality to comply with the employment equity targets of the country and the Western Cape Province demographic as it normally recruits from the region and the Employment Equity Plan is under review to reflect the demographics of the West Coast District Municipality instead of the Western Cape Province.

#### 1.8.1.4 Human Resource policies and plans

All policies and plans required by legislation are in place, as well as a number of other policies that are necessary for the maintenance of harmonious labour relations. During the year the recruitment and selection policy was reviewed and approved by council. Ten new policies are in draft form for approval in the new financial year.

1.8.1.5 Terminations, Recruitment, Selection and Absenteeism

There were 30 terminations during the year. Fourteen were voluntary resignations. Three dismissals were a result of disciplinary steps instituted by the employer. The Municipality's absenteeism rate is higher than the norm and needs to be addressed.

1.8.1.6 Occupational Health and Safety

A total of 22 incidents occurred and is a decrease from the previous financial year. Most of the injuries on duty occurred in Piketberg. No injuries on duty were recorded in Redelinghuys and Eendekuil during the 2015/16 financial year.

**1.8.2 CAPACITATING THE MUNICIPAL WORKFORCE**

One of Bergrivier's development priorities is the development of the work force. A total of R 1 318 771.00 was spent (including Conference fees) during 2015/16 on training compared to R 1 097 394.00 in the previous financial year.

**1.8.3 MANAGING THE WORKFORCE EXPENDITURE**

The Municipality's employee costs are calculated as a percentage of the Municipality's operating expenditure. R 96 066 313.00 of the R 278 704 431.00 operating budget for 2015/16 was spent on employee costs, which translates to a percentage of 34.47 %. This is slightly lower than the previous year where employee costs constituted 36.53% of the operating budget. The percentage personnel expenditure to total expenditure is higher for small municipalities as the same legal requirements for budgetary reporting, internal audit, strategic planning, performance management and intergovernmental relations and working groups apply to all municipalities irrespective of their size. This places pressure on the size of smaller municipality's staff structures.

**1.9 FINANCIAL HEALTH OVERVIEW**

**1.9.1 FINANCIAL PERFORMANCE**

1.9.1.1 Financial performance

There was a significant improvement in the financial position of Bergrivier Municipality during the 2015/16 financial year. The 2015/16 financial year was closed with a net surplus of R 36 322 383 which was a vast improvement on the net surplus of R 23 187 819 for the 2013/14 financial year.

**TABLE 16: INCOME OVERVIEW**

DETAILS	ORIGINAL BUDGET 2015/16	ADJUSTMENT BUDGET 2015/16	ACTUAL 2015/16
INCOME	R	R	R
Grants	74 963 000.00	102 303 916.00	92 210 588.00
Taxes, Levies and Tariffs	175 963 091.00	193 727 000.00	190 781 906.00
Other	15 258 380.00	20 302 000.00	25 640 537.00

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

DETAILS	ORIGINAL BUDGET 2015/16	ADJUSTMENT BUDGET 2015/16	ACTUAL 2015/16
<b>SUBTOTAL</b>	<b>266 184 471.00</b>	<b>316 332 916.00</b>	<b>308 633 031.00</b>
Less: Expenditure	231 555 875.00	300 716 590.00	283 162 028.00
<b>NET TOTAL</b>	<b>34 628 596.00</b>	<b>15 616 326.00</b>	<b>25 471 003.00</b>

(Figures exclude capital transfers and contributions)

1.9.1.2 Financial grants

The Municipality received the following grants and transfers:

**TABLE 17: FINANCIAL GRANTS**

DESCRIPTION	2014/15	BUDGET YEAR 2015/16			Yearend balance
	Yearend balance	Received	YTD Operating Exp	YTD Capital Exp	
	R000	R000	R000	R000	R000
Provincial Grants	(24 948)	7 391 609	(6 688 451)	(605 000)	73 210
National Grants	1 348 069	55 568 734	(35 522 704)	(19 054 572)	991 527
Other	83 136	456 086	(479 807)		59 415
<b>TOTAL TRANSFERS &amp; GRANTS</b>	<b>1 406 257</b>	<b>59 848 935</b>	<b>40 981 105</b>	<b>24 528 783</b>	<b>1 124 152</b>

1.9.1.3 Asset management

Assets are managed and maintained by the Directorate under which they resort and provision is made under their respective operational budgets for maintenance over the life cycle of the asset.

1.9.1.4 Financial ratios and indicators

The Municipality has a number of operating ratios and indicators to enable it to benchmark its financial performance. The basis of calculation of these ratios can be found in Chapter 5. The following table provides an overview of the key ratios and indicators and indicates their status:

**TABLE 18: OPERATING RATIOS**

RATIO	2012/13	2013/14	2014/15	2015/16
Liquidity ratio	34.71 %	82.98%	112 %	148 %
Cost coverage ratio	2.02	5.44	6.35	7.78
Outstanding service debtors to revenue	34.9 %	34.4 %	35.47 %	31.47 %
Debt coverage	47.39	33.20	19,08	24,22
Creditor's systems efficiency	95 %	95 %	97 %	95 %
Capital Charges to operating expenditure	4.48 %	4.87 %	5,09 %	4,57 %
Employee costs	38.55 %	37.71 %	32,77 %	34,47 %
Repairs & maintenance	2.51 %	1.82 %	1.92 %	2.31 %

**1.9.2 SPENDING AGAINST CAPITAL BUDGET**

## 1.9.2.1 Capital expenditure

The total capital budget for 2015/16 was R 30 650 050. During the adjustment budget, this amount increased to R 34 690 514. The increase on the capital budget was mainly due to the additional ACIP funding. According to the cash flow statement, the actual outcome for payment for capital assets was R 32 221 246.

**TABLE 19: TOTAL CAPITAL EXPENDITURE**

DETAIL	2012/13	2013/14	2014/15	2015/16
	R 000	R 000	R 000	R 000
Original Budget	25 023	23 219	49 649	30 650
Adjustment Budget	19 333	31 710	32 043	34 691
Actual	19 091	28 582	35 489	32 221

**1.9.3 CASH FLOW MANAGEMENT AND INVESTMENTS**

## 1.9.3.1 Cash flow

The Municipality's cash flow improved during 2015/16 and the preceding financial year due to strict budget control as well as debtor collection.

## 1.9.3.2 Borrowing and investments

An external loan to the amount of R 6 130 000 were taken up during the 2015/2016 financial year. Call investments to the value of R 5 627 255 exists at yearend.

## 1.9.3.3 Supply Chain Management

The Municipality has a Supply Chain Management Unit in place, however the structure does not give effect to all six areas of SCM namely demand, acquisition, logistics, disposal and performance management. The Municipality has a fully functional Bid Committee System in place and no Councillor is a member of any committee dealing with SCM processes.

## 1.9.3.4 GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Bergrivier strives to adhere to these standards at all times.

## 1.9.3.5 Annual Financial Statements

The Annual Financial Statements of the Bergrivier Municipality for 2015/16 have been prepared in accordance with Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and

directives issued by the Accounting Standards Board in Accordance with Section 122(3) of the said Act. The Annual Financial Statements are appended as Volume II of this document.

### 1.10 AUDITOR GENERAL REPORT

Annual Financial Statements must be submitted to the Auditor General for auditing in terms of Section 126 of the Municipal Finance Management Act, 2000, (Act 56 of 2003). The Auditor General is required to submit an Audit Report to the Municipal Manager which contains one of the following opinions:

- An unqualified opinion without matters (Commonly referred to as a “Clean Audit”).
- An unqualified opinion with emphasis of matter or other matters. (These matters do not affect the auditor’s opinion on whether the financial statements are fairly presented).
- Modified opinions of which there are three types namely:
  - A qualified opinion which is expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management regarding departures from the financial reporting framework, or a limitation of scope, is not as material and pervasive as to require an adverse opinion or a disclaimer of opinion.
  - An adverse opinion is expressed when the effect of a disagreement with management regarding departures from the financial reporting framework is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.

A Disclaimer of opinion which is expressed when the possible effect of a limitation of scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence to form an opinion and accordingly is unable to express an opinion on the financial statements.

**TABLE 21: AUDIT OUTCOME HISTORY**

OPINION	2012/13	2013/14	2014/15	2015/16
Unqualified opinion without matters (Clean Audit)				<b>X</b>
Unqualified opinion with emphasis of matter or other matters.	<b>X</b>	<b>X</b>	<b>X</b>	
Qualified opinion				
Adverse opinion				
Disclaimer				

The Audit report for 2015/16 was unqualified without matters. The complete Report is contained as part of the Annual Financial Statements (AFS) Volume II to this report.

### 1.11 STATUTORY ANNUAL REPORT PROCESS

The 2015/16 Annual Report reflects the performance of Bergrivier Municipality for the financial year commencing on 1 July 2015 and ending on 30 June 2016. This Annual Report is compiled in terms of Section 121 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) read together with Section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000).

**TABLE 22: STATUTORY ANNUAL REPORTING PROCESS**

LEGISLATION	SECTION	MAIN PROVISIONS
Municipal Systems Act No. 32 of 2000	Section 46: Annual performance reports	<p>1) A municipality must prepare for each financial year a performance report reflecting -</p> <ul style="list-style-type: none"> <li>(a) the performance of the municipality and of each external service provider during that financial year;</li> <li>(b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and</li> <li>(c) measures taken to improve performance.</li> </ul> <p>2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.</p>
Municipal Finance Management Act No 56 of 2003	Section 121: Preparation and adoption of annual reports	<p>1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.</p> <p>2) The purpose of an annual report is-</p> <ul style="list-style-type: none"> <li>(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;</li> <li>(b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and</li> <li>(c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.</li> </ul> <p>3) The annual report of a municipality must include-</p> <ul style="list-style-type: none"> <li>(a) the annual financial statements of the municipality, and in addition, if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126 (1);</li> <li>(b) the Auditor-General's audit report in terms of section 126 (3) on those financial statements;</li> <li>(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;</li> <li>(d) the Auditor-General's audit report in terms of section 45 (b) of the Municipal Systems Act;</li> <li>(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;</li> <li>(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;</li> <li>(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);</li> <li>(h) any explanations that may be necessary to clarify issues in connection with the financial statements;</li> <li>(i) any information as determined by the municipality;</li> <li>(j) any recommendations of the municipality's audit committee; and</li> <li>(k) any other information as may be prescribed.</li> </ul>



**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

LEGISLATION	SECTION	MAIN PROVISIONS
	Section 127: Submission and tabling of annual reports	<p>2) <i>The Mayor must within seven months (by end January) of the financial year, table in the municipal council the annual report of the municipality.</i></p> <p>3) <i>If the mayor, for whatever reason, is unable to table in council the annual report of the municipality, or the annual report of any municipal entity under the municipality's sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must:</i></p> <p style="padding-left: 40px;"><i>a) Promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and</i></p> <p style="padding-left: 40px;"><i>b) Submit to council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.</i></p> <p>5) <i>Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must—</i></p> <p style="padding-left: 40px;"><i>(a) in accordance with section 21A of the Municipal Systems Act—</i></p> <p style="padding-left: 80px;"><i>(i) make public the annual report; and</i></p> <p style="padding-left: 80px;"><i>(ii) invite the local community to submit representations in connection with the annual report; and</i></p> <p style="padding-left: 40px;"><i>(b) submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the Province.</i></p>
	Section 129: Oversight reports on annual reports	<p>1) <i>The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127 adopt an oversight report....</i></p>

## CHAPTER 2: GOVERNANCE



**Beautiful West Coast coastline between Velddrif and Dwarskersbos**

Photographer unknown: Photo provided

## INTRODUCTION

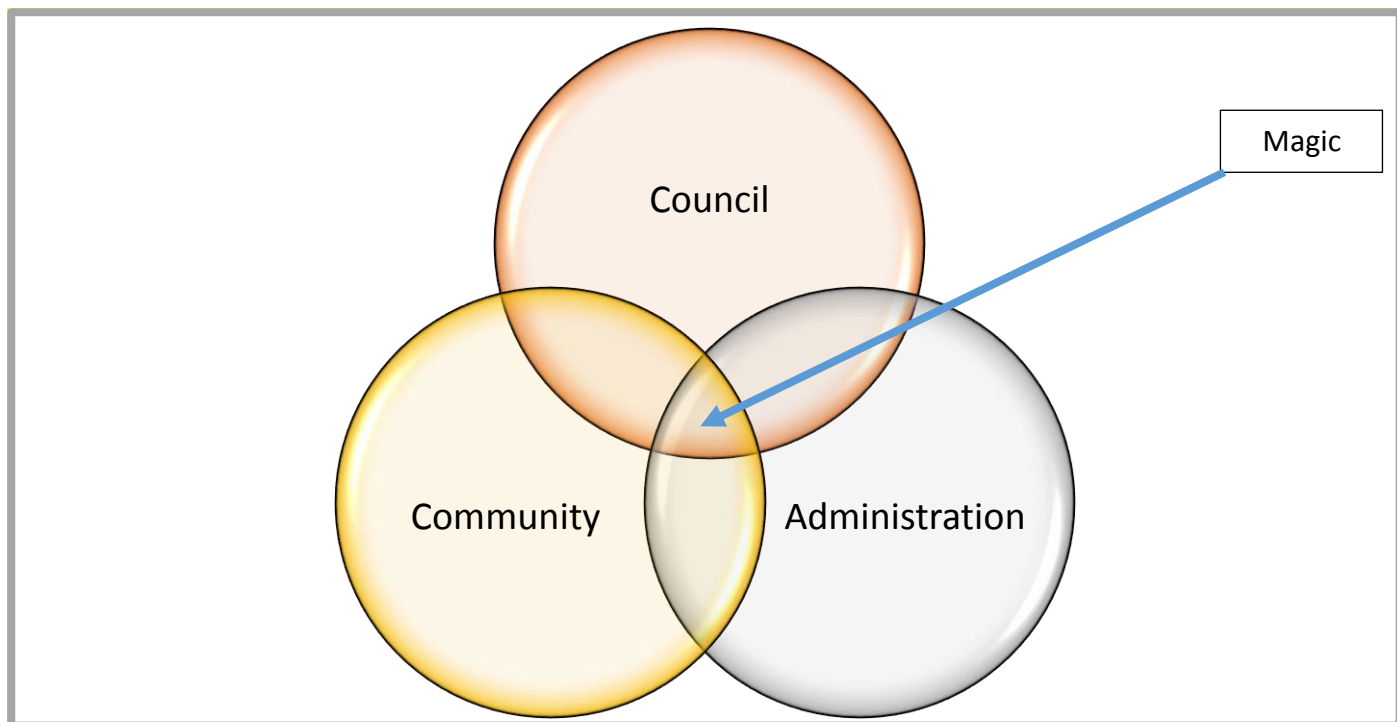
In terms of Section 40 of the Constitution of South Africa (1996), government is constituted as national, provincial and local spheres (municipalities) of government which are distinctive, interdependent and interrelated. The three spheres of government are required to cooperate with one another and adhere to the principles of cooperative governance as set out in the Constitution as well as the Intergovernmental Relations Framework Act, 2005, (Act 13 of 2005) (IGRF).

Sections 153 (1) and (2) of the Constitution state that the executive and legislative authority of a municipality is vested in its municipal council and that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution. Municipal councils may exercise their authority within an area of jurisdiction as determined by the Municipal Demarcation Board in terms of the Local Government: Municipal Demarcation Act 1998, (Act 27 of 1998).

Bergvriër Municipality is an organ of state within the local sphere of government, and is established in terms of Section 12 of the Municipal Structures Act, 1998 (Act 117 of 1998), as a Local Municipality with an Executive Mayoral System combined with a Ward Participatory system. Section 2(b) of the Municipal Systems Act, 2000 (Act 32 of 2000) states that a municipality is constituted by three partners, namely its political structures, administration and the community.

At Bergvriër Municipality we believe that these three partners must work seamlessly together to produce the best results:

**FIGURE 12: COMPOSITION OF A MUNICIPALITY**



## 2.2 POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated most of its executive functions to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy and decision-makers, Councillors are also actively involved in community work and various social programmes in the Municipal Area.

### 2.2.1 POLITICAL GOVERNANCE

The Municipalities' political governance structures comprise:

- ▲ The Municipal Council;
- ▲ The Speaker;
- ▲ The Executive Mayor and Mayoral Committee;
- ▲ Portfolio Committees; and
- ▲ Other Committees established by Council for specific purposes.

#### 2.2.1.1 THE MUNICIPAL COUNCIL

Councillors are elected by the local voters to serve a predetermined term of office on the local council as representatives of their respective constituents. Municipal elections take place every five years, and the current Municipal Council was elected following the Local Government Election which was held on 18 May 2011 and their term will end with the Local Government Elections on 3 Augustus 2016.

Councillors are remunerated in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). In terms of this Act the upper limits of salaries, allowances and benefits of different members of municipal councils are determined annually by regulation. The Municipal Council must take a decision to apply the regulation and obtain approval from the Provincial Minister of Local Government to implement it.

The Municipal Council of Bergrivier Municipality comprises 13 Councillors, seven of whom are Ward Councillors and six of whom are Proportional Representation (PR) Councillors.

The table below provides a list of Councillors, their office, political affiliations and whether they are a ward or proportional Councillor.

**TABLE 23: COUNCILLOR REPRESENTATION**

<p><b>Ald EB Manuel</b></p>  <p><b>Executive Mayor DA (Proportional)</b></p>	<p><b>Cllr SM Crafford</b></p>  <p><b>Deputy Mayor DA (Ward 7)</b></p>	<p><b>Ald A de Vries</b></p>  <p><b>Mayoral Committee DA (Proportional)</b></p>	<p><b>Ald RM van Rooy</b></p>  <p><b>Mayoral Committee COPE (Ward 4)</b></p>	<p><b>Ald JA Raats</b></p>  <p><b>Speaker DA (Ward 1)</b></p>
<p><b>Cllr D Smith</b></p>  <p><b>Ward Councillor DA (Ward 5)</b></p>	<p><b>Cllr CJ Snyders</b></p>  <p><b>Ward Councillor DA (Ward 6)</b></p>	<p><b>Cllr WJ Dirks</b></p>  <p><b>Ward Councillor ANC (Ward 2)</b></p>	<p><b>Cllr JC Botha</b></p>  <p><b>Ward Councillor DA (Ward 3)</b></p>	<p><b>Cllr SR Claassen</b></p>  <p><b>Councillor ANC (Proportional)</b></p>
<p><b>Cllr SIJ Smit</b></p>  <p><b>Councillor ANC (Proportional)</b></p>	<p><b>Cllr C Snyders</b></p>  <p><b>Councillor ANC (Proportional)</b></p>	<p><b>Cllr A Maarman</b></p>  <p><b>Councillor ANC (Proportional)</b></p>	 <p><b>Municipal Council 2015/16</b></p>	

Section 37(c) of the Municipal Structures Act requires Municipal Councils to meet quarterly (minimum of 4 meetings). The Bergrivier Municipal Council held a total of 12 meetings (Ordinary and Special meetings) during the course of the year. The following tables indicate the Council Meetings that were held and individual attendance.

**TABLE 24: COUNCIL MEETINGS**

DATES	ATTENDANCE	APOLOGIES	ABSENT
28 July 2015	13	0	0
27 August 2015	11	2	0
10 September 2015	8	5	0
29 September 2015	12	1	0
20 October 2015	12	1	0
24 November 2015	13	0	0
26 January 2016	13	0	0
23 February 2016	11	1	1
29 March 2016	12	1	0
21 April 2016	12	1	0
31 May 2016	11	2	0
21 June 2016 (Ald R van Rooy resigned on 06/06/2016)	11	1	0

**TABLE 25: MEETING ATTENDANCE**

MEMBERS	SCHEDULED MEETINGS	MEETINGS ATTENDED	APOLOGIES TENDERED	ABSENT
Ald EB Manuel	12	12	0	0
Ald JA Raats	12	12	0	0
Clr JC Botha	12	10	2	0
Ald A de Vries	12	12	0	0
Clr D Smith	12	11	1	0
Clr CJ Snyders	12	12	0	0
Clr SM Crafford (Me)	12	12	0	0
Ald RM van Rooy (Resigned on 06/06/2016)	12	11	0	0
Clr WJ Dirks	12	4	7	1
Clr SR Claassen	12	9	3	0
Clr SIJ Smit (Me)	12	11	1	0
Clr A Maarman	12	12	0	0
Rdl C Snyders (Me)	12	11	1	0

The absenteeism of Councillors is reported to the Speaker monthly by the Manager: Administrative Services. The Speaker is the Chairperson of the Council enforcing the Code of Conduct for Councillors.

The following table indicates the allocation of Councillors to the various committees.

**TABLE 26: COUNCILLOR ALLOCATIONS TO COMMITTEES**

COUNCIL MEMBERS	FULL TIME / PART TIME	COMMITTEE ALLOCATION	WARD AND/ OR PARTY
Ald EB Manuel	Full time	Executive Mayor	DA
Ald JA Raats	Full time	Speaker Member of the Corporate Services Committee Financial Services Committee Member Training Committee & Local Labour Forum	Ward 1 DA
Cllr JC Botha	Part time	Corporate Services Committee Member Technical Services Committee Member Municipal Public Accounts Committee Oversight Committee	Ward 3 DA
Ald A De Vries	Full time	Member Of Mayoral Committee Chairperson of Technical Services Committee Financial Services Committee Member Training Committee & Local Labour Forum	DA
Cllr D Smith	Part time	Technical Services Committee Member	Ward 5 DA
Cllr CJ Snyders	Part time	Municipal Public Accounts Committee Oversight Committee Financial Services Committee Training Committee & Local Labour Forum	Ward 6 DA
Cllr SM Crafford (Ms)	Full time	Deputy Executive Mayor Chairperson of Financial Services Committee	Ward 7 DA
Ald RM Van Rooy	Full time Resigned 6 June 2016	Member Of Mayoral Committee Chairperson of Corporate Services Committee Financial Services Committee Member Technical Services Committee Member	Ward 4 COPE
Cllr WJ Dirks	Part time	Technical Services Committee Member	Ward 2 ANC
Cllr SR Claassen	Part time	Municipal Public Accounts Committee Oversight Committee	ANC
Cllr SIJ Smit (Ms)	Part time	Financial Services Committee Member Municipal Public Accounts Committee Oversight Committee	ANC
Cllr A Maarman	Part time	Corporate Services Committee Member	ANC
Cllr C Snyders (Ms)	Part time	Technical Services Committee Member	ANC

#### 2.2.1.2 POLITICAL DECISION-MAKING

The Council has delegated most of its executive functions to the Executive Mayor and the Mayoral Committee. A total of 103 Council Resolutions were passed and implemented during the year.

**TABLE 27: COUNCIL RESOLUTIONS PASSED 1 JULY 2015 – 30 JUNE 2016**

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
28 July 2015	16	Yes	0H40
27 August 2015	23	Yes	0H55
10 September 2015	13	Yes	0H50

<i>DATE OF MEETING</i>	<i>NUMBER OF ITEMS DISCUSSED</i>	<i>OPEN TO PUBLIC</i>	<i>DURATION</i>
<b>29 September 2015</b>	21	Yes	1H50
<b>20 October 2015</b>	17	Yes	0H40
<b>24 November 2015</b>	21	Yes	2H00
<b>26 January 2016</b>	14	Yes	1H20
<b>23 February 2016</b>	13	Yes	0H20
<b>29 March 2016</b>	14	Yes	0h45
<b>21 April 2016</b>	24	Yes	0H30
<b>31 May 2016</b>	25	Yes	1H20
<b>21 June 2016</b>	28	Yes	2h35

#### 2.2.1.3 RULES OF ORDER

The Municipal Council functions in terms of the Council's Rules of Order, which have the same status as a by-law. The Rules of Order were promulgated in the Provincial Gazette on 7 June 2013. Councillors are bound by the Code of Conduct for Municipal Councillors which is contained in Schedule 1 of the Municipal Systems Act.

#### 2.2.1.4 HONORARY TITLE OF ALDERMAN/ALDERLADY

The title of Alderman/Alderlady was granted to the Executive Mayor, Councillor EB Manuel, with effect from 2 June 2016. There are also three (3) other Councillors who achieved the title during the previous financial years, namely Alderman Raats, Van Rooy and De Vries.

The criteria to qualify for the title of Alderman/Alderlady include:

- 1) Aldermanship is given to a councillor who has served 10 years as a councillor, irrespective whether it was interrupted and/or if it was for more than one municipality;
- 2) A councillor who has been elected as Speaker or Mayor for a second term, receive Aldermanship when the term of office commences.
- 3) Aldermanship is given to any councillor that earns a minimum of twenty (20) point for the following:
  - one (1) point for every year service as a Councillor, plus
  - one (1) additional point for every year service as a councillor on the District Municipality representing the municipality or chairperson of a portfolio committee
  - two (2) additional points for every year service as Mayor or Member of the Executive Committee or Speaker or Deputy Mayor.

#### 2.2.1.5 CODE OF CONDUCT FOR COUNCILLORS

The Code of Conduct (Schedule 1 of the Municipal Systems Act) prescribes how municipal councillors must behave, and states the penalties for improper behaviour.

In general, the Code of Conduct requires that councillors must perform their duties:

- in good faith (or with a desire to act fairly towards others)



- honestly
- transparently
- in the best interests of the municipality (which includes the interests of the community).

In addition, the Code of Conduct requires that:

- Councillors must declare to the municipal manager, in writing, all their financial interests, within 60 days of their election (The Municipal Systems Act, Schedule 1: Code of Conduct, item 7(4)). The public can demand to have access to the interests declared by one or more councillors.
- A councillor must disclose (make public) any interest he has in any matter that is being considered by the council or its committees. This can be a direct or indirect interest, personally or through a spouse, partner or associate. Unless the Council decides that the interest disclosed is trivial or irrelevant, that councillor must withdraw and not participate in council or committee meetings on that matter. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 5(1))
- A councillor must disclose any special benefit that he or she, or his or her family member or spouse or partner will get from a contract that has been or will be signed with the municipality (The Municipal Systems Act, Schedule 1: Code of Conduct, item 5(1)). This must be done at the first council meeting where this is possible.
- Full-time councillors are not allowed to have any other paid work without the permission of the council. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 8)

The Code of Conduct also states the following:

- Councillors may not use their positions or confidential information for personal profit nor for the improper benefit of any other person. (Municipal Systems Act, Schedule 1: Code of Conduct, item 6(1);
- Councillors may not request or accept any rewards, or gifts or favours for:
  - voting or not voting on a matter before the council or any committee;
  - persuading the Council to make a decision one way or the other on any matter;
  - making representations to the Council;
  - disclosing confidential information. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 9);
- Councillors may not disclose confidential information of the council to people who are not allowed to know it. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 10); and

- Councillors are not allowed to interfere with the municipal administration. It is a criminal offence for a councillor to attempt to influence an employee or agent of the municipality not to enforce a law or a council decision. This offence can be punished by a fine or a jail sentence of up to two years. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 11).

The person primarily responsible for enforcing the Code of Conduct is the speaker of the municipal council. He or she must investigate if there is a reasonable suspicion that the Code of Conduct has not been complied with. After giving the councillor an opportunity to respond, the speaker must prepare a report which must be given to the council and made public. The council is then able to investigate whether a breach of the Code of Conduct has taken place. This investigation must be done by a committee of councillors. If the council decides that a councillor has breached the code of conduct, the council can:

- issue a formal warning to the councillor;
- reprimand the councillor;
- fine the councillor; and
- request the MEC for Local Government (Provincial Minister) to suspend the councillor for a period or remove the councillor from office.

If the council's own investigation is not enough or produces a flawed result, the MEC can intervene and conduct his/her own investigation. The MEC has power to suspend or remove the councillor from office.

The Code of Conduct for Councillors is available on the Municipal website

#### 2.2.1.6 THE SPEAKER

The Municipal Council is chaired by the Speaker, Alderman JA Raats. Section 37 of the Municipal Structures Act requires the Speaker of the Municipal Council to:

- (a) preside at meetings of the council;
- (b) perform the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000);
- (c) ensure that the council meets at least quarterly;
- (d) maintain order during meetings;
- (e) ensure compliance of with the Code of Conduct set out in Schedule 1 of the Local Government : Municipal Systems Act, 2000, (Act 32 of 2000); and
- (f) ensure that council meetings are conducted in accordance with the rules and orders of the council.

#### 2.2.1.7 THE EXECUTIVE MAYOR AND MAYORAL COMMITTEE

Alderman EB Manuel was elected as Executive Mayor and took office on 2 June 2011. The Executive Mayor is the centre of the governance system and is responsible for providing political and strategic leadership.

Executive power is vested in the Executive Mayor, in accordance with a framework of powers assigned by legislation and powers delegated by the Municipal Council in terms of the Municipal Systems Act, 2000, (Act 32 of 2000). In order to maximise operational efficiency, the Municipal Council has delegated all powers except those which it may not delegate by law to the Executive Mayor. The Executive Mayor is assisted by the Mayoral Committee. The Mayoral Committee is chaired by the Executive Mayor and comprises the Deputy Mayor and two full time Councillors.

**TABLE 28: ROLES AND RESPONSIBILITIES: MAYOR, DEPUTY MAYOR AND MAYORAL COMMITTEE**

OFFICE BEARER	FUNCTION
<b>EXECUTIVE MAYOR</b> <b>Ald EB Manuel</b>	<p>a) An executive mayor is entitled to receive reports from committees of the municipal council and to forward these reports together with a recommendation to the council when the matter cannot be disposed of by the executive mayor in terms of the executive mayor's delegated powers.</p> <p>(b) The executive mayor must—</p> <ol style="list-style-type: none"> <li>(1) identify the needs of the municipality;</li> <li>(2) review and evaluate those needs in order of priority;</li> <li>(3) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and</li> <li>(4) recommend or determine the best way, including partnership and other approaches to deliver those strategies, programmes and services to the maximum benefit of the community.</li> </ol> <p>(c) The executive mayor in performing the duties of office, must—</p> <ol style="list-style-type: none"> <li>(1) identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to in subsection (b)(3) can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;</li> <li>(2) evaluate progress against the key performance indicators;</li> <li>(3) review the performance of the municipality in order to improve—               <ol style="list-style-type: none"> <li>(in) the economy, efficiency and effectiveness of the municipality;</li> <li>(ii) the efficiency of credit control and revenue and debt collection services; and</li> <li>(iii) the implementation of the municipality's by-laws;</li> </ol> </li> <li>(4) monitor the management of the municipality's administration in accordance with the directions of the municipal council;</li> <li>(5) oversee the provision of services to communities in the municipality in a sustainable manner;</li> <li>(6) perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of Section 59 of the Systems Act;</li> <li>(7) annually report on the involvement of communities and community organisations in the affairs of the municipality; and</li> <li>(8) Ensure that regard is given to public views and report on the effect of consultation on the decisions of the council.</li> </ol> <p>(d) An executive mayor must perform a ceremonial role as the municipal council may determine.</p> <p>(e) An executive mayor must report to the municipal council on all decisions taken by the executive mayor.</p>
<b>DEPUTY EXECUTIVE MAYOR</b> <b>Cllr SM Crafford (Ms)</b>	<p>(f) The deputy executive mayor of a municipality exercises the powers and performs the duties of the executive mayor if the executive mayor is absent or not available or if the office of the executive mayor is vacant.</p>
<b>MAYORAL COMMITTEE MEMBERS</b> <b>Ald A de Vries and Ald RM Van Rooy</b> <b>(Resigned 06/06/2016)</b>	<p>The Executive Mayor's delegated powers and functions must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.</p>

Local Government Municipal Structures Act, 1998, (Act 117 of 1998)

The Mayoral Committee meets at least once a month. All reports required in terms of legislation were submitted timeously. A total of 22 Mayoral Committee meetings were held for 2015/16 (Ordinary and Special meetings).

The following tables indicate the Mayoral Committee Meetings that were held and individual attendance.

**TABLE 29: MAYORAL COMMITTEE MEETINGS**

DATES	ATTENDANCE	APOLOGIES	ABSENT
21 July 2015	4	0	0
28 July 2015	4	0	0
18 August 2015	3	1	0
27 August 2015	4	0	0
7 September 2015	4	0	0
15 September 2015	3	1	0
29 September 2015	4	0	0
20 October 2015	3	1	0
17 November 2015	4	0	0
24 November 2015	4	0	0
8 December 2015	4	0	0
25 January 2016	4	0	0
9 February 2016	4	0	0
23 February 2016	4	0	0
17 March 2016	4	0	0
29 March 2016	4	0	0
19 April 2016	4	0	0
17 May 2016	4	0	0
19 May 2016	3	1	0
23 May 2016	4	0	0
31 May 2016	4	0	0
21 June 2016 (Ald R van Rooy resigned on 06/06/2016)	3	0	0

**TABLE 30: MAYORAL COMMITTEE MEETING ATTENDANCE**

MEMBERS	SCHEDULED MEETINGS	MEETING ATTENDANCE	APOLOGIES TENDERED	ABSENT
Ald EB Manuel	22	22	0	0
Ald A de Vries	22	22	0	0
Clr SM Crafford (Me)	22	19	3	0
Ald RM van Rooy (Resigned on 06/06/2016)	21	20	1	0

A total of 117 Mayoral Committee resolutions were passed and implemented during the financial year. The following table indicates the number of resolutions passed per meeting.

**TABLE 31: MAYORAL COMMITTEE RESOLUTIONS PASSED 1 JULY 2015 – 30 JUNE 2016**

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
21 July 2015	18	Yes	1H10
28 July 2015	13	Yes	0H30
18 August 2015	36	Yes	2H20
27 August 2015	16	Yes	0H45
7 September 2015	15	Yes	0H45
15 September 2015	28	Yes	2H40
29 September 2015	15	Yes	0H55
20 October 2015	32	Yes	1H25
17 November 2015	27	Yes	1H15
24 November 2015	19	Yes	1H15
8 December 2015	22	Yes	1H00
25 January 2016	17	Yes	1H55
9 February 2016	16	Yes	0H40
23 February 2016	12	Yes	0H30
17 March 2016	19	Yes	1H55
29 March 2016	4	Yes	0H20
19 April 2016	20	Yes	0H50
17 May 2016	18	Yes	0H45
19 May 2016	13	Yes	1H20
23 May 2016	18	Yes	1H45
31 May 2016	16	Yes	0H30
21 June 2016	31	Yes	1H25

#### 2.2.1.8 PORTFOLIO COMMITTEES

Portfolio Committees appointed in terms of Section 80 of the Municipal Structures Act, 117, (Act 117 of 1998) Corporate, Finance and Technical Services Portfolio Committees, which are chaired by the Deputy Mayor and the two members of the Mayoral Committee. The remaining members of these Committees comprise of other Councillors. Portfolio Committees have no powers and may only make recommendations to the Mayoral Committee. Portfolio Committees meet once a month for at least 11 months of the year.

**TABLE 32: PORTFOLIO COMMITTEE MEETINGS**

COMMITTEE	COMPOSITION	MEETING DATES
<b>FINANCIAL SERVICES COMMITTEE</b> The Financial Services Committee discusses matters concerning the finances of the Municipality before submission to the Mayoral Committee for approval.	Cllr S Crafford (DA) (Chairperson) Cllr C Snyders (DA) (from 1 July 2014 – 30 April 2015) Ald R van Rooy (COPE) (Resigned 06/06/16) Cllr S Smit (ANC) Ald J Raats (DA) Ald A de Vries (DA)	04 August 2015 01 September 2015 06 October 2015 03 November 2015 01 December 2015 02 February 2016 01 March 2016 5 April 2016 04 May 2016 07 June 2016
<b>CORPORATE SERVICES COMMITTEE</b> The Corporate Services Committee discusses matters arising from the Office of the Municipal Manager and the Corporate Services Directorate before submission to the Mayoral Committee for approval.	Ald R van Rooy (COPE) (Chairperson) (Resigned 06/06/16) Ald J Raats (DA) Cllr JC Botha (DA) Cllr A Maarman (ANC)	04 August 2015 01 September 2015 06 October 2015 03 November 2015 01 December 2015 02 February 2016 01 March 2016 5 April 2016 04 May 2016 07 June 2016
<b>TECHNICAL SERVICES COMMITTEE</b> The Technical Services Committee discusses matters arising from the Technical Services Directorate before submission to the Mayoral Committee for approval.	Ald A de Vries (DA) (Chairperson) Cllr D Smith (DA) Ald R van Rooy (COPE) (Resigned 06/06/16) Cllr C Snyders (ANC) (Mrs) Cllr JC Botha (DA)	05 August 2015 02 September 2015 06 October 2015 04 November 2015 01 December 2015 03 February 2016 02 March 2016 06 April 2016 04 May 2016 08 June 2016

**TABLE 33: CORPORATE SERVICES COMMITTEE RECOMMENDATIONS PASSED TO MAYORAL COMMITTEE FROM 1 JULY 2015 – 30 JUNE 2016**

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
<b>JULY 2015</b>	No meeting	-	-
<b>4 AUGUST 2015</b>	28	Yes	2H00
<b>1 SEPTEMBER 2015</b>	19	Yes	1H45
<b>6 OCTOBER 2015</b>	19	Yes	1H40
<b>3 NOVEMBER 2015</b>	17	Yes	2H40
<b>1 DECEMBER 2015</b>	17	Yes	1h20
<b>JANUARY 2016</b>	No meeting	-	-
<b>2 FEBRUARY 2016</b>	15	Yes	0H50
<b>1 MARCH 2016</b>	13	Yes	0H45
<b>5 APRIL 2016</b>	17	Yes	2h05
<b>4 MAY 2016</b>	15	Yes	0H25
<b>7 JUNE 2016</b>	23	Yes	1H30

**TABLE 34: FINANCIAL SERVICES COMMITTEE RECOMMENDATIONS PASSED TO MAYORAL COMMITTEE  
FROM 1 JULY 2015 – 30 JUNE 2016**

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
JULY 2015	No meeting	-	-
4 AUGUST 2015	14	Yes	2H00
1 SEPTEMBER 2015	10	Yes	1H05
6 OCTOBER 2015	13	Yes	1h40
3 NOVEMBER 2015	12	Yes	0h35
1 DECEMBER 2015	10	Yes	1H00
JANUARY 2016	No meeting	-	-
2 FEBRUARY 2016	10	Yes	1H10
1 MARCH 2016	9	Yes	1H30
5 APRIL 2016	13	Yes	1H45
4 MAY2016	10	Yes	1H00
7 JUNE 2016	13	Yes	1H20

**TABLE 35: TECHNICAL SERVICES COMMITTEE RECOMMENDATIONS PASSED TO MAYORAL COMMITTEE  
FROM 1 JULY 2015 – 30 JUNE 2016**

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
JULY 2015	No meeting	-	-
5 AUGUST 2015	33	Yes	4H00
2 SEPTEMBER 2015	25	Yes	4H30
6 OCTOBER 2015	32	Yes	2H30
4 NOVEMBER 2015	33	Yes	3H20
1 DECEMBER 2015	22	Yes	2h30
JANUARY 2016	No meeting	-	-
3 FEBRUARY 2016	22	Yes	3H25
2 MARCH 2016	24	Yes	4H00
6 APRIL 2016	29	Yes	4H00
4 MAY2016	30	Yes	3H10
8 JUNE 2016	26	Yes	3H20

#### 2.2.1.9 OTHER COMMITTEES ESTABLISHED BY THE COUNCIL FOR SPECIFIC PURPOSES

##### 2.2.1.10 AUDIT- AND PERFORMANCE COMMITTEE

The Municipal Finance Management Act, 2003, (Act 56 of 2003) (MFMA) requires municipalities to have an audit committee. Sections 166 (1) and (2) set out the functions of an audit committee;

- 1) “An audit committee is an independent advisory body which must –



- a) Advise the council, political office bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity on matters relating to –
  - i. Internal financial controls and internal audits;
  - ii. Risk management;
  - iii. Accounting policies;
  - iv. The adequacy, reliability and accuracy of financial reporting and information;
  - v. Performance management;
  - vi. Effective governance;
  - vii. Compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;
  - viii. Performance evaluation; and
  - ix. Any other issues referred to it by the municipality or municipal entity
- b) Review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- c) Respond to council on any issues raised by the Auditor-General in the audit report;
- d) Carry out investigations into the financial affairs of the municipality as the council may request; and
- e) Perform such other functions as may be prescribed.

Section 40 of the Municipal Systems Act requires municipalities to establish mechanisms to monitor and review their performance. The Local Government Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001) require municipalities to establish performance audit committees for this purpose. The functions of the performance audit committee are as follows:

“4(a) a performance audit committee must:

- (i) review the quarterly reports submitted to it by the internal auditors, dealing with quarterly reports, which the internal auditors are required to submit to the municipal manager and the performance audit committee;
  - (ii) review the municipality’s performance management system and make recommendations in this regard to the council of that municipality; and
  - (iii) at least twice during a financial year submit an audit report to the municipal council concerned.
- (b) In reviewing the municipality’s performance management system in terms of (a) (ii), the performance audit committee must focus on economy, efficiency and effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

(c) A performance audit committee may –

- (i) communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;
- (ii) Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- (iii) request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- (iv) investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

Bergvliet Municipality has a fully functional Audit- and Performance Audit Committee in terms of Section 166(6) (a) of the MFMA. All the members of the Audit Committee are also members of the Performance Audit Committee, with the exception of an additional expert member on performance management. The Audit and Performance Audit Committee meets quarterly on the same dates.

**TABLE 36: AUDIT AND PERFORMANCE COMMITTEE COMPOSITION AND ATTENDANCE**

MEMBERS	CAPACITY	26 AUGUST 2015	03 DECEMBER 2015	01 APRIL 2016	24 JUNE 2016
Ms K Montgomery	Chairperson	Yes	Yes	Yes	Yes
Mr B Daries	Member	No	Yes	Yes	Resigned
Mr G N Lawrence	Member	Yes	Yes	Yes	Yes
Mr B van Staaden	Member	No	Yes	No	Yes
Mr S Allie	Expert member for performance management	Yes	Yes	Yes	Yes

The recommendations of the Audit Committee and the 2014/15 Audit are contained in **APPENDIX 2**.

Report by the Chairperson of the Audit Committee is contained in **APPENDIX 3**.

#### 2.2.1.11 OVERSIGHT COMMITTEE

Section 127 (2) of the Municipal Finance Management Act requires the Executive Mayor to table the Municipality's Annual Report by the end of January each year. Section 129 of the same Act requires the Council to adopt an Oversight Report within two months of the Annual Report having been tabled which means that the Oversight Report must be tabled by 31 March of each year.

Section 46 of the Municipal Systems Act requires the Municipality to prepare a Performance Report for each financial year which reflects the performance of the Municipality and each of its external service providers during that financial year, as measured against predetermined targets as well as the performance of the

previous year. The Annual Performance Report must form part of the Municipality’s Annual Report in terms of Section 127(1) of the Municipal Finance Management Act (MFMA).

MFMA Circular 32 of 2006 prescribes the oversight process and the establishment of the Oversight Committee. The Oversight Committee must be appointed in terms of Sections 33 and 79 of the Municipal Structures Act 1998, (Act 117 of 1998). This means that the Council must determine the functions of the Committee and appoint the Chairperson. The Council may also delegate powers and duties to the Committee, authorise the Committee to co-opt advisory members, and remove a member at any time. The functions of the Oversight Committee are as follows:

- a. To undertake a detailed analysis and review of the Municipality’s Annual Reports;
- b. To consider inputs from the Council, Portfolio Committees and Public on the Municipality’s Annual Reports;
- c. To consider inputs from the Municipality’s Audit Committee and Performance Committees as well as the Auditor General on the Municipality’s Annual Reports, and;
- d. To draft an oversight report on the Municipality’s Annual Reports.

**TABLE 37: OVERSIGHT COMMITTEE COMPOSITION AND ATTENDANCE**

MEMBERS	26 NOVEMBER 2015	8 DECEMBER 2015	19 JANUARY 2016	9 FEBRUARY 2016
Mr N Stevens (Chairperson)	Yes	Yes	Yes	Yes
Alderman I Spangenberg	Yes	Yes	Apology	Yes
Mr G Lawrence	Yes	Yes	Yes	Apology
Cllr J Botha (DA)	Yes	Yes	Yes	Yes
Cllr C Snyders (DA)	Yes	Yes	Yes	Yes
Cllr SIJ Smit (ANC)	Yes	Yes	Yes	Yes
Cllr S Claasen (ANC)	Apology	No	Apology	No

The 2014/2015 Oversight Report was submitted to the Municipal Council on 29 March 2016. An extract from this report containing the recommendations of the Oversight Committee and progress made with the implementation thereof is contained in **APPENDIX 4**.

#### 2.2.1.12 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) is established in terms of the provisions of the Local Government Municipal Structures Act, 1998, (Act 117 of 1998) and the Municipal Finance Management Act 2003, (Act 56 of 2003) to serve as an Oversight Committee to exercise oversight over the executive authority of Council. The MPAC assists Council to hold the executive councillors and municipal entities accountable, and to ensure the efficient and effective use of municipal resources.

Bergvliet Municipality has a fully functional MPAC and the members of the MPAC were as follows:

1. Mr N Stevens (Chairperson)

2. Ald I Spangenberg
3. Mrs K Montgomery (ex officio as Chairperson of the Audit Committee)
4. Cllr J Botha
5. Cllr S Snyders
6. Cllr S Smit
7. Cllr S Claasen

Functions of the MPAC include the following:

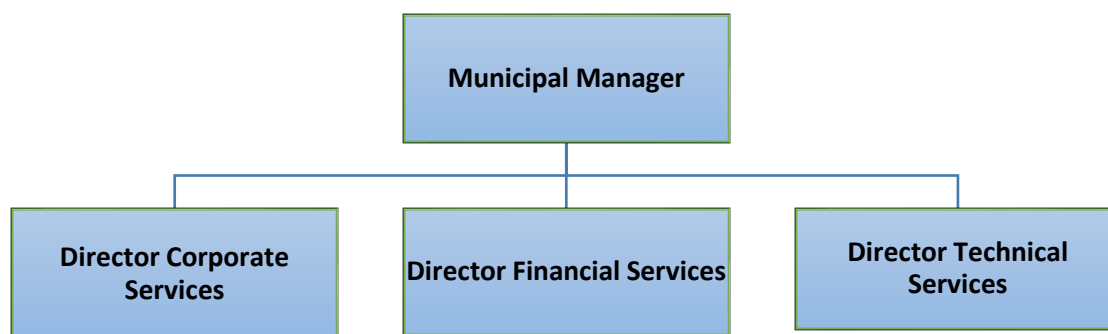
- To consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an Oversight Report on the Annual Report;
- In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;
- To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- To promote good governance, transparency and accountability on the use of municipal resources;
- To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
- To perform any other functions assigned to it through a resolution of council within its area of responsibility.

During the 2015/2016 financial year the committee met on 01 October 2015 and 14 April 2016.

### **2.2.2 ADMINISTRATIVE GOVERNANCE**

The Municipal Manager is the Head of the Administration and Accounting Officer of the Municipality, and is primarily responsible for service delivery. During the 2013/14 financial year a new macro structure was adopted by Council to increase the efficiency and effectiveness of the administration. A cost saving measure was the abolition of the position of Director Community Services and the reallocation of the functions between the remaining three (3) Directorates in terms of a new micro structure. The micro structure was adopted on 29 October 2013. This new structure was implemented in the 2013/14 financial year. The figure below depicts the macro structure that was adopted by Council on 13 February 2013. The organogram will be revised during the 2016/17 financial year, after the municipal elections.

FIGURE 13: APPROVED MACRO STRUCTURE



The following table indicates the roles and responsibilities of the two top tiers of the administration in accordance with the macro structure. Details of the third tier are contained in **APPENDIX 5**.

**TABLE 38: ROLES AND RESPONSIBILITIES OF MUNICIPAL MANAGER AND DIRECTORS**

TIER	POSITION AND INCUMBENT	ROLES AND RESPONSIBILITIES
1	<b>Municipal Manager</b> Adv. H Linde	<p>The functions and responsibility of the Municipal Manager are contained in Section 55 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000):</p> <p>“(1) As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for:</p> <p>(a) the formation and development of an economical, effective, efficient and accountable administration</p> <p>(i) equipped to carry out the task of implementing the municipality’s integrated development plan in accordance with Chapter 5;</p> <p>(ii) operating in accordance with the municipality’s performance management system in accordance with Chapter 6; and</p> <p>(iii) responsive to the needs of the local community to participate in the affairs of the municipality.</p> <p>(b) the management of the municipality’s administration in accordance with this Act and other legislation applicable to the municipality;</p> <p>(c) the implementation of the municipality’s integrated development plan, and the monitoring of progress with implementation of the plan;</p> <p>(d) the management of the provision of services to the local community in a sustainable and equitable manner;</p> <p>(e) the appointment of staff other than those referred to in Section 56, subject to the Employment Equity Act, 1998 (Act 55 of 1998);</p> <p>(f) the management, effective utilisation and training of staff;</p> <p>(g) the maintenance of discipline of staff;</p> <p>(h) the promotion of sound labour relations and compliance by the municipality with applicable labour legislation;</p> <p>(i) advising the political structures and political office bearers of the municipality;</p> <p>(j) managing communications between the municipality’s administration and its political structures and political office bearers;</p> <p>(k) carrying out the decisions of the political structures and political office bearers of the municipality;</p> <p>(l) the administration and implementation of the municipality’s by-laws and other legislation;</p> <p>(m) the exercise of any powers and the performance of any duties delegated by the municipal council, or sub-delegated by other delegating authorities of the municipality, to the municipal manager in terms of Section 59;</p> <p>(n) facilitating participation by the local community in the affairs of the municipality;</p>

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

TIER	POSITION AND INCUMBENT	ROLES AND RESPONSIBILITIES
		<p>(o) developing and maintaining a system whereby community satisfaction with municipal services is assessed;</p> <p>(p) the implementation of national and provincial legislation applicable to the municipality; and</p> <p>(q) the performance of any other function that may be assigned by the municipal council.</p> <p>(2) As accounting officer of the municipality the municipal manager is responsible and accountable for—</p> <ul style="list-style-type: none"> <li>(a) all income and expenditure of the municipality;</li> <li>(b) all assets and the discharge of all liabilities of the municipality; and</li> <li>(c) proper and diligent compliance with applicable municipal finance management legislation.</li> </ul> <p>The Office of the Municipal Manager is also responsible for the following:</p> <ul style="list-style-type: none"> <li>▲ <b>International Fund Raising</b></li> <li>▲ <b>International Relations</b></li> <li>▲ <b>Tourism (Strategic)</b></li> <li>▲ <b>Communication</b></li> <li>▲ <b>Intergovernmental Relations</b></li> <li>▲ <b>Internal Audit</b> <ul style="list-style-type: none"> <li>➤ Risk Management</li> </ul> </li> <li>▲ <b>Strategic Services</b> <ul style="list-style-type: none"> <li>➤ Performance Management</li> <li>➤ IDP</li> <li>➤ Public Participation</li> <li>➤ Social Development</li> <li>➤ CDW's</li> <li>➤ Ward Committee</li> <li>➤ LED</li> <li>➤ Client Services</li> </ul> </li> </ul>
2	<p><b>Director: Corporate Services</b> Mr JWA Kotzee</p>	<p>The Corporate Services Directorate renders all administrative functions of the Municipality including:</p> <ul style="list-style-type: none"> <li>▲ <b>Administration</b> <ul style="list-style-type: none"> <li>➤ Office Administration</li> <li>➤ Committee Services</li> <li>➤ Policy Formulation</li> <li>➤ IT</li> <li>➤ Archives/Document Management</li> <li>➤ Secretarial Functions</li> <li>➤ Registration</li> <li>➤ Tourism (Operational)</li> <li>➤ Museums</li> <li>➤ Libraries</li> </ul> </li> <li>▲ <b>Human Resource Management</b> <ul style="list-style-type: none"> <li>➤ Personnel Administration</li> <li>➤ Labour relations</li> <li>➤ Occupational Health and Safety</li> <li>➤ Employment equity</li> <li>➤ Training and Development</li> <li>➤ Employee Assistance</li> <li>➤ Salaries and wages</li> </ul> </li> <li>▲ <b>Community Services</b> <ul style="list-style-type: none"> <li>➤ Resorts and Beaches</li> <li>➤ Pounds and Burial of Animals</li> <li>➤ Traffic Services</li> <li>➤ Law Enforcement</li> <li>➤ Fire Services</li> </ul> </li> </ul>

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

TIER	POSITION AND INCUMBENT	ROLES AND RESPONSIBILITIES
		<ul style="list-style-type: none"> <li>➤ Noise Pollution</li> <li>➤ Disaster Management</li> <li>➤ Air Pollution</li> <li>➤ Public Nuisances</li> <li>➤ Sport Development</li> <li>▲ <b>Planning and Development</b> <ul style="list-style-type: none"> <li>➤ Land Use Management</li> <li>➤ Town Planning</li> <li>➤ Spatial Development</li> <li>➤ GIS</li> <li>➤ Environmental Management</li> </ul> </li> </ul>
3	<b>Director: Financial Services</b> Mr JA Van Niekerk	The Financial Services Directorate is responsible for all financial functions of the Municipality including: <ul style="list-style-type: none"> <li>▲ <b>Income</b> <ul style="list-style-type: none"> <li>➤ Diverse Income Processes</li> <li>➤ Debtors</li> <li>➤ Collections</li> <li>➤ Reconciliation</li> <li>➤ Meter Reading</li> <li>➤ Property Valuation</li> </ul> </li> <li>▲ <b>Expenditure</b> <ul style="list-style-type: none"> <li>➤ Creditors</li> <li>➤ Purchases</li> <li>➤ Tenders and Quotations</li> <li>➤ Asset Register Management</li> <li>➤ Supply Chain Management</li> <li>➤ Stores : Inventory</li> </ul> </li> <li>▲ <b>Budget &amp; Treasury</b> <ul style="list-style-type: none"> <li>➤ Budget</li> <li>➤ Reporting</li> <li>➤ Annual Financial Statements</li> </ul> </li> </ul>
4	<b>Director: Technical Services</b> Mr H Kröhn	The Technical Services Directorate is responsible for all technical functions of the Municipality including: <ul style="list-style-type: none"> <li>▲ <b>Civil</b> <ul style="list-style-type: none"> <li>➤ Solid waste</li> <li>➤ Roads and Storm water</li> <li>➤ Water and sanitation</li> <li>➤ Cleansing</li> <li>➤ Sewage</li> <li>➤ Recycling</li> <li>➤ Maintenance of Buildings</li> <li>➤ Parks</li> <li>➤ Cemeteries</li> <li>➤ Swimming Pools</li> <li>➤ Maintenance of Sport Fields</li> <li>➤ Maintenance of Community Halls</li> </ul> </li> <li>▲ <b>Electricity</b> <ul style="list-style-type: none"> <li>➤ Electricity Distribution</li> </ul> </li> <li>▲ <b>Project Management</b> <ul style="list-style-type: none"> <li>➤ Capital projects</li> <li>➤ New Council Facilities</li> <li>➤ EPWP</li> <li>➤ Building Control</li> <li>➤ Housing Projects</li> <li>➤ Housing Administration</li> </ul> </li> </ul>

## 2.3 INTERGOVERNMENTAL RELATIONS

Section 3 of the Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to exercise their executive and legislative authority within the constitutional system of co-operative government envisaged in Section 41 of the Constitution.

### 2.3.1 INTERGOVERNMENTAL RELATIONS

#### PART B: INTERGOVERNMENTAL RELATIONS

The Municipality participates in International, National, Provincial and District Intergovernmental Forums. The Municipality strives to participate in as many of the available intergovernmental forums as possible, but our challenge is that forums often meet on the same dates and the personnel structure does not allow for dedicated personnel to attend all forum meetings.

Bergrivier Municipality is in a “Stedeband” (partnership cooperation agreement) with the Municipality of Heist-op-den-Berg in Belgium, Europe. The purpose of such an arrangement is for two Local Government structures in different countries, but with shared interests, to share expertise for the joint improvement of the public, the administration and the political structures in both areas. The main aim is the sharing of experience and joint project implementation, where possible. The relationship has developed well since its initial stages during December 2014 and a delegation from Heist-op-den-Berg visited Bergrivier Municipality during October 2015. The detail of the written agreement was discussed and signed by both parties.





The highlight of the “Stedeband” during this financial year was to be selected by the Belgium Federal Government to apply for federal funding. The Municipal Manager of Bergrivier, Adv Hanlie Linde, and Director Technical Services, Mr Hendrik Kröhn, were invited to Leuven, Belgium from 21 - 29 May 2016 to prepare the business plan. Only three Municipalities in South Africa were elected namely Bergrivier, Witzenberg and Nquthu (Vryheid in Kwa-Zulu Natal) as part of the invitees from 10 Countries and 34 Municipalities in total. The funding will be for waste management in Bergrivier under the theme: “Turning waste into Prosperity”. The week was concluded by attending the International Conference in Antwerpen, Belgium on the Global Sustainability Development Goals.



The delegation from Heist-op-den-Berg Gemeente and Bergrivier Municipality preparing their funding application. From left to right: Thomas Peeters (Heist), Hanlie Linde (Bergrivier), Intje van Kerckhoven (Heist) and Hendrik Kröhn (Bergrivier).



International Conference on 27 May 2016 in Antwerpen, Belgium on the 17 Global Sustainable Development Goals. From left to right is Thomas Peeters (Heist), Kelly van Tendeloo (Heist) and Luc Vleugels (Mayor of Heist), Hendrik Kröhn (Bergrivier), Hans Welters (Municipal Manager Heist), Hanlie Linde (Municipal Manager Bergrivier) en Intje van Kerckhoven.

### 2.3.1 NATIONAL INTERGOVERNMENTAL FORUMS

The Municipality participates in the following National Intergovernmental Forums:

**TABLE 39: PARTICIPATION ON NATIONAL INTERGOVERNMENTAL FORUMS**

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	<ul style="list-style-type: none"> <li>▲ National Mayors Forum</li> </ul>
Municipal Managers Office	<ul style="list-style-type: none"> <li>▲ National Municipal Managers Forum (The Municipal Manager of Bergvriër is the Chairperson of the Western Cape Municipal Manager's Forum and thus on the Executive Committee at the National Municipal Manager's Forum)</li> <li>▲ International Institute of Municipal Clerks (IIMC)</li> <li>▲ Institute of Municipal Administrators of South Africa (IMASA)</li> <li>▲ Institute of Municipal Practitioners of SA (IMPSA)</li> <li>▲ Institute for Local Government Managers (ILGM)</li> </ul>
Technical Services Directorate	<ul style="list-style-type: none"> <li>▲ Department of Water Affairs Bi monthly Meetings</li> </ul>
Corporate Services Directorate	<ul style="list-style-type: none"> <li>▲ Institute of Municipal Personnel Practitioners of South Africa (IMPSA)</li> </ul>
Financial Services Directorate	<ul style="list-style-type: none"> <li>▲ Institute of Municipal Finance Officers (IMFO)</li> </ul>

### 2.3.2 PROVINCIAL INTERGOVERNMENTAL FORUMS

The Municipality participates in the following Provincial Intergovernmental Forums:

**TABLE 40: PARTICIPATION ON PROVINCIAL INTERGOVERNMENTAL FORUMS**

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	<ul style="list-style-type: none"> <li>▲ Minmay (Ministers / Mayors)</li> <li>▲ Provincial Co-ordinating Forum (PCF)</li> <li>▲ Speakers Forum</li> <li>▲ SALGA Working Groups: <ul style="list-style-type: none"> <li>➢ Intergovernmental and International Relations</li> <li>➢ Human Resources</li> <li>➢ Municipal Services and Infrastructure</li> <li>➢ Economic Development and Planning</li> <li>➢ Community development</li> <li>➢ Municipal Finance</li> </ul> </li> </ul>
Municipal Managers Office	<ul style="list-style-type: none"> <li>▲ Minmay (Ministers and Mayors) and Minmay Technical Meeting (Head of Provincial Departments and Municipal Managers)</li> <li>▲ Premier's Coordinating Forum (PCF)</li> <li>▲ PS07 Climate Change Forum</li> <li>▲ Provincial Treasury: Pre-determined Objectives (PDO) Forum</li> <li>▲ Provincial Treasury: Risk Forum</li> <li>▲ SALGA Working Groups: <ul style="list-style-type: none"> <li>➢ Intergovernmental and International Relations</li> <li>➢ Economic Development and Planning</li> </ul> </li> <li>▲ Community development</li> <li>▲ Western Cape IDP Managers Forum</li> <li>▲ Western Cape Public Participation and Communication Forum</li> <li>▲ Western Cape Local Economic Development Forum</li> <li>▲ Western Cape Economic Development Partnership</li> </ul>
Technical Services Directorate	<ul style="list-style-type: none"> <li>▲ Western Cape Provincial Government (MIG)</li> <li>▲ Department of Environmental Affairs and Development Planning Waste Forum</li> <li>▲ SALGA Working Groups:</li> <li>▲ Provincial Resource Team Housing Meetings</li> </ul>

	➤ Municipal Services and Infrastructure
Corporate Services Directorate	<ul style="list-style-type: none"> <li>▲ Provincial Disaster Management Forum</li> <li>▲ Provincial Fire Chiefs Forum</li> <li>▲ Provincial Taxi Board</li> <li>▲ SALGA Working Groups:                             <ul style="list-style-type: none"> <li>➤ Human Resource Management</li> </ul> </li> </ul>
Financial Services Directorate	<ul style="list-style-type: none"> <li>▲ Provincial Treasury: CFO Forum</li> <li>▲ Provincial Treasury: SCM Forum</li> <li>▲ SALGA Working Groups:                             <ul style="list-style-type: none"> <li>➤ Municipal Finance</li> </ul> </li> </ul>

### 2.3.3 DISTRICT MUNICIPALITY INTERGOVERNMENTAL FORUMS

The Municipality participates in the following District Municipality Intergovernmental Forums:

**TABLE 41: PARTICIPATION ON DISTRICT MUNICIPALITY INTERGOVERNMENTAL FORUMS**

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	<ul style="list-style-type: none"> <li>▲ WCDM IDP Co-ordinating Committee</li> <li>▲ West Coast District Co-Ordinating Forum (DCF)</li> <li>▲ West Coast Economic Development Partnership</li> <li>▲ District Water Monitoring Forum</li> <li>▲ District Evaluation Committee (DEC)</li> <li>▲ West Coast Human Settlements Forum</li> <li>▲ WC Water Monitoring Forum.</li> </ul>
Municipal Manager's Office	<ul style="list-style-type: none"> <li>▲ WCDM District Coordinating Forum (DCF)</li> <li>▲ WCDM District Coordinating Forum Tech (DCF Tech)</li> <li>▲ District Water Monitoring Board</li> <li>▲ WCDM IDP/LED Forum</li> <li>▲ WCDM IDP Co-ordinating Committee (IDPCC)</li> </ul>
Technical Services Directorate	<ul style="list-style-type: none"> <li>▲ WCDM Water Quality Forum</li> <li>▲ St Helena Bay Water Quality Forum</li> </ul>
Corporate Services Directorate	<ul style="list-style-type: none"> <li>▲ District Disaster Management Forum</li> <li>▲ District Air Quality Forum</li> <li>▲ District Regional Tourism Organisation (RTO)</li> </ul>
Financial Services Directorate	<ul style="list-style-type: none"> <li>▲ WCDM District Coordinating Forum Tech (DCF Tech)</li> </ul>

## 2.4 PUBLIC PARTICIPATION AND ACCOUNTABILITY

The Constitution (Section 152) sets out the objects of local government, one of which is the provision of democratic and accountable government to local communities. This is reiterated by Section 15 (b) of the Municipal Systems Act which requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff.

A second constitutional objective is the encouragement of local community and community organisation participation in the matters of local government. This is reiterated by Chapter 4 of the Municipal Systems Act which deals exclusively with community participation. A Municipality is required to develop a culture of community participation and develop a system of participatory municipal governance that compliments formal representative governance. The Municipality is also required to supply its community with information concerning municipal governance, management and development.

## 2.4.1 PUBLIC PARTICIPATION

### 2.4.1.1 PUBLIC MEETINGS

A total of 13 public town based meetings took place during the year. The following table indicates the public meetings that took place during the year.

**TABLE 42: PUBLIC MEETINGS – TOWN BASED**

Type of engagement	Ward/Town	Date
Town Based Public Meetings	Porterville	7 September 2015
	Piketberg	8 September 2015
	Eendekuil	9 September 2015
	Velddrif	10 September 2015
	Dwarskersbos	10 September 2015
	Goedverwacht	14 September 2015
	Redelinghuys	15 September 2015
	Aurora	16 September 2015
	Porterville	11 April 2016
	Piketberg	12 April 2016
	Redelinghuys	13 April 2016
	Velddrif	13 April 2016
	Goedverwacht	14 April 2016

### 2.4.1.2 WARD COMMITTEES

Ward committees are statutory committees established in terms of Part 4 of Chapter 4 of the Local Government Municipal Structures Act. Ward committees play a vital role in bridging the gap between the Community and the Municipality. Ward committees are not political, but are nevertheless elected for a period of five years that runs concurrently with the term of office of the Municipal Council.

The Municipal Council is in the process of reviewing a Ward Committee Policy that was drafted in September 2011, and ward committees for each ward were elected in accordance with this draft policy. The Municipal Council also approved an out of pocket expense fee structure for Ward Committees.

Ward Committees are required to meet on a quarterly basis and a total of 29 Ward Committee Meetings took place during the year.

**TABLE 43: WARD COMMITTEE MEETINGS**

Type of engagement	Ward/Town	Date
Ward committee meetings	Ward 1	21 July 2015
	Ward 2	22 July 2015
	Ward 3	23 July 2015
	Ward 4	28 July 2015
	Ward 4 (2 <sup>nd</sup> meeting)	3 August 2015
	Ward 5	30 July 2015
	Ward 6	4 August 2015

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

<b>Type of engagement</b>	<b>Ward/Town</b>	<b>Date</b>
	Ward 7	6 August 2015
	Ward 1	31 August 2015
	Ward 2	3 September 2015
	Ward 3	1 September 2015
	Ward 4	1 September 2015
	Ward 5	3 September 2015
	Ward 5	10 November 2015
	Ward 6 (Aurora)	2 September 2015
	Ward 6 (Redelinghuys)	2 September 2015
	Ward 7	2 September 2015
	Ward 1	26 January 2016
	Ward 2	26 January 2016
	Ward 3	25 February 2016
	Ward 4	24 February 2016
	Ward 5	No meeting
	Ward 6	28 January 2016
	Ward 7	8 February 2016
	Ward 1	11 April 2016
	Ward 2	11 April 2016
	Ward 3	12 April 2016
	Ward 4	12 April 2016
	Ward 5	No meeting
	Ward 6	13 April 2016
	Ward 7	13 April 2016

The key challenge with ward committees is the implementation of the “Provincial framework on the implementation of an effective and functional ward committee system”. Key aspects of this framework are that ward committee members will be paid a fixed monthly stipend and in return they need to perform specific tasks and will be required to meet monthly. The challenges that the Municipality face include the capacity to monitor that ward committee members are performing and attendance of meetings.

Information on Ward Committee members, the sectors they represent and their meeting attendance is attached as **APPENDIX 6**.

#### 2.4.1.3 IDP REPRESENTATIVE FORUM

On 28 August 2012, the Municipal Council approved the establishment of an IDP Representative Forum in terms of Section 15 of the Municipal Planning and Performance Management Regulations. The IDP Representative Forum comprises the following:

- ▲ Ward Committee members from each Ward;
- ▲ One representative from the West Coast District Municipality;

- ▲ The Executive Mayor, Speaker, Portfolio Chairpersons, one Mayoral Committee Member and two additional Councillors from the other parties represented on Council;
- ▲ Three officials namely: the Municipal Manager, Strategic Manager, Head: Strategic Services and LED; and
- ▲ Three nominees from key sectors within the Municipal Area.

The first meetings of the IDP Representative Forum for 2015/16 were held on 17 and 18 September 2015. The objective of this meeting was to discuss the theme of “ Active Citizenship” with the leaders of the various sectors in Bergrivier. The second series of meetings of the IDP Representative Forum took place on 25 April 2016 and the theme was sustainable development for local government with Mr Peter Willis as the guest speaker.

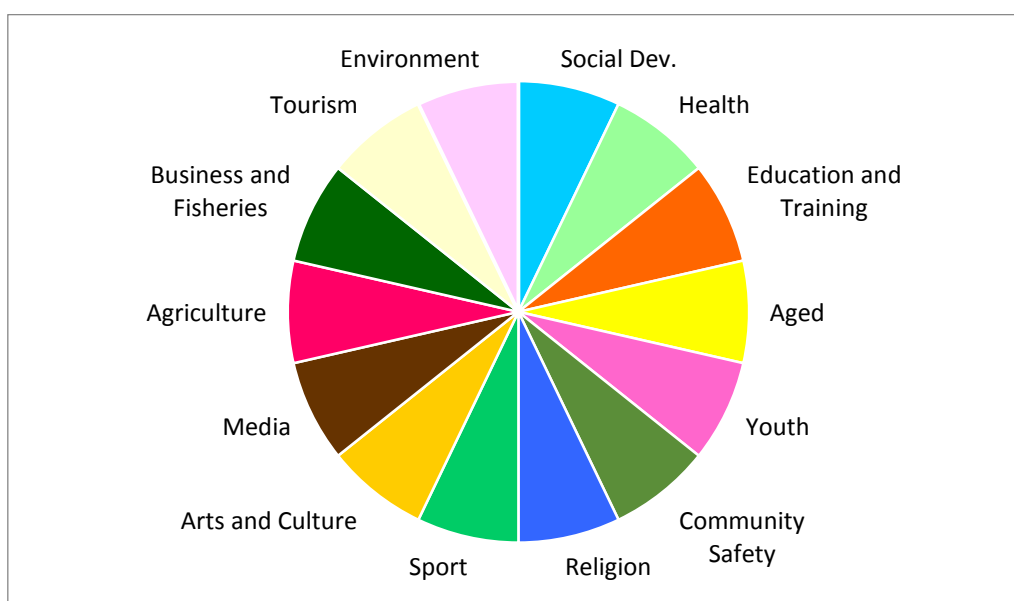
The following is a summary of the IDP Forum meetings held in 2015/16.

**TABLE 44: IDP FORUM MEETING**

Type of engagement	Ward/Town	Date
IDP Forum meetings	Piketberg	17 September 2015
	Velddrif	18 September 2015
	Piketberg	25 April 2016
	Velddrif	26 April 2016

The format of the IDP Representative Forum Meetings was reviewed in 2013/14 in a bid to improve participation by key community stakeholders. An outcome of this review was a decision to use the forums to involve the different sectors of the Bergrivier municipal area. The following diagram illustrates the sectorial division of the Bergrivier Community.

**FIGURE 14: SECTORS WITHIN BERGRIVIER MUNICIPALITY**



## 2.5 IDP PARTICIPATION AND ALIGNMENT

Integrated Development Planning is regulated by Chapter 5 of the Municipal Systems Act. This Chapter must be read together with Chapter 6 which regulates Performance Management as well as the Municipal Planning and Performance Regulations, 2001, (R796 of 2001).

The 2015/16 IDP Review was done in accordance with a Time Schedule of Key Deadlines which was developed in accordance with 53(1)(b) of the Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) read together with Sections 28 and 34 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).

The following table provides an overview of the alignment of the IDP to the criteria as set out in Section 26 of the Municipal Systems Act.

**TABLE 45: IDP PARTICIPATION AND ALIGNMENT CRITERIA**

IDP PARTICIPATION AND ALIGNMENT CRITERIA	YES/NO	COMMENT WHERE THERE WAS LACK OF ALIGNMENT
Does the municipality have impact, outcome, input and output indicators?	Yes	N/A
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes	N/A
Does the IDP have multi-year targets?	Yes	N/A
Are the above aligned and can they calculate into a score?	Yes	N/A
Does the budget align directly to the KPIs in the IDP?	Yes	N/A
Do the IDP KPIs align to the Section 57 Managers?	Yes	N/A
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	N/A
Were the indicators communicated to the public?	Yes	N/A
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	N/A

## 2.6 CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws and relationships affecting the way an institution is directed, administered or controlled.

## 2.7 AUDIT UNIT

The Municipality has an Internal Audit Unit as required by Section 165(1) of the MFMA and an Internal Auditor who reports to the Municipal Manager. Section 165(2) of the MFMA requires the Internal Auditor to;

- a) Prepare a risk-based audit plan and an internal audit program for each financial year;

- b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to—
- i. internal audit;
  - ii. internal controls;
  - iii. accounting procedures and practices;
  - iv. risk and risk management;
  - v. performance management; and
  - vi. loss control;
- d) perform such other duties as may be assigned to it by the accounting officer.

The Internal Auditor is responsible for the Internal Audit Unit and must also ensure that the combined Audit Committee and the Performance Audit Committee meet as legislated and that all aspects required by legislation are submitted at these meetings to ensure that the committees are informed and that recommendations can be made and implemented.

The meetings of the Audit Committee are attended by Senior Management and relevant Councillors. The Committee is a statutory committee and functions in accordance with Section 166 of the Municipal Finance Management Act. The Committee is an independent advisory board on internal financial controls and audits, risk and performance management and effective governance.

The municipality implemented a compliance system “Eunomia” which is an electronic automated monitoring tool that assists with the monitoring of compliance. Quarterly reports are submitted to council and the audit committee to enable them to fulfil their oversight role in the monitoring of compliance.

## **2.8 RISK MANAGEMENT**

The Municipality has a Risk Committee which meets quarterly. Strategic risks are identified during the annual strategic planning session of the Council as well as by Senior Management at management meetings and Risk Committee Meetings. Departmental and operational risks are identified by the Directorates and managed by the relevant Directors.

Strategic risks are populated in an automated electronic risk register (Risk Assist) after Council approval of the annual risk register. The risk register is updated as part of the mandate of the Risk Committee. Quarterly reports are submitted to Council on how risks are managed and mitigated to ensure proper management thereof and achievement of the desired outcomes.

## **2.9 ANTI-CORRUPTION AND FRAUD**

Bergrivier Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. The policy of the municipality is zero tolerance to corruption and fraud.



Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent.

Implementing good governance, ethics, accountability as well as strategies and policies to prevent fraud and corruption is based on the principle that service delivery is the priority of the Municipality. Implementation of these principles and awareness are continuous processes aimed at ensuring that the interest and needs of the public are met.

Municipalities are encouraged to promote the principles of good governance, ethics and risk management. Raising awareness on good governance includes communication on anti-corruption strategies and highlighting the role of the community in the fight against unethical conduct, fraud and corruption.

The Anti-fraud and Corruption Policy was reviewed during the 2015/16 financial year and approved by Council in May 2016. Employees are encouraged to communicate with their supervisors or management regarding the identification of risks and incidences of fraud and corruption.

Municipal employees as well as Councillors are expected to abide by the Code of Conduct for Employees and the Code of Conduct for Councillors. These codes include aspects such as general conduct, declaration of interests, council property and commitment to serving the public interest. The Municipal Manager also played an active role in this and has initiated regular vehicle inspections to raise awareness and the importance on the upkeep of municipal assets.

Policies and procedures that are adopted by Council as part of human resources, finance and internal controls also focus on, and include prevention controls, detection controls and segregation of duties to ensure that fraud and corruption is prevented and detected. On a day to day basis these include physical controls, supervision and authorization controls and the proper management of information.

Anti-fraud-, corruption-and ethics initiatives workshops are reported quarterly. Councillors and senior management are part of the Risk Committee and participate in discussions and report backs to ensure that these initiatives are implemented and that officials are informed and part of the process.

## **2.10 BY-LAWS**

In terms of the Constitution of the Republic of South Africa (1996), a municipality has exclusive municipal executive and legislative authority in its area of jurisdiction to inter alia pass and administer by-laws for the effective administration of matters that it has the right to administer and for its own internal proceedings and arrangements.

Just like the laws of the country, the Municipality's By-Laws and Policies must also be obeyed. It is important that communities know the content of these laws as to ensure an orderly and structured management of the affairs of a town.

- **Process to pass or amend a By-law**

- A need for regulatory measures of a municipal responsibility is identified and a By-law is drafted;
- A report detailing the identified need and the draft By-law is submitted through the relevant Committees to Council for principle approval;
- The department that drafted the By-law embark on a public participation process to invite public comment on the By-laws. Any objections received must be considered by Council;
- A final report is submitted to Council for passing of the By-law; and
- The approved By-law is promulgated in the Provincial Gazette on which date or a later date as determined in the By-law, it becomes enforceable in the Bergrivier Municipal Area.

- **By-law enforcement**

Each Directorate is responsible for enforcing By-laws regulating matters within its field of responsibility in terms of delegated authority from the Council.

- **Adoption and revision of by-laws**

Below is a list of all by-laws developed and reviewed during the financial year:

**TABLE 47: BY-LAWS DEVELOPED**

By-laws can be viewed on the Bergrivier Municipality Website [www.bergmun.org.za](http://www.bergmun.org.za).

By-laws developed	Date adopted by Council	Resolution	Public Participation conducted prior to adoption of by-laws Yes/No	Dates of publication	Provincial Gazette
<b>By-Law on Municipal Land Use Planning</b>	23/06/2015	RVN011/06/2015	Yes	02/07/2015 17/07/2015	No. 7418 : PN 209/2015 No. 7426 : PN 222/2015
<b>Fire Safety By-Law</b>	24/06/2016	RVN022/06/2016	Yes	24/06/2016	No. 7637

## 2.11 THE MUNICIPAL WEBSITE

The Municipal Systems Act (Section 21(B)) requires the Municipality to establish an official website. The Municipal Website is an integral part of the Municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Bergrivier Municipality's official website is: [www.bergmun.org.za](http://www.bergmun.org.za)

The Municipality is required to place all information that must be made public in terms of the Municipal Systems Act and the Municipal Finance Management Act (MFMA) on this Website. Section 75 of the MFMA specifies that the following documents must be placed on the website:

**TABLE 48: MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL**

DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE	YES / NO
a) The annual and adjustments budgets and all budget-related documents	Yes
b) All current budget-related policies	Yes
c) The annual report	Yes
d) Performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act	Yes
e) All service delivery agreements	Yes
f) All long-term borrowing contracts	Yes
g) All supply chain management contracts above R 100 000 for 2015/16	Yes
h) An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4)	N/A
i) Contracts agreed in Year 1 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	N/A
j) Public-private partnership agreements referred to in section 120	N/A
k) All quarterly reports tabled in the council in terms of section 52 (d)	Yes
l) Any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed	Yes

## 2.12 DELEGATIONS

The Constitution of the Republic of South Africa (1996) states that the legislative and executive authority of the municipality is vested in the municipal council. The municipality has the function and powers assigned to it in terms of Sections 156 and 229 of the Constitution. Section 53 of the Systems Act states that the municipality must define specific areas of responsibilities for each political structure or political office bearer of the Municipality and that of the Municipal Manager. These respective roles and areas of responsibilities may include the delegation of power and duties. In terms of Section 59(1) of the Municipal Systems Act, 2000 (Act 32 of 2000) the Municipality must develop a system of delegation that will maximise administration and operational efficiency and will provide for adequate checks and balances.

In terms of the Section 12 Notice (Municipal Structures Act), Bergrivier Municipality operates under an Executive Mayoral System. This system allows for the exercise of executive authority through an Executive Mayor in which the executive leadership of the municipality is collectively vested.

Decisions are taken corporately by, or on behalf of the whole Council. Municipalities are expressly empowered to arrange for their functions to be discharged by Committees, who may in turn arrange for them to be discharged by Sub-Committees. The Council, Committee or Sub-Committee may also decide that individual officers may discharge functions. All such arrangements are referred to as delegations and a "register, or manual of delegations" must be maintained by the municipality so as to have a record of all delegations made.

Since the approval of the previous delegations (28 February 2012) various pieces of new legislation or amendments to legislation have come into operation which have assigned additional powers, duties and responsibilities to the Municipal Manager as the accounting officer and further powers and responsibilities to the Mayor, as the political head of the municipality. A review of all delegations was therefore necessary

to align the previous delegations with the new legislation and amendments and the new delegations were approved on 23 June 2015.

**Section 65 of the MSA determines the following: 65 Review of delegations:-**

*“(1) Whenever it becomes necessary in terms of section 59(2) (f) to review a municipality’s delegations, the municipal manager must submit to the Council – (a) a report on the existing delegations issued in terms of Section 59 by the Council and other delegating authorities of the Municipality; and (b) recommendations on any changes to the existing delegations which the municipal manager may consider necessary.”*

Bergrivier Municipality has developed their Delegated Powers in accordance with delegations that currently exist as well as those provided for in new Local Government legislation or amendments to legislation. The Office of the Municipal Manager and all Departments were consulted in order to identify and advise on all powers and functions related to their respective key performance areas in an endeavour to ensure that a proper system of delegation is put into place. This will contribute to the accountable empowerment of officials and functionaries and other organs of the Council in execution of their administrative and operational powers, functions and responsibilities in order to optimize efficiency in an accountable and transparent manner. There are currently two main Acts that govern delegation of municipal powers to organs, officials and functionaries, i.e. Municipal Systems Act and the Municipal Finance Management Act. There are however other pieces of legislation that deal with specific matters (e.g. National Building Regulations, SAPS Act, - National Road Traffic Act etc.), that contain specific stipulations regarding the delegation of certain statutory powers without the necessity of Council resolution.

The new delegations were approved by Council on 23 June 2015 (RVN010/06/2015).

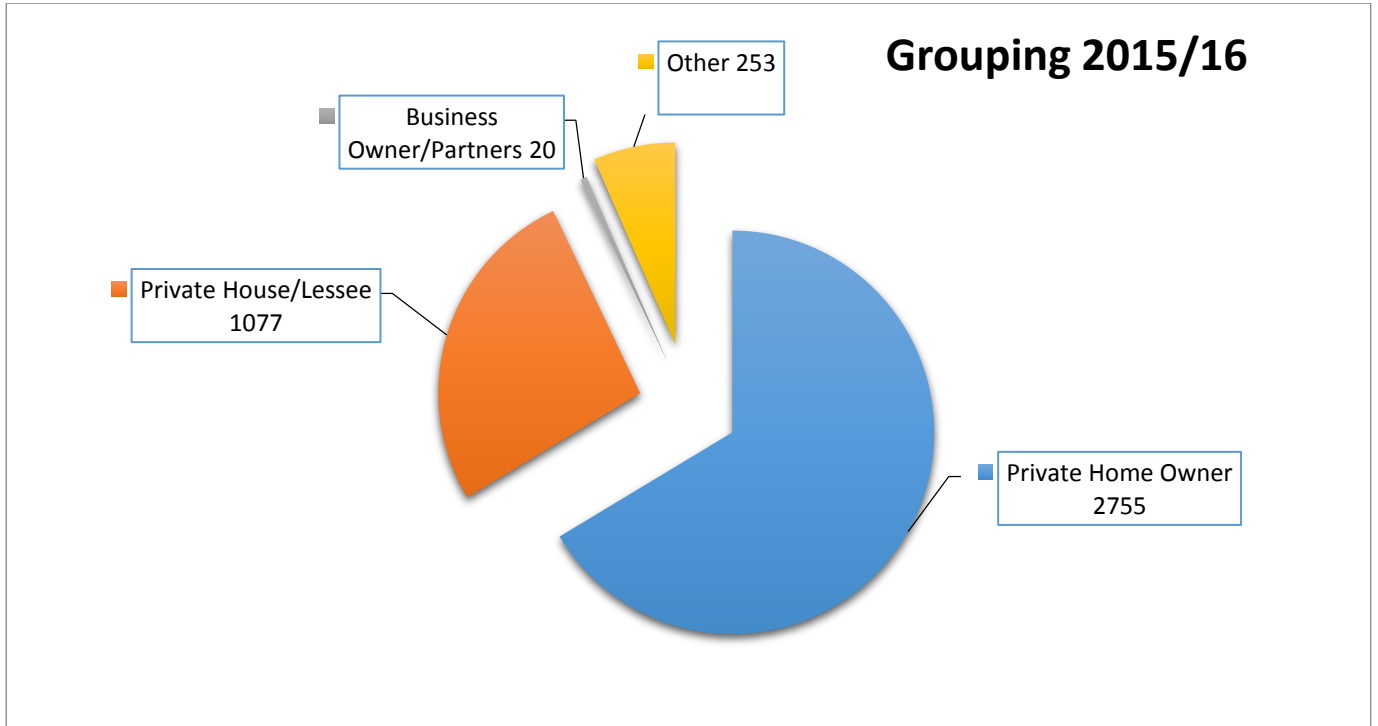
### **2.13 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

In April 2016, the Municipality undertook a Client Services Evaluation to evaluate its compliance with the Client Services Charter. The target audience for the evaluation was a random sample of volunteers resident in the community.

The survey methodology entailed personal interviews by temporary workers. For 2015/16 the survey sample size was 4 105. Respondents were classified into three different groups, namely: private home-owners, rentals and businesses. All respondents were anonymous, and only their residential area is indicated. The survey conducted in 2012/13 had a sample size of 362 and that of 2013/14 160. Due to the difference in samples between 2012/13, 2013/14 and 2014/15, a comparative analysis was not possible including for 2015/16 survey.

The survey will be repeated on an annual basis in future in order to evaluate the municipality's service delivery and ensure that we constantly strive towards better service delivery.

FIGURE 15: CLASSIFICATION OF CLIENT SERVICES SURVEY RESPONDENTS



A total of 27 individual departmental functions were evaluated as well as the following generic functions:

- ▲ General enquiries
- ▲ Telephone etiquette
- ▲ Staff – Friendliness & Helpfulness
- ▲ Staff – Knowledge & Skills
- ▲ Ward Councillors – Functioning & Effectiveness
- ▲ Communication

The complete Client Services Evaluation Report is attached as **APPENDIX 7**

## CHAPTER 3 SERVICE DELIVERY PERFORMANCE



**Winterhoek Mountains in winter time  
Photographer unknown: Photo provided**

### 3.1 INTRODUCTION

This Chapter provides an overview of the service delivery performance of the Municipality for the 2015/16 financial year, and includes all services rendered by the Municipality. The Chapter concludes with the Municipality's Annual Performance Report which was compiled in terms of Section 46 of the Municipal Systems Act. It sets out the Key Performance Indicators (KPI's), targets and actual performance of the Municipality in relation to the strategic objectives of the Municipality as set out in the Integrated Development Plan (IDP). It also includes a service provider's performance evaluation report

### 3.2 BASIC SERVICES

Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity, and refuse removal. An overview will also be provided on integrated human settlements (housing) which differs from the aforementioned services in that it is a concurrent National and Provincial competence. It is included in this Annual Report as there is a direct correlation between the provision of basic services and housing and Bergrivier Municipality delivers housing as an implementing agent for Provincial Government. The Municipality has been providing basic services at the prescribed level to all urban households within its area of jurisdiction since the 2008/09 financial year, but still faces major challenges when it comes to ensuring that residents of the private Moravian towns have access to minimum service standards. There are ongoing discussions between the Municipality, Moravian Church of South Africa, West Coast District Municipality and Provincial Government to find a sustainable service delivery solution. The Municipality upgraded their water network, increased the water source capacity by eradication and removal of the alien vegetation, refurbished the weir in order to increase the capacity of raw water intake, repaired the raw water feeder pipeline as well as refurbished the boreholes and pumps with filtering capacity.



Municipalities have the discretion to provide services at higher levels than the required basic levels, and one of Bergrivier Municipality's development priorities is to provide and maintain bulk and service infrastructure that will address backlogs and provide for future development. Bergrivier's focus is on steadily improving



bulk and service infrastructure networks to enable the municipality to render good quality services to all its consumers and to create an environment that will attract development opportunities that will impact positively on the local economy. This includes:

- Reducing bulk and service infrastructure capacity backlogs (water and sanitation);
- Maintenance and development of service infrastructure and networks to maintain a good standard of service delivery; and
- Master plan development and revision.

### **3.2.1. WATER**

#### 3.2.1.1 INTRODUCTION

Water services are rendered by the Technical Services Directorate. The Municipality is a Water Services Authority in terms of the Water Services Act, 1997 (Act 108 of 1997) and adopted a Water Services Development Plan (WSDP) in 2010. The Municipality provides water services to all towns in its area of jurisdiction with the exception of Goedverwacht, Wittewater and De Hoek (PPC) which are private towns.

The overarching objectives of the WSDP are:

- To provide for the housing needs of the residents of Bergrivier in a continuous and sustained manner by timely future planning while preserving its distinctive character;
- To, in co-operation with other role-players, provide the residents of Bergrivier with a healthy economic basis and create a quality environment through sustained planning and in so doing create job opportunities as well as promote the expansion of tourism;
- To provide the residents of Bergrivier with a healthy and safe living environment through the timely establishment of the necessary community facilities;
- To empower the residents of Bergrivier through the provision and exposure to the necessary academic as well as practical training facilities;
- To support the residents of Bergrivier with the necessary sport and recreational facilities; and
- To preserve, conserve and expand the conservation worthy natural environment in harmony with future town development.

The two most critical issues addressed in the WSDP are

- The eradication of water backlogs;
  - All households have access to basic water. The backlogs that exist pertain to the development of new houses and backyard dwellers. Grants provided by National Government (MIG funds) are utilised for the upgrading of water and sanitation bulk and service infrastructure.
- Water Conservation (WC) and Water Demand Management (WDM):

- The Municipality monitors its water losses on a monthly basis, and is experiencing a decline in its water losses. Key priorities in terms of the Municipality's WC/WDM Strategy are:
  - The identification of specific zones within the supply system to monitor revenue or unaccounted for water (UAW) on a monthly basis;
  - The monitoring of non-revenue or UAW regularly (detailed water audits and balances);
  - The implementation of systems to measure key parameters such as minimum night flows;
  - To implement a pressure management, pipeline management and rehabilitation programme;
  - Raise awareness through brochures detailing the benefits of initiating WDM/WC strategies that can be sent out with the accounts and placed in local newsletters;
  - Water education in schools (demonstrations and exhibits at schools in their planning process);
  - Implementation of a consumer meter management programme and meter maintenance and replacement policy;
  - Inform Council Members of the current legislation around WC/WDM, and include it in the Strategic Framework for Water Services;
  - WC/WDM options must be included when additional water resources are investigated and it must be seen as part of the water services planning process; and
  - New supply schemes must only be developed where it can be shown that the existing water resources are being used efficiently.

The goal is to ensure that non-revenue water and UAW levels are maintained/reduced and to implement measures to promote WC/WDM to their consumers and end-users on an on-going basis. Highlights of the 2015/16 financial year were that the Municipality still managed to keep water losses below 11%, namely 10.53, % which is well below the national norm of 37 %. The quality of the Municipality's water as measured against National Standard SANS 242 is still improving and well within the set norms as prescribed by SANS 241. Data is available from the "Supply System Drinking Water Quality Performance Report" of the Department of Water Affairs and Sanitation. Data is collected directly from the laboratory results and captured on a national database. Water is analyzed according to 4 criteria, namely Microbiological, Chemical, Physical, Organoleptic and SANS 241 Operational Tests results with an average of 96.4 % that has been achieved.

The Municipality completed the water infrastructure project at Porterville replacing the pipeline from the water sources and upgrading the water division chamber at Porterville to make provision for future developments. The Municipality also started with the construction of the first phase of a 5 Mega Litre reservoir at Velddrif.



The Municipality was also successful in accessing external funding from the Department of Water Affairs and Sanitation (ACIP) for Porterville for Water Demand Management and Conservation to the amount of R 1.65 million.

### 3.2.1.2 SERVICE STATISTICS

#### 3.2.1.2.1 ACCESS TO WATER AND SERVICE DELIVERY LEVELS

The Water Services Act, 1997 (Act No 108 of 1997) defines access to minimum water standards as access to at least 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute. Access to piped water is defined as 6 000 litres of potable water supplied per formal connection per month. National policy also requires that poor households should receive 6 kl of free basic water per month.

All households within the Municipality's supply area have access to minimum standards of water. All households have access to piped water except for the informal houses in Block F, Velddrif (old hostel), which have communal water facilities within 200m as prescribed. To alleviate this scenario, a project is planned as part of the current 10 year housing and infrastructure pipeline to provide 137 serviced sites at Noordhoek, Velddrif. Only registered indigent households within the Municipality's supply area are entitled to 6 Kl of free basic water.

**TABLE 49: ACCESS TO WATER**

FINANCIAL YEAR	PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS	PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER	PROPORTION OF HOUSEHOLDS ENTITLED TO 6 KL FREE WATER
2011/12	71	8336	8336
2012/13	71	8407	8407
2013/14	71	8655	1944
2014/15	89	8639	1795
2015/16	137	8734	1790

30 June 2016 Billing Reports

**TABLE 50: WATER SERVICE DELIVERY LEVELS**

DESCRIPTION	2011/12 ACTUAL	2012/13 ACTUAL	2013/14 ACTUAL	2014/15 ACTUAL	2015/16 ACTUAL
<b>WATER: (ABOVE MIN LEVEL)</b>					
Piped water inside dwelling	8336	8407	8655	8639	8734
Piped water inside yard (but not in dwelling)	0	0	0	0	0
Using public tap (within 200m from dwelling )	71	71	71	89	137
Other water supply (within 200m)	0	0	8726	8728	8871
<b>Minimum Service Level and Above sub-total</b>	<b>8407</b>	<b>8478</b>	<b>8655</b>	<b>8639</b>	<b>8734</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>WATER: (BELOW MIN LEVEL)</b>					
Using public tap (more than 200m from dwelling)	0	0	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0	0	0
No water supply	0	0	0	0	0
Below Minimum Service Level sub-total	0	0	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%	0%	0
<b>Total number of households</b>	<b>8407</b>	<b>8478</b>	<b>8655</b>	<b>8639</b>	<b>8734</b>

30 June 2016 Billing Reports

### 3.2.1.2.2 WATER QUALITY

The Municipality's water is of a good quality and complies with National Standard SANS 242. The quality of the Municipality's water as measured against National Standard SANS 242 and is still improving and well within the set norms as prescribed by the SANS 242 based on data abstracted from the Supply System Drinking Water Quality Performance Report of the Department of Water Affairs and Sanitation. Data is collected directly from the laboratory results and captured on a national database. Water is analyzed according to 4 criteria, namely Microbiological, Chemical, Physical, Organoleptic and SANS 241 Operational Tests results with an average of 96.4 % that has been achieved.

## 3.2.1.2.3 WATER CONSUMPTION AND LOSSES

The implementation of the Water Demand Strategy has led to a steady decline in water losses over the last three financial years given fluctuations and the water losses for 2015/16 is still below the 11% margin which is 10.53 %.

**TABLE 51: WATER CONSUMPTION AND LOSSES**

YEAR	UNITS PURCHASED (ml)	LOSSES (ml)	%	RAND VALUE (APPROXIMATE)
2011/12	2 399 380	248 853	10.37	R 843 612
2012/13	2 368 226	221 625	10.09	R 888 849
2013/14	2 285 457	172 984	7.57	R657 339
2014/15	2 515 197	223 365	8.88	R 960 469
2015/16	2 627 992	276 761	10.53	R 1 286 939

**TABLE 52: WATER LOSSES PER NETWORK (%)**

YEAR	VELDDRIF	AURORA	PIKETBERG	REDELINGHUYS	PORTERVILLE	EENDEKUIL
2011/12	6.9	14.3	12.9	29.1	15.4	0.2
2012/13	8.3	1.6	9.5	28.1	12.4	5.1
2013/14	9.0	13.1	0.1	28.3	11.8	1.5
2014/15	5.4	0.2	8.0	31.2	14.5	14.0
2015/16	7.5	7.6	8	23.6	21.8	-25.8

The water losses for Redelinghuys are high in comparison to the other towns. This can be attributed to Redelinghuys having a small number of consumers and that it is a costly exercise to identify the leakages. The national norm for water losses is 37 % and Redelinghuys is therefore still within the national norm.

## 3.2.1.3 HUMAN RESOURCE CAPACITY

The vacancy rate in staff for water services was 8.33% as at 30 June 2016. For practical purposes, water and sanitation are treated as a unit and personnel assigned to these functions work across both functions. Management assigned to the function are responsible for all aspects of service delivery.

**TABLE 53: HUMAN RESOURCE CAPACITY: WATER SERVICES**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
24	22	2	8.33%

The relative high level of vacancies is within the worker component and not within management.

## 3.2.1.4 FINANCIAL PERFORMANCE

**TABLE 54: FINANCIAL PERFORMANCE (OPERATIONAL): WATER SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 3 000 000.00	R 3 717 399.00	R 3 716 937.92	0%
Other:	R 13 518 449.00	R 14 655 000.00	R 13 684 922.14	-7%

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Repairs & Maintenance:	R 557 000.00	R 617 000.00	R 641 995.23	4%
<b>Total Operational Expenditure</b>	<b>R 17 075 449 .00</b>	<b>R 18 989 399.00</b>	<b>R 18 043 588.29</b>	<b>-5%</b>
<b>Total Operational Revenue</b>	<b>-R 22 052 522.00</b>	<b>-R 41 125 670.00</b>	<b>-R 39 907 183.87</b>	<b>-3%</b>
<b>Net Operational Expenditure</b>	<b>-R 4 977 073.00</b>	<b>-R 22 136 271.00</b>	<b>-R 21 863 328.58</b>	<b>-1%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 55: FINANCIAL PERFORMANCE (CAPITAL): WATER SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Diverse equipment	10 000.00	10 000.00	5 190.00	-48%
Tools	25 000.00	25 000.00	24 748.41	-1%
Replace Water meters	100 000.00	87 000.00	86 005.38	-1%
Purchase new borehole pumps	20 000.00	55 000.00	52 226.70	-5%
Build lime store at WTW	80 000.00	62 000.00	61 868.29	0%
Replace redundant meters	100 000.00	88 000.00	87 600.00	0%
Build new reservoir (Velddrif)	7 096 200.00	7 096 200.00	7 096 200.00	0%
Upgrade Water infrastructure	2 961 470.00	2 961 470.00	2 887 528.01	-2%
Pressure Valve (Renew)	120 000.00	96 000.00	95 216.37	-1%
Water Meter at Source	130 000.00	19 000.00	18 150.00	-4%
Pumps (standby)	200 000.00	421 000.00	420 039.20	0%
Install Ozone Filters at Albatros/ASTR	35 000.00	-	-	
Water Conservation and Demand Management	-	1 447 368.00	1412 547.00	-2%
Upgrade Water Infrastructure	-	500 000.00	341 182.10	-32%
<b>TOTAL</b>	<b>10 877 670.00</b>	<b>12 868 038.00</b>	<b>12 588 501.46</b>	<b>-2%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.2.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The successful implementation of the Water Demand Strategy continued and water losses is below the 11 % margin (10.53 %). This reduction is still significant as each % decrease represents a saving of approximately R 90 000. The Municipality falls within the top 10 Municipalities in the Province with low water losses.
- Water master plans were updated for all the water networks in the Bergvriër Municipal Area.

Challenges that still need to be addressed include:

- The increasing presence of backyard dwellers due to home owners renting out structures in their backyards. Although all even have access to water, it is not possible to ensure that these backyard dwellers have access to sufficient water;

- On-going reductions in water losses, and
- A new WSDP to be finalised before October 2016.

### 3.2.2 SANITATION

#### 3.2.2.1 INTRODUCTION

Sanitation services are rendered by the Technical Services Directorate. The Municipality provides sanitation services to all towns in its area of jurisdiction with the exception of Goedverwacht, Wittewater and De Hoek (PPC) which are private towns. All households have access to basic services and our strategy is to provide a better quality of service through the upgrading of the existing waste water treatment works (WWTW) and networks. Sanitation is also addressed in the Water Services Development Plan, especially the eradication of sanitation backlogs. Backlogs pertain to the development of new houses and backyard dwellers.



## 3.2.2.2 SERVICE STATISTICS

## 3.2.2.2.1 ACCESS TO SANITATION AND SERVICE DELIVERY LEVELS

Access to minimum sanitation services is defined as a ventilated pit latrine (VIP). All urban households within the Municipality's area of jurisdiction have access to minimum sanitation levels. There are still 89 households in Velldrif (Block F) that require a higher level of service.

**TABLE 56: SANITATION SERVICE DELIVERY LEVELS**

DESCRIPTION	2011/12 ACTUAL	2012/13 ACTUAL	2013/2014 ACTUAL	2014/2015 ACTUAL	2015/2016 ACTUAL
<b>SANITATION/SEWERAGE: (ABOVE MINIMUM LEVEL)</b>					
Flush toilet (connected to sewerage)	6209	6595	6673	6 754	6981
Flush toilet (with septic tank)**	2127	2127	2127	2 092	2092
Chemical toilet	0	0	0	0	0
Pit toilet (ventilated)	0	0	0	0	0
Other toilet provisions (above min. service level)	71	71	71	89	137
<b>Minimum Service Level and Above sub-total</b>	<b>8407</b>	<b>8722</b>	<b>8871</b>	<b>8 935</b>	<b>9210</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SANITATION/SEWERAGE: (BELOW MINIMUM LEVEL)</b>					
Bucket toilet	0	0	0	0	0
Other toilet provisions (below min. service level)	0	0	0	0	0
No toilet provisions	0	0	0	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0</b>
<b>Total number of households</b>	<b>8407</b>	<b>8722</b>	<b>8871</b>	<b>8 935</b>	<b>9210</b>

30 June 2015 Billing Reports

(\*\* Figure not included in billing reports because basic sanitation not charged for septic tanks)

## 3.2.2.2.2 WASTE WATER QUALITY

The Municipality's waste water is of an acceptable quality, although it does not fully comply with the National Standard SANS 241. This is primarily due to ageing infrastructure. The Velldrif Waste Water Treatment Works was upgraded and completed at the end of the 2014 financial year. Further upgrades to existing Waste Water Treatment Works are planned, however, subject to funding and budgetary considerations.

## 3.2.2.3 HUMAN RESOURCE CAPACITY

The vacancy rate for staff members in sanitation services was 0% as at 30 June 2016. For practical purposes, water and sanitation are treated as a unit and personnel assigned to these functions work across both functions. Management assigned to the function are responsible for all aspects of service delivery.



**TABLE 57: HUMAN RESOURCE CAPACITY: SANITATION SERVICES**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
14	14	0	0%

## 3.2.2.4 FINANCIAL PERFORMANCE

**TABLE 58: FINANCIAL PERFORMANCE (OPERATIONAL): SANITATION SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 2 039 000.00	R 2 081 325.00	R 2 121 978.65	2%
Other:	R 6 215 900.00	R 8 058 000.00	R 4 873 791.26	-40%
Repairs & Maintenance:	R 420 000.00	R 545 000.00	R 500 008.61	-8%
<b>Total Operational Expenditure</b>	<b>R 8 674 900.00</b>	<b>R 10 684 325.00</b>	<b>R 7 495 778 .52</b>	<b>-30%</b>
<b>Total Operational Revenue</b>	<b>-R 25 351 780.00</b>	<b>-R 15 658 000.00</b>	<b>-R 16 033 242.83</b>	<b>2%</b>
<b>Net Operational Expenditure</b>	<b>-R 16 676 880.00</b>	<b>-R 4 973 657.00</b>	<b>- R 8 537 646.31</b>	<b>72%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 59: CAPITAL EXPENDITURE: SANITATION SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	2015/16 ACTUAL	VARIANCE
Diverse equipment	8 000.00	8 000.00	6 160.00	-23%
Tools	18 000.00	18 200.00	18 160.00	0%
Telemetry at pump stations	100 000.00	98 000.00	97 800.00	0%
Switchgear and pumps	120 000.00	120 000.00	108 779.89	-9%
Telemetry	25 000.00	21 500.00	21 200.00	-1%
Sewer line 300mm supply line Disa Street (Monte Bertha)	400 000.00	400 000.00	400 000.00	0%
Sewerage Laaiplek: Oos Street	450 000.00	450 000.00	396 922.80	-12%
PV WWTW Refurbishment and Upgrade	-	2 493 860.00	2 493 859.38	0%
<b>TOTAL</b>	<b>1 121 000.00</b>	<b>3 609 560.00</b>	<b>3 542 882.07</b>	<b>-2%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

## 3.2.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Challenges that still need to be addressed include:

- The increasing presence of backyard dwellers due to home owners renting out structures in their yards. Although all erven have access to sanitation, it is not possible to ensure that these backyard dwellers have access to sanitation;
- The high cost of making provision for future developments and low costs housing projects;
- Oxidation ponds for Aurora and Redelinghuys; and
- Upgrading of the Porterville Waste Water Treatment Works to accommodate future low cost housing developments.

### 3.2.3 ELECTRICITY AND STREET LIGHTING

#### 3.2.3.1 INTRODUCTION

Electricity services are rendered by the Technical Services Directorate. The Municipality is responsible for the distribution of electricity in all urban areas, except Goedverwacht, Wittewater and De Hoek and a portion of Eendekuil. The Municipality only distributes electricity to a small portion of Eendekuil where the low cost houses are situated (162 households). Eskom distributes electricity to all areas not serviced by the Municipality.

#### 3.2.3.2 SERVICE STATISTICS

##### 3.2.3.2.1 ACCESS TO ELECTRICITY AND SERVICE DELIVERY LEVELS

National policy requires that poor households should receive 50kWh of free basic electricity per month. All existing households within the Municipal supply area have access to minimum standards of electricity. There is also street lighting in all towns.

**TABLE 60: ELECTRICITY SERVICE DELIVERY LEVELS**

DESCRIPTION	2011/12 ACTUAL	2012/13 ACTUAL	2013/14 ACTUAL	2014/15 ACTUAL	2015/16 ACTUAL
<b>ENERGY: (ABOVE MINIMUM LEVEL)</b>					
Electricity (at least minimum service level)	3016	2858	2672	1 856	1284
Electricity - prepaid (minimum service level)	5393	5561	5871	7 152	7693
<b>Minimum Service Level and Above sub-total</b>	<b>8409</b>	<b>8419</b>	<b>8543</b>	<b>9 008</b>	<b>8977</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>ENERGY: (BELOW MINIMUM LEVEL)</b>					
Electricity (< min. service level)	0	0	0	0	0
Electricity - prepaid (< min. service level)	0	0	0	0	0
Other energy sources	0	0	0	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

30 June 2016 Billing Reports

##### 3.2.3.2.2 ELECTRICITY CONSUMPTION AND LOSSES

The Municipality's electricity losses for the 2015/16 financial year were 10.13 %. Bergrivier is still in the process of replacing old pre-paid and conventional meters with new "split type pre-paid meters". The Municipality was able to allocate much needed capital to maintain and refurbish old sections of the electricity network.

**TABLE 61: ELECTRICITY LOSSES**

YEAR	UNITS PURCHASED (kWh)	LOSSES (kWh)	PERCENTAGE (%)	RAND VALUE (APPROXIMATE)
2011/12	74 823 043	7 441 602	9.95	R 4 296 707
2012/13	75 721 651	10 022 999	13.24	R 6 408 705
2013/14	77 236 807	8 246 380	10.68	R 5 525 899
2014/15	76 855 739	8 069 840	10.50	R 6 046 328
2015/16	78 186 094	7 916 370	10.13	R 6 670 136

## 3.2.3.3 HUMAN RESOURCE CAPACITY

The vacancy rate for electrical services was 38.1% as at 30 June 2016.

**TABLE 62: HUMAN RESOURCE CAPACITY: ELECTRICITY SERVICES**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
21	13	8	38.1%

## 3.2.3.4 FINANCIAL PERFORMANCE

**TABLE 63: FINANCIAL PERFORMANCE (OPERATIONAL): ELECTRICITY and STREET LIGHTS**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 5 819 000 .00	R 5 373 340.00	R 5 602 403.49	4%
Other:	R 71 839 000.00	R 80 061 000.00	R 79 522 301.13	-1%
Repairs & Maintenance:	R 1 116 000.00	R 1 364 000.00	R 1 068 931.98	-22%
<b>Total Operational Expenditure</b>	<b>R 78 774 000.00</b>	<b>R 86 798 340.00</b>	<b>R 86 193 636.60</b>	<b>-1%</b>
<b>Total Operational Revenue</b>	<b>-R 83 808 000.00</b>	<b>-R 96 883 000.00</b>	<b>-R 91 908 582.57</b>	<b>-5%</b>
<b>Net Operational Expenditure</b>	<b>-R 5 034 000.00</b>	<b>-R 10 084 660.00</b>	<b>-R 5 714 945.97</b>	<b>-43%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 64: FINANCIAL PERFORMANCE (CAPITAL): ELECTRICITY AND STREET LIGHTS**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	2015/16 ACTUAL	VARIANCE
High tension circuit breakers	30 000.00	30 000.00	-	-
Bulk meter replacement	60 000.00	60 000.00	-	-
Network strengthening	100 000.00	100 000.00	-	-
Strengthen CBD Network	50 000.00	50 000.00	-	-
Diverse equipment	10 000.00	15 000.00	14 194.60	-5%
Meter streetlights	30 000.00	-	-	-
Replace street lights	100 000.00	100 000.00	99 320.00	-1%
Larger HT Switches –standby battery cell	50 000.00	50 000.00	-	-
Install mini-sub for increased demand in industrial area	320 000.00	320 000.00	313 460.40	-2%
Mid block lines	180 000.00	180 000.00	26 236.20	-85%
Network Renewals	800 000.00	800 000.00	1 240 365.96	55%
Replacing conventional electricity meters with prepaid	750 000.00	750 000.00	749 340.00	0%
Bulk Services Upgrade to Monte Bertha	1 500 000.00	1 500 000.00	969 845.01	-35%
Albatros Development 100 RDP Houses	1 500 000.00	1 500 000.00	1 345 185.96	-10%
ESCOM Load Shed Generators	210 000.00	173 000.00	172 361.40	0%
<b>TOTAL</b>	<b>5 690 000.00</b>	<b>5 628 000.00</b>	<b>4 930 309.53</b>	<b>-12%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

## 3.2.3.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The completion of the Electricity Master Plan with funding received from the Provincial Department of Local Government;
- A constant supply of good quality electricity to consumers despite limited resources; and
- Reduction in electricity losses

Challenges that still need to be addressed include:

- Maintain maintenance standards on networks;
- Limited budget to maintain existing infrastructure; and
- Further reduction of electricity losses.



Electrification housing project - Porterville

### **3.2.4 WASTE MANAGEMENT**

#### **3.2.4.1 INTRODUCTION**

Waste management services are rendered by the Technical Services Directorate. Waste Management includes the collection, recycling and disposal of household and business waste, builder's rubble and garden refuse. Street cleaning is also a function of the Waste Management Section. All households in urban areas, including Goedverwacht and Wittewater, have access to a weekly refuse removal service.

Previously all households and business waste were collected at the Piketberg and Velddrif Transfer Stations and from there transported to the Highlands landfill site near Malmesbury. After lengthy discussions, an agreement was signed between Bergrivier and Saldanha Bay Municipalities allowing the waste from Velddrif Transfer Station to be disposed of at Vredenburg landfill site. Although the dumping rate is higher than at Highlands, the cost of transporting the waste has decreased significantly.

Applications for closure permits for the previously used landfill sites were submitted to the Department of Environmental Affairs and Development Planning (DEA&DP), and the National Department of Environmental Affairs assisted the municipality by undertaking the process. The rehabilitation costs of these sites remain a challenge. The rehabilitation of the Piketberg site and Porterville site is estimated to cost R 84 million. The Municipality does not have the cash reserves for this expenditure, but regards it as a priority and will endeavour to obtain funding. The closure and rehabilitation of the Velddrif site form part of a land exchange in terms of which the new owner will bear the rehabilitation costs.

After all options were taken into consideration, the most economic viable option was to transport the waste of Bergrivier to Malmesbury Highlands Waste Site. Because of the high transport costs, the objective for Bergrivier Municipality was to reduce those costs by reducing the number of refuse bags. Bergrivier Municipality was further obliged in terms of the National Environmental Management Act, 2008 (Act 59 of

2008) to obtain closure permits. One of the objectives of such a permit is the closure of landfill sites which means that waste (except for green waste and building rubble) must be received at the transfer stations and collection points. Bergrivier Municipality, with the assistance of the Department of Environmental Affairs and Development Planning (DEA&DP), has obtained closure permits for all the landfill sites.

The first step in implementing the “separation at source”-principle was to identify two areas on each of the landfill sites (Piketberg and Porterville) to dump the green waste and building rubble. During the public awareness campaign the community was informed regarding the importance of recycling. After investigating and analysing the content of the refuse bags, it was found that it included a large amount of green waste. Bergrivier Municipality decided then to also implement a green refuse bag system to further reduce the number of black refuse bags that have to be transported to the disposal sites.

One of the Municipality’s key objectives in terms of the 2nd generation Integrated Waste Management Plan (IWMP) is the reduction of waste transportation costs, which is being done through the separation of waste at source and recycling. All recyclables from Porterville are transported to the recycling facility at Piketberg where it is separated. Recycling at Velddrif is done through an EPWP programme. Licences for the recycling facilities in Piketberg and Velddrif were issued by DEA&DP.

All the above actions resulted in a total turnaround regarding the appearance of the landfill sites. The way forward is to obtain financial assistance for the rehabilitation of the landfill sites, and to enter into discussions with PPC for the incineration of all the waste in Bergrivier, which will further reduce costs.



**Extension of recycle plant Velddrif**

## 3.2.4.2 SERVICE STATISTICS

**ACCESS TO SOLID WASTE SERVICES AND LEVELS**

Basic level services for refuse removal are defined as free weekly refuse removal. All households in urban areas including Goedverwacht and Wittewater have access to weekly refuse removal services. Business and other waste is removed at request.

**TABLE 65: SOLID WASTE SERVICE DELIVERY LEVELS**

DESCRIPTION	2011/12 ACTUAL	2012/13 ACTUAL	2013/14 ACTUAL	2014/15 ACTUAL	2015/16 ACTUAL
<b>SOLID WASTE REMOVAL: (MINIMUM LEVEL)</b>					
Removed at least once a week	8 374	8748	8834	8 941	9210
<b>Minimum Service Level and Above sub-total</b>	<b>8 374</b>	<b>8748</b>	<b>8834</b>	<b>8 941</b>	<b>9210</b>
<b>Minimum Service Level and Above percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SOLID WASTE REMOVAL: (BELOW MINIMUM LEVEL)</b>					
Removed less frequently than once a week	0	0	0	0	0
Using communal refuse dump	0	0	0	0	0
Using own refuse dump	0	0	0	0	0
Other rubbish disposal	0	0	0	0	0
No rubbish disposal	0	0	0	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level percentage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households</b>	<b>8 374</b>	<b>8748</b>	<b>8834</b>	<b>8 941</b>	<b>9210</b>

30 June 2016 Billing Reports

## 3.2.4.3 HUMAN RESOURCE CAPACITY

The vacancy rate for Waste Management Services was 19.64% as at 30 June 2016. Management assigned to the function are responsible for all aspects of service delivery.

**TABLE 66: HUMAN RESOURCES: WASTE MANAGEMENT SERVICES**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
51	41	10	19.61%

## 3.2.4.4 FINANCIAL PERFORMANCE

**TABLE 67: FINANCIAL PERFORMANCE (OPERATIONAL): WASTE MANAGEMENT SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 6 144 000.00	R 6 482 240.00	R 6 595 842.72	2%
Other:	R 10 385 000.00	R 13 825 341.00	R 12 877 233.87	-7%
Repairs & Maintenance:	R 412 000.00	R 679 000.00	R 639 861.76	-6%
<b>Total Operational Expenditure</b>	<b>R 16 941 000.00</b>	<b>R 20 986 581.00</b>	<b>R 20 112 938.35</b>	<b>-4%</b>
<b>Total Operational Revenue</b>	<b>-R 18 900 400.00</b>	<b>-R 21 314 000.00</b>	<b>-R 21 909 135.88</b>	<b>3%</b>

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Net Operational Expenditure	-R 1 959 400.00	-R 327 419.00	-R 1 796 197.53	449%

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 68: CAPITAL FINANCIAL PERFORMANCE (CAPITAL): WASTE MANAGEMENT SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	2015/16 ACTUAL	VARIANCE
Diverse equipment	5 000.00	5 000.00	-	-100%
Tools	2 000.00	2 000.00	1 999.00	0%
Drums and Stands	30 000.00	30 000.00	29 195.19	-3%
Enlarge recycling building	500 000.00	475 000.00	343 527.08	-28%
Establish composting facility	100 000.00	100 000.00	92 947.37	-7%
<b>TOTAL</b>	<b>637 000.00</b>	<b>612 000.00</b>	<b>467 668.64</b>	<b>-24%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.2.4.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

The following challenges and highlights have been experienced in the financial year:

- The roll out of an awareness campaign in cooperation with the Community Development Workers (CDW'S);
- All landfill sites are closed for dumping of household and business refuse. Only building rubble and garden refuse are accepted which are then used for covering material on the landfill sites;
- Implementation of a third green plastic bag to improve waste reduction. Two green bags, with organic material, will be removed free of charge weekly; and
- The Municipality received accolades for its work in waste management in the Greenest Municipality Competition.

Challenges that still need to be addressed include:

- The reduction of all types of refuse (at source);
- The roll out of an aggressive and effective recycling program;
- Rehabilitation of closed waste disposal sites;
- Implementation of waste to energy programmes; and
- Composting of organic waste.



### 3.2.5 HUMAN SETTLEMENTS (HOUSING)

#### 3.2.5.1 INTRODUCTION

Human settlement services are rendered by the Technical Services Directorate. Housing is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. Section 10 of the Housing Act, 1997, (Act 107 of 1997), sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between the Municipality and the Provincial and National Departments responsible for Housing.

This financial year saw the approval of tenders for construction of services for the following housing projects:

- The Municipality was able to commence with the implementation of its Housing Pipeline that was approved in the 2012/13 financial year. Infrastructure and top structures required for the development of 116 low cost houses at Porterville and 107 (89 Erf 3046 and 18 Albatros Street) serviced sites at Laaiplek were completed as well as the upgrading of 34 hostels at Laaiplek. The services and electricity were completed during the 2015/2016 financial year and the Municipality commenced with construction of the houses. The Municipality concluded services for a further 89 erven along Albatros Street in Velddrif.

Bergvliet Municipality also engaged into discussions with National Treasury as well as the Provincial Department of Human Settlements to determine the viability of GAP Housing. This entails the creation and promotion of housing opportunities, in partnership with the private sector, for people earning a combined monthly income between R 3 501 and R 18 000. However, the outcome of further discussions, consultations and the forming of new partnerships will determine how the municipality could contribute and facilitate human settlement projects of this nature.

#### 3.2.5.2 SERVICE STATISTICS

There is a dire need for human settlements throughout the Municipal Area. All prospective human settlement applicants are placed on a waiting list and the list is updated on an annual basis. The revised Beneficiary Selection Policy and Housing Demand Data Base have been approved by Council. The table below indicates the revised housing needs per town as reflected by the Municipality's Housing Waiting List as at 30 June 2015 which list also corresponds with the data base of the Provincial Department of Human Settlements.

**TABLE 69: HOUSING NEEDS**

TOWN	APPLICANTS 2011/12	APPLICANTS 2012/13	APPLICANTS 2013/14	APPLICANTS 2014/15	APPLICANTS 2015/16
Piketberg	1672	1786	1616	1898	1900
Wittewater*	11	12	10	10	7
Goedverwacht*	30	15	11	11	11

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

TOWN	APPLICANTS 2011/12	APPLICANTS 2012/13	APPLICANTS 2013/14	APPLICANTS 2014/15	APPLICANTS 2015/16
Porterville	1000	953	980	1012	956
Velddrif (including Noordhoek, Laaiplek and Port Owen)	900	827	1087	1178	1149
Aurora	100	293	183	192	171
Redelinghuys	178	179	148	240	245
Eendekuil	220	220	181	196	193
<b>TOTAL</b>	<b>4111</b>	<b>4285</b>	<b>4216</b>	<b>4737</b>	<b>4632</b>

\* Designates area of origin of applicant and not where houses could be built.

### 3.2.5.3 HUMAN RESOURCE CAPACITY

There are only two permanent employees and one temporary employee dedicated to the Housing function. Other staff members of the Technical Services Directorate lend administrative support where necessary.

**TABLE 70: HUMAN RESOURCES: HOUSING**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
3	2	1	33.33%

### 3.2.5.4 FINANCIAL PERFORMANCE

The 2014/15 Division of Revenue Act allocation for human settlement projects was R 27 550 000. Construction occurred according to the construction programme with the exception of the services for the 89 sites at Velddrif which had been delayed in 2013/14 due to public unrest and vandalism to services. The 2013/14 funds were carried over to the 2014/15 financial year and the project was completed during this period.

**TABLE 71: FINANCIAL PERFORMANCE (OPERATIONAL): HOUSING SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 1 041 000.00	R 980 886.00	R 916 071.00	-7%
Other:	R 129 000.00	R 38 721 000.00	R 347 615.93	-99%
Repairs & Maintenance:	R22 000.00	R 22 000.00	R 14 795.68	-33%
<b>Total Operational Expenditure</b>	<b>R 192 000.00</b>	<b>R 39 723 886.00</b>	<b>R 1 278 482.68</b>	<b>-97%</b>
<b>Total Operational Revenue</b>	<b>-R 21 804 000.00</b>	<b>-R 38 507 000.00</b>	<b>-R 47 953.60</b>	<b>-100%</b>
<b>Net Operational Expenditure</b>	<b>-R 20 612 000.00</b>	<b>R 136 886.00</b>	<b>R 1 230 529.08</b>	<b>8%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 72: FINANCIAL PERFORMANCE (CAPITAL) HOUSING SERVICES**

## DRAFT ANNUAL REPORT 2015/16 VOLUME I

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Housing	21 769 000.00	0	0	5 549 512.04	-
8 Wendy Houses		127 200.00	127 200.00	127 200.00	0%
Diverse Housing		5 000.00	5 000.00	3 885.00	-22%
<b>TOTAL</b>	<b>21 769 000.00</b>	<b>132 200.00</b>	<b>132 200.00</b>	<b>5 680 597.04</b>	<b>4197%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.2.5.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- Successful roll out of a credible 10 year Human Settlements Pipeline by Council and Provincial Department of Human settlements;
- Excellent support by the Professional Resource Team (PRT). (A multidisciplinary team of professionals appointed by the Department of Human Settlement to assist with implementation of the Human Settlements Pipeline);
- Approval of funding for Human Settlements Pipeline projects;
- Increase of the Municipality's DoRA allocation from R 7 363 000 in 2013/14 to R 21 769 000 in 2014/15 to R 28 million;
- Complete infrastructure, services and top structures for 116 erven Porterville, 89 sites Velddrif (Erf 3046) as well as 18 sites along Albatros Street;
- Upgrade 34 hostels at Laaiplek;
- Updating of the Human Settlements Demand Database (Waiting List); and
- Enhancement of the national norms and standards for the construction of stand-alone residential dwellings and engineering services from April 2014.

Challenges that still need to be addressed include:

- The scarcity of suitable land for housing;
- The optimal utilisation of vacant serviced land for housing provision (infill housing);
- The high cost of bulk and service of infrastructure;
- Challenge to provide minimum housing standards with subsidy quantum;
- Sourcing of sufficient MIG and DoRA funding;
- Continuous influx of people who require housing; and
- Staff shortages.

### 3.2.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### 3.2.6.1 INTRODUCTION

The Municipality is required to use its equitable share which it receives from national government in terms of the Division of Revenue Act (DoRA) for the provision of basic services to its community. Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity and waste management.

Basic level services to households are defined as an electricity connection at the dwelling, a public standpipe for water within 200m of the dwelling, and a ventilated pit latrine (VIP) for sanitation. National policy also requires that poor households should receive 50kWh of free basic electricity, 6kl of free basic water and free weekly refuse removal. The Municipality has an indigent policy which it revises each year with the budget and maintains an indigent register. Indigent households are defined as households where the joint income does not exceed 2 state pensions plus 10%.

#### 3.2.6.2 SERVICE STATISTICS

In the past, free basic water and electricity were supplied to all households irrespective of their financial position. From 2013/14, free basic water was only supplied to indigent households and from 2014/15, free basic electricity will also only be supplied to indigent households and households who make use of a 20 AMP circuit breaker. Free basic refuse removal and sanitation are provided to indigent households only.

**TABLE 73: HOUSEHOLD ACCESS TO FREE BASIC SERVICES**

YEAR	NUMBER OF HOUSEHOLDS				
	TOTAL	FREE BASIC WATER	FREE BASIC SANITATION	FREE BASIC ELECTRICITY	FREE BASIC REFUSE
	HOUSEHOLDS	ACCESS	ACCESS*	ACCESS	ACCESS
2011/12	8485	8336	1758	8409	1791
2012/13	8748	8407	2008	8419	2208
2013/14	8834	1944	1772	1946	1946
2014/15	8941	1795	1605	1372	1798
2015/16	9210	1790	1614	1616	1793

30 June 2016 Billing Reports  
(\*Figure excludes septic tank users)

#### 3.2.6.3 FINANCIAL PERFORMANCE

**TABLE 74: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED**

SERVICES DELIVERED	2011/12 ACTUAL	2012/13 ACTUAL	2013/14 ACTUAL	2014/15 ACTUAL	2015/16 ACTUAL
Property Rates	R 1 696 880.33	1 923 859.39	2,653,793.86	3 017 590.00	3 352 716.34
Waste Management (Solid waste)	R 2 408 613.90	3 262 589.70	3,346,678.85	3 117 558.92	3 321 449.93
Waste Water (Sanitation)	R 1 690 245.50	2 192 831.28	2,271,878.05	2 067 872.36	2 232 950.63

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

SERVICES DELIVERED	2011/12 ACTUAL	2012/13 ACTUAL	2013/14 ACTUAL	2014/15 ACTUAL	2015/16 ACTUAL
Water	R 2 483 012.56	3 061 578.96	1,408,016.45	1 318 286.63	1 395 760.82
Electricity	R 2 934 011.72	3 147 504.40	3,397,440.11	560 868.36	709 788.06
<b>TOTAL</b>	<b>R 11 212 764.01</b>	<b>13 588 363.78</b>	<b>13,077,807.32</b>	<b>10 082 176.27</b>	<b>11 012 665.78</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.2.6.4 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Indigent households place enormous pressure on the financial resources of the Municipality, and the continual increase in indigent households will challenge the long-term financial sustainability of the Municipality. This is exacerbated by the fact that the equitable share does not increase equitably to the number of indigents. The 2014/2015 financial year is the second year that the number of indigents has decreased. This is primarily due to stringent control measures and monitoring of indigents who are registered with the Municipality.

## 3.3 ROADS AND STORM WATER

### 3.3.1 ROADS

#### 3.3.1.1 INTRODUCTION

Road services are rendered by the Technical Services Directorate. The Municipality has 188 Km of road of which 164 Kilometres are tarred and 24 Kilometres are gravelled. The Municipality focuses on maintaining the existing road network to ensure that road standards do not deteriorate to the extent that building of new roads is required. A maintenance programme has been implemented and is regularly updated to prioritise resurfacing/resealing needs. Gravel roads are graded regularly and there is an on-going pothole repair programme in place. Alternative construction methods are being investigated to upgrade gravel roads in low cost housing projects and Bergvriër Municipality has invested in a Pavement Management System to facilitate road maintenance.

#### 3.3.1.2 SERVICE STATISTICS

**TABLE 75: GRAVEL ROAD INFRASTRUCTURE**

FINANCIAL YEAR	TOTAL KM GRAVEL ROADS	KM NEW GRAVEL ROADS CONSTRUCTED	KM GRAVEL ROADS UPGRADED TO TAR/PAVED	KM GRAVEL ROADS GRADED/MAINTAINED
<b>2011/12</b>	22,8	2	0	22,8
<b>2012/13</b>	22,8	0	0	22,8
<b>2013/14</b>	22,8	0	0	22,8
<b>2014/15</b>	21,8	0	1	21,8
<b>2015/16</b>	20,5	0	1,3	20,5

**TABLE 76: TAR (ASPHALT) ROAD INFRASTRUCTURE**

FINANCIAL YEAR	TOTAL KM GRAVEL ROADS	KM NEW GRAVEL ROADS CONSTRUCTED	KM GRAVEL ROADS UPGRADED TO TAR/PAVED	KM GRAVEL ROADS GRADED/MAINTAINED
2011/12	22,8	2	0	22,8
2012/13	22,8	0	0	22,8
2013/14	22,8	0	0	22,8
2014/15	21,8	0	1	21,8
2015/16	20,5	0	1,3	20,5

**TABLE 77: TOTAL MAINTENANCE COSTS OF ROADS**

FINANCIAL YEAR	TOTAL MAINTENANCE COSTS OF ROADS
2011/12	R 16 825 576
2012/13	R 20 548 323
2013/14	R 22 405 005
2014/15	R 24 203 364
2015/16	R 23 069 710

## 3.3.1.3 HUMAN RESOURCE CAPACITY

The vacancy rate in the Roads Section was 23.86% as at 30 June 2016. Management assigned to the function are also responsible for other functions.

**TABLE 78: HUMAN RESOURCES: ROADS**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
88	67	21	23.86%

## 3.3.1.4 FINANCIAL PERFORMANCE

**TABLE 79: FINANCIAL PERFORMANCE (OPERATIONAL): ROAD SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 14 404 000.00	R 16 247 812.00	R 17 853 855.41	10%
Other:	R 7 649 400.00	R 5 282 000.00	R 3 540 874.42	-33%
Repairs & Maintenance:	R 1 019 000.00	R 1 190 000.00	R 1 674 980.24	41%
<b>Total Operational Expenditure</b>	<b>R 23 072 400.00</b>	<b>R 22 719 812.00</b>	<b>R 23 069 710.07</b>	<b>2%</b>
<b>Total Operational Revenue</b>	<b>-R 1 245 400.00</b>	<b>-R 1 365 816.00</b>	<b>-R 1 362 442.59</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>R 21 827 000.00</b>	<b>R 21 353 996.00</b>	<b>R 21 707 267.48</b>	<b>2%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 80: FINANCIAL PERFORMANCE (CAPITAL): ROAD SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	2015/16 ACTUAL	VARIANCE
Diverse equipment	110 000.00	105 000.00	97 024.79	-8%
Radios	20 000.00	20 000.00	19 750.00	-1%
Reseal/Construction of streets	2 000 000.00	1 900 000.00	1 973 877.40	4%
Cement ditches in Aurora	40 000.00	32 000.00	31 049.16	-3%
Street name curb stones	50 000.00	24 000.00	23 763.16	-1%
Traffic calming measures(speed bumps)	40 000.00	140 000.00	99 171.04	-29%
Harden pavements	80 000.00	80 000.00		
Pave sidewalks	300 000.00	300 000.00	299 178.59	0%
Tools	80 000.00	110 000.00	87 302.57	-21%
Curb stones: Sarel Cilliers	40 000.00	40 000.00	47 496.58	19%
Gravel storage area (stores)	30 000.00	30 000.00		
Construction of roads: RDP Houses	300 000.00	300 000.00	272 265.53	-9%
Tracking Devices	140 000.00	136 000.00	112 060.00	-18%
Main road 529 intersection	480 000.00	480 000.00		
Replace vehicles CFP 3140	430 000.00	430 000.00	429 875.00	0%
Pave sidewalks NH/Voortrekker RD	100 000.00	83 136.00	71 548.52	-14%
<b>TOTAL</b>	<b>4 240 000.00</b>	<b>4 210 136.00</b>	<b>3 564 362.34</b>	<b>-15%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**3.3.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES**

Performance highlights for the year include:

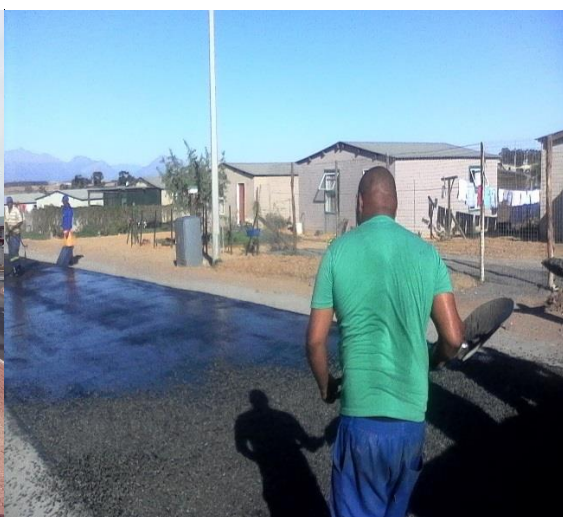
- Regular maintenance of existing asphalt (tar) roads which minimised potholes;
- Regular grading of gravel roads;
- Construction of roads at low cost housing Piketberg and Noordhoek; and
- Construction of street Park Street Porterville.

Challenges that still need to be addressed include:

- The upgrading of all gravel roads to asphalt (tar) standard.



Intersection Velddrif



Low Cost Housing Piketberg

### 3.3.2 STORM WATER

#### 3.3.2.1 INTRODUCTION

Storm water management services are rendered by the Technical Services Directorate. Bergrivier Municipality has a Storm Water Management Plan which was compiled by V&V Consulting Engineers. Priority areas have been identified in the first phase and all future projects will be based on this plan.

#### 3.3.2.2 SERVICE STATISTICS

**TABLE 81: STORM WATER INFRASTRUCTURE**

FINANCIAL YEAR	TOTAL KM STORM WATER MAINTAINED	KM NEW STORM WATER MEASURES
2011/12	37 Km	2,5
2012/13	40 Km	1.0
2013/14	40 Km	0
2014/15	40 Km	0
2015/16	40 km	0.5

**TABLE 82: COST OF MAINTENANCE OF STORM WATER SYSTEMS**

FINANCIAL YEAR	STORM WATER MAINTENANCE
2011/12	R 1 017 402
2012/13	R 865 041
2013/14	R 704 475
2014/15	R 704 475
2015/16	R 702 641

#### 3.3.2.3 FINANCIAL PERFORMANCE



**TABLE 83: FINANCIAL PERFORMANCE (OPERATIONAL) STORM WATER SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 517 000.00	R 578 414.00	R476 459.06	-18%
Other:	R 224 000.00	R 221 000.00	R 190 683.02	-14%
Repairs & Maintenance:	R 11 000.00	R 6 000.00	R 35 498.78	492%
<b>Total Operational Expenditure</b>	<b>R 752 000.00</b>	<b>R 805 414.00</b>	<b>R 702 640.86</b>	<b>-13%</b>
<b>Total Operational Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operational Expenditure</b>	<b>R 752 000.00</b>	<b>R 805 414.00</b>	<b>702 640.86</b>	<b>-13%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 84: FINANCIAL PERFORMANCE (CAPITAL): STORM WATER SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	2015/16 ACTUAL	VARIANCE
Diverse equipment	5 000.00	5 000.00		
Upgrade storm water in accordance with Master Plan (V&V)	200 000.00	200 000.00	198 857.18	-1%
Low water bridge: Park Street	10 000.00	10 000.00		
Stabilise "Wintervoor"(Flood Prevention)	35 000.00	26 000.00		
Construction of storm water channels at low cost houses	75 000.00	75 000.00	80 049.60	+7%
<b>TOTAL</b>	<b>325 000.00</b>	<b>316 000.00</b>	<b>278 906.78</b>	<b>-12%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

## 3.3.2.4 HUMAN RESOURCE CAPACITY

There were no vacancies in the Storm Water Services Section as at 30 June 2016.

**TABLE 85: HUMAN RESOURCES STORM WATER SERVICES**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
4	4	0	0%

## 3.3.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The development of Storm Water Master Plans.

Challenges that still need to be addressed include:

- The implementation of the Storm Water Master Plan for Piketberg is a high priority, but a lack of sufficient funding (own funding) delays the time frame of construction. Applications for external funding were unsuccessful to date.

### **3.4 PLANNING AND DEVELOPMENT**

#### **3.4.1 PLANNING AND DEVELOPMENT (SPATIAL PLANNING)**

##### **3.4.1.1 INTRODUCTION**

Spatial Planning and Land Use Management services are rendered by the Corporate Services Directorate and done in accordance with National/Provincial/Municipal legislation, National/ Provincial directives and Council policy and aims to facilitate sustainable urban and rural development. In addition, Planning and Development include all aspects pertaining to the management of Municipal immovable property (land).

##### **3.4.1.2 SERVICE STATISTICS**

The following table indicates the various planning applications that were finalised during the financial year.

DRAFT ANNUAL REPORT 2015/16 VOLUME I

**TABLE 86: APPLICATIONS FOR LAND USE DEVELOPMENT**

DETAIL	TOWN	SUBDIVISIONS		REZONINGS		CONSENT USES		DEPARTURES		REMOVAL OF RESTRICTIONS		TOTALS	
		2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning applications received	<b>TOTAL</b>	<b>13</b>	<b>15</b>	<b>20</b>	<b>12</b>	<b>10</b>	<b>10</b>	<b>19</b>	<b>22</b>	<b>3</b>	<b>7</b>	<b>65</b>	<b>66</b>
	Piketberg	3	3	11	4	1	3	12	12	1	1	28	23
	Porterville	0	1	3	1	0	2	3	4	0	0	6	8
	Aurora	0	0	0	0	0	0	0	0	0	0	0	0
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	4	4	0	0	1	0	1	1	1	2	7	7
	Laaiplek	1	3	3	1	2	2	1	2	1	3	8	11
	Dwarskersbos	0	1	0	0	1	2	1	3	0	1	2	7
	Redelinghuys	0	1	1	1	0	0	0	0	0	0	1	2
	Farm	5	2	2	5	5	1	1	0	0	0	13	8
Applications finalised/resolved	<b>TOTAL</b>	<b>22</b>	<b>9</b>	<b>15</b>	<b>10</b>	<b>9</b>	<b>7</b>	<b>22</b>	<b>14</b>	<b>8</b>	<b>5</b>	<b>76</b>	<b>45</b>
	Piketberg	6	3	8	3	1	3	14	7	1	1	30	17
	Porterville	1	0	1	1	2	2	2	2	0	0	6	5
	Aurora	1	0	0	0	0	0	0	0	0	0	1	0
	Eendekuil	0	0	0	0	0	0	1	0	0	0	1	1
	Velddrif	5	2	0	0	1	0	2	0	3	1	11	3
	Laaiplek	1	1	2	1	2	1	1	1	2	2	8	6
	Dwarskersbos	1	0	1	1	2	0	0	3	2	1	6	5
	Redelinghuys	1	1	0	1	0	0	1	0	0	0	2	2
	Farm	6	2	3	3	1	1	1	0	0	0	11	6

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

DETAIL	TOWN	SUBDIVISIONS		REZONINGS		CONSENT USES		DEPARTURES		REMOVAL OF RESTRICTIONS		TOTALS	
		2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
<b>Applications withdrawn</b>	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
	Piketberg	0	0	0	0	0	0	0	1	0	0	0	1
	Porterville	0	0	0	0	0	0	0	0	0	0	0	0
	Aurora	0	0	0	0	0	0	0	0	0	0	0	0
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	0	0	0	0	0	0	0	1	0	0	0	1
	Laaiplek	0	0	0	0	0	0	0	0	0	0	0	0
	Dwarskersbos	0	0	0	0	0	0	0	0	0	0	0	0
	Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
	Farm	0	0	0	0	0	0	0	0	0	0	0	0
<b>Applications pending or outstanding</b>	<b>TOTAL</b>	<b>9</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>25</b>	<b>20</b>
	Piketberg	2	0	1	1	0	0	2	4	1	0	6	5
	Porterville	0	1	0	0	0	0	1	2	0	0	1	3
	Aurora	0	0	0	0	0	0	0	0	0	0	0	0
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	4	2	0	0	0	0	1	0	0	1	5	3
	Laaiplek	0	2	2	0	0	1	1	1	0	1	3	5
	Dwarskersbos	0	1	0	0	1	1	1	0	0	0	2	2
	Redelinghuys	0	0	1	0	0	0	0	0	0	0	1	0
	Farm	3	0	1	2	3	0	0	0	0	0	7	2

## 3.4.1.3 HUMAN RESOURCE CAPACITY

There were no vacancies in the Department Planning and Development Services as at 30 June 2016.

**TABLE 87: HUMAN RESOURCES: PLANNING AND DEVELOPMENT SERVICES**

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
3	3	0	0%

## 3.4.1.4 FINANCIAL PERFORMANCE

**TABLE 88: FINANCIAL PERFORMANCE (OPERATIONAL): PLANNING AND DEVELOPMENT SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 1 482 000.00	R 1 773 085.00	R 1 752 138.31	-1%
Other:	R 798 200.00	R 1 176 400.00	R 991 761.52	-16%
Repairs & Maintenance:	R 12 000.00	R 14 000.00	R 6 849.00	-51%
<b>Total Operational Expenditure</b>	<b>R 2 292 200.00</b>	<b>R 2 963 485.00</b>	<b>R 2 750 748.83</b>	<b>-7%</b>
<b>Total Operational Revenue</b>	<b>- R 470 000.00</b>	<b>- R 637 000.00</b>	<b>- R 508 983.12</b>	<b>- 20%</b>
<b>Net Operational Expenditure</b>	<b>R 1 822 200.00</b>	<b>R 2 326 485.00</b>	<b>R 2 241 765.71</b>	<b>-4%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 89: FINANCIAL PERFORMANCE (CAPITAL): PLANNING AND DEVELOPMENT SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
<b>MSIG Funding</b>	R 300 000	R 300 000	R 300 000	R 300 000	0%
<b>TOTAL</b>	R 300 000	R 300 000	R 300 000	R 300 000	0%

Audited Annual Financial Statements 2015/16 dated 30 November 2016

## 3.4.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985) predated the current Constitution of the RSA and was found to be unconstitutional in many respects. As a result of Constitutional provisions in terms of planning, the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) was introduced as a national framework. Within the Western Cape Province, the Western Cape Government repealed Ordinance 15 of 1985 and approved the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014). Both the National as well as Provincial Acts are “framework” legislation.

This means that municipalities must “give effect to” the provisions of aforementioned acts via their own legislative powers. The Bergrivier Municipal By-Law Relating to Municipal Land Use Planning was implemented in order to “give effect to” the National/Provincial legislation by means of publication thereof in Provincial Gazette Extraordinary dated 2 July 2015.

- In terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), a municipality must adopt and approve a single land use scheme for its entire area within five years from the commencement of the said act. In reaction to aforementioned requirement, Bergrivier Municipal Integrated Zoning Scheme By-Law was implemented by means of publication thereof in Provincial Gazette Extraordinary on 17 June 2016.

Performance challenges include:

- Obtaining funding for the implementation of the development proposals made in various spatial planning documents.

### 3.4.2 BUILDING CONTROL

#### 3.4.2.1 INTRODUCTION

Building control services are rendered by the Technical Services Directorate. Building control is an essential part of any municipality. Applications for all new structures and additions must be submitted to the Municipality in terms of Section 4 of the National Building Regulations (NBR). Building control ensures that the NBR and other relevant legislation are complied with. Building plans for structures of less than 500m<sup>2</sup> are attended to within 30 days if there are no delays such as heritage approval and building plans for structures exceeding 500m<sup>2</sup> are attended to within 60 days of application. The Department is headed by the Engineer: Project Management and includes 3 Building Control Officers who are stationed at each of the three larger towns namely Velddrif, Piketberg and Porterville. Building plans are scrutinised by the Building Control Officers and plans are approved by the Engineer: Project Management.

#### 3.4.2.2 SERVICE STATISTICS

The following building plans were submitted during the financial year:

**TABLE 90: BUILDING PLANS SUBMITTED DURING THE YEAR**

TOWN	BUILDING PLANS APPROVED 2014/15			BUILDING PLANS APPROVED 2015/16		
	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL
Velddrif/Aurora/Dwarskersbos	148	7	<b>155</b>	201	6	<b>207</b>
Piketberg	73	7	<b>80</b>	94	3	<b>97</b>

TOWN	BUILDING PLANS APPROVED 2014/15			BUILDING PLANS APPROVED 2015/16		
	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL
Porterville	47	6	<b>53</b>	81	6	<b>87</b>
Redelinghuys	5	1	6	2	0	2
Eendekuil	10	0	<b>10</b>	24	1	<b>25</b>
Piketberg Rural Area	5	10	<b>15</b>	7	3	<b>10</b>
Goedverwacht	2	0	<b>2</b>	8	0	<b>8</b>
Wittewater	3	0	<b>3</b>	5	0	<b>5</b>
Porterville Rural Area	0	3	<b>3</b>	2	2	<b>4</b>
<b>TOTALS</b>	293	34	327	401	21	422

### 3.4.2.3 HUMAN RESOURCES

The table below reflects the Building Control Officers, but excludes the Engineer Project Management as he also deals with other aspects of project management within the Technical Services Directorate. There are currently no vacancies.

**TABLE 91: HUMAN RESOURCES: BUILDING CONTROL**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
3	3	0	0.00%

### 3.4.2.4 FINANCIAL PERFORMANCE

The Building Control Section did not have a capital budget for 2015/16.

**TABLE 92: FINANCIAL PERFORMANCE (OPERATIONAL): BUILDING CONTROL**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 1 296 00.00	R 1 259 909.00	R 1 263 996.87	0%
Other:	R 93 500.00	R 230 000.00	R 193 623.00	-16%
Repairs & Maintenance:	R 2 000.00	R2 000.00	-	-100%
<b>Total Operational Expenditure</b>	<b>R 1 391 500.00</b>	<b>R 1 491 909.00</b>	<b>R 1 457 619.87</b>	<b>-2%</b>
<b>Total Operational Revenue</b>	<b>R- 401 000.00</b>	<b>R-465 000.00</b>	<b>R-777 243.41</b>	<b>67%</b>
<b>Net Operational Expenditure</b>	<b>R 990 500.00</b>	<b>R 1 026 909.00</b>	<b>R 680 376.46</b>	<b>-34%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.4.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

- Illegal building activities remain a challenge, but a positive turn of events is that more people are applying for approval to undertake minor building works. It is these minor building works which constitute 80% of illegal buildings.

- The implementation of Regulation XA in terms of National Building Regulations, 1997, (Act 103 of 1977), as amended and in terms of Renewable Energy is still a challenge and is currently being required as an approval condition.
- Building Deposits that are not claimed timeously remain a challenge, and building deposits for plans that have been referred back and are not claimed within 12 months from the date of rejection, will be forfeited.

### 3.4.3 LOCAL ECONOMIC DEVELOPMENT

#### 3.4.3.1 INTRODUCTION

Local economic development includes the attraction of investments into the municipal area, job creation, informal trading, tourism and various ad hoc local economic initiatives. Local economic development is currently one of the major focus areas of the Department of Strategic Services, although it is also a cross cutting priority that must be focussed on in all aspects of service delivery and development.

#### 3.4.3.2 JOB CREATION (EXPANDED PUBLIC WORKS PROGRAMME)

The primary role of local government is to create a climate that is conducive to local economic development. The Municipality does however seek to create work opportunities wherever it can. One such programme is the Expanded Public Works Programme (EPWP) which is a government programme aimed at the alleviation of poverty and unemployment. The programme aims to increase economic growth by improving skills levels through education and training. It also aims to provide an enabling environment for industry to flourish. The programme is based on Labour Intensive Methods of Construction (LIC) by contractors which will also enhance skills development. The Municipality created 1 226 jobs during the year.

The following table provides an overview of the total wages paid and number of jobs created in each town during the 2015/16 financial year.

**TABLE 93: EPWP JOBS CREATED**

PROJECT	BENEFICIARIES	SUMMARY					
		DAYS WORKED	AMOUNT	Y/M	Y/F	A/M	A/F
Data Capturing	1	254	R 50 800.00	0	1	0	0
Subsoil Drainage	48	600	R 64,160.00	24	16	8	0
Construction of Stormwater Channels	80	1192	R 123 340.00	47	6	26	0
Maintenance of Electrical Network	130	1609	R 182 150.00	111	3	17	0
Collecting & Sorting	378	5271	R 529 304.00	166	140	50	22



PROJECT	SUMMARY						
	BENEFICIARIES	DAYS WORKED	AMOUNT	Y/M	Y/F	A/M	A/F
Street Cleaning	321	4068	R 448 480.00	166	80	56	15
Paving Construction	90	1373	R 153 233.00	63	17	8	2
Fire Fighting & Disaster	27	444	R 78 200.00	27	0	0	0
Law Enforcement	32	554	R 98 770.00	22	10	0	0
Total	1107	15365	R 1, 7 28437.00	577	263	165	39

#### **ABBREVIATIONS**

Y/M	Youth Male
Y/F	Youth Female
A/M	Adult Male
A/F	Adult Female

#### **3.4.3.3 INFORMAL TRADING**

The Municipality provides multipurpose retail trading spaces at a rental of R 130 per month. Lease agreements run for a period of 12 months. The purpose of these facilities is to provide traders in the informal economic sector with the opportunity to trade in the central business zones. The following facilities are available:

- ▲ Piketberg: 32 trading rooms are provided
- ▲ Porterville: 22 trading rooms are provided

A process to further identify land and facilities for informal traders also commenced in Porterville and Velddrif (Noordhoek). Funding has been acquired from Cerebos and the grant will be utilised to develop the site in Noordhoek together with a taxi rank.

#### **3.4.3.4 TOURISM**

The Bergrivier Tourism Organisation (BTO) manages the tourism function on behalf of the Municipality. BTO has affiliated local tourism offices in Piketberg, Velddrif, Porterville and Goedverwacht. The Municipality provided BTO with a grant to the amount of R 1 335 000 to cover some of their operational costs during the financial year.

Since the last financial year, the BTO recorded sharp increases in the number of e-mails (41 % increase) and walk-ins (16 % increase), with only a slight decline in phone calls (4.3 % decrease) by tourists. At a Wesgro Marketing Workshop in October 2014, which was attended by BTO's Tourism Manager, there was agreement that the West Coast's quality as an outdoor destination will be its unique selling point for a targeted campaign.

The Annual Report of the BTO is attached as **APPENDIX 8**, which includes the BTO's promotional activities and campaigns held during the financial year, electronic marketing strategy and community development projects.



Newly constructed entrance signage to Velddrif (Photographer unknown)

#### 3.4.3.5 LED INITIATIVES

The following initiatives were undertaken by the Office of the Municipal Manager:

##### **Adoption of a new LED Strategy**

During the 2014/15 financial year a revised LED Strategy was drafted and adopted in May 2015. The main objectives of the LED strategy are:

- To provide a situational analysis of the economy of Bergrivier Municipal Area to serve as baseline information for the LED strategy;
- To define and describe the institutional mechanism for implementation of the LED Strategy;
- To identify and describe potential short term projects to commence with a process towards achieving the strategic objective of LED; and
- To enhance the Local Economy of the Bergrivier Municipal Area.

The Strategy describes projects that have been identified during the various public participation processes to enhance the fulfilment of the local economic development objectives. An integrated approach for stimulating economic growth and development within Bergrivier is based on the following strategic development pillars and is based on the strengths and opportunities identified during the range of workshops and other interventions:

- Agriculture and Agro-Processing
- Enterprise development
- Tourism
- Infrastructure and Industrial Development

As to ensure the successful implementation of the economic strategy, the Bergrivier Economic Development Forum was established on 5 November 2015. Attached is the discussion document on the Bergrivier Economic Development Forum for further perusal. Four (4) working committees were established, namely

- Working Committee: Governance of the Forum
- Working Committee: Youth and Education
- Working Committee: Entrepreneurial Development
- Working Committee: Agriculture and Agro-processing

The above working committees meet on a regular basis, and a number of potential projects have been identified through the working committees, namely:

- i. A survey amongst the out-of-school youth and current learners to identify the training needs of the youth;
- ii. The facilitation of mobility in the 3 major towns. A potential service provider has been identified;
- iii. A MOU is in the process of negotiation with the West Coast Business Development Centre to expand the services of the centre to SMME's in Bergrivier. A first database has been compiled on the current and potential SMME's in Bergrivier and WCBDC needs to offer their services to those on the database.
- iv. Projects still to be complete include the Bergrivier Yellow Pages and the Precinct Plans of Porterville and Velldrif.

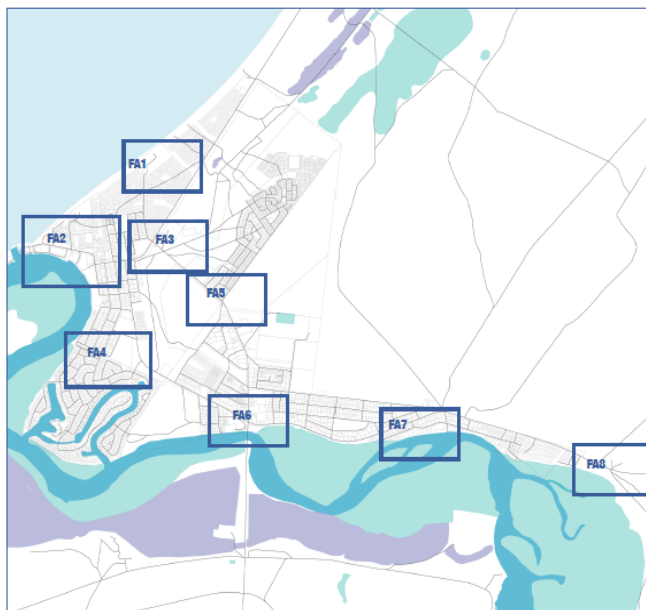
- **Velldrif Precinct Plan**

The need for a more detailed local plan for the Velldrif / Laaiplek precinct area was identified and prioritised during the Bergrivier municipal Spatial Development Framework-process. Through synthesising the key policy directives relative to the precinct area and through stakeholder engagement workshops, the vision for the future growth and development of Velldrif/Laaiplek was determined as the primary point of departure, "transforming Velldrif/Laaiplek into a vibrant, well managed and attractive town which offers safe, integrated open space, streets and amenities, where the unique landscape, cultural and social assets of the town create opportunities for residents and attract tourists".

Through a strategic analysis of the biophysical, socio-economic and built environment the report identifies the context, role and key issues that the precinct is currently facing. Spatial proposals are developed that aim to address these key issues while capitalising on opportunities presented. These focus on establishing a connected system of destinations, reinforcing these destinations through investment in public space and landscape while guiding investment to respond appropriately. The

report finally sets out an implementation action plan through identifying 8 key priority focus areas and their associated costing estimates as well as required implementation arrangements. This precinct plan therefore serves as an important policy instrument by which the local authority can promote specific objectives while ensuring for the implementation and “on the ground” manifestation of broader strategic spatial objectives as reflected in the Western Cape PSDF and the Bergrivier Municipality’s SDF. Discussions have been held with government institutions on the funding potential of the precinct plan.

**Figure 16: 8 Priority Areas in Velddrif Precinct Plan**



**8 Focus Areas**

1. Pelikaan Beach Node
2. Laaiplek Harbour
3. Lofdal Intersection Node
4. Voortrekker Road River Gateway
5. Noordhoek Community Node
6. Velddrif Gateway
7. Bokkomlaan
8. De Plaat Gateway

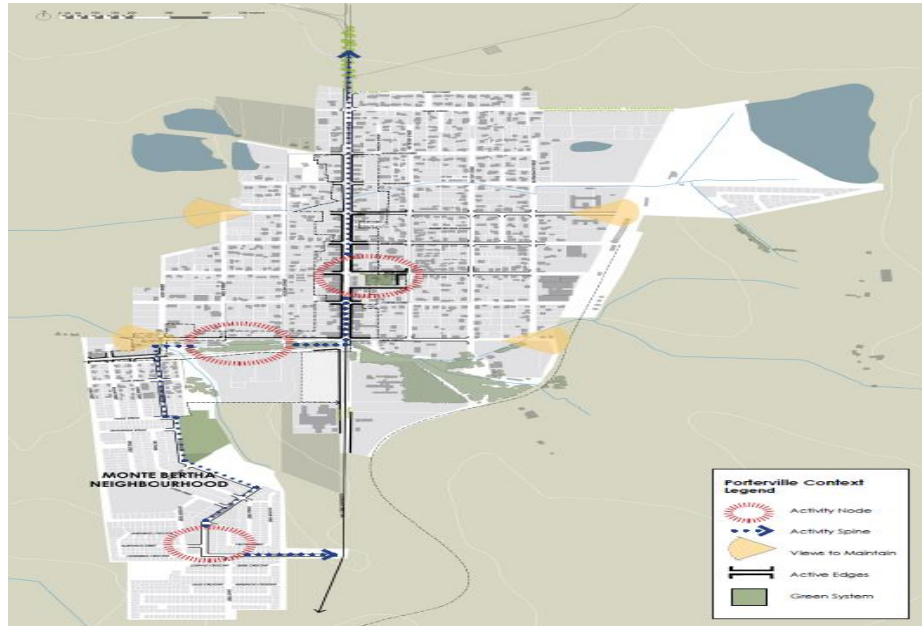
○ **Porterville CBD Precinct Plan**

The precinct plan for Porterville’s CBD was issued as the first step after being identified by the Bergrivier SDF as needing a more detailed plan. This plan takes into account the greater context and examines the structure, systems, use, heritage and quality of the public space through site investigation and stakeholder engagement. The approach of the plan was to strengthen the sense of place, promote ease of access, consolidate activity to build critical mass and create a vibrant public realm within the CBD precinct in such a manner that it benefits all of Porterville’s citizens through encouraging the sense of community and pride of place.

The precinct plan priorities include:

- Improve Voortrekker Street to provide equitable and attractive public spaces through street trees, safer crossings and wider sidewalks;
- Strengthen the visibility and function of Market Square as the heart of the precinct; and
- Create a new community asset of an attractive and active park linking the Monte Bertha neighbourhood with the commercial core of Porterville.

FIGURE17: PORTERVILLE PRECINCT PLAN



A meeting with all the owners of buildings in Voortrekker Street was held as to discuss the detail of the Precinct Plan and to ensure a proper public participation process. A small working committee was established who will develop the detail and implementation plan of the precinct plan further.

- v. The development of a privately funded agrihub where fresh produce of Bergrivier will be sold to a national retailer. The opportunity for small farmers has therefore grown as a continuous market will be available. The agrihub will also be used for the processing of food.

The establishment of the Bergrivier Economic Development Forum on 5 November 2015 was a huge success and was in essence the establishment of a Forum for the public and private sector to engage. The guest speaker was Mr. Christo van der Rheede from AgriSA. Mr van der Rheede was born in Goedverwacht and knows the area very well.



Guest Speaker Mr Christo van der Rheede (middle back) together with the honourable member of Parliament, Mrs Lorraine Botha (front right), Mayor Manuel (front middle), Speaker Alderman Raats (back left) and the municipal manager, Adv Hanlie Linde (front left)

### **Youth Development Strategy**

Two of the main game changers for Bergvriervier Municipality, as identified through the Western Cape Government's Joint Planning initiative, are education/youth development and economic development. In the light of these initiatives and the large percentage of youth relative to other age groups in the Municipal area, it was decided to draft a Youth Development Strategy as to address a need for a strategic focus on the youth as part of the Education sector's initiatives. Youth development is a process that prepares a young person to meet the challenges of adolescence and adulthood and achieve his or her full potential and is promoted through activities and experiences that help youth develop social, ethical, emotional, physical, and cognitive competencies. Conditions that promote healthy youth development are supported through programmes and activities in schools and communities. Providing the conditions for positive youth development is a responsibility shared by families, schools, and communities.

"Youth" in South Africa is being defined as the 14 - 35 age groups. However, the focus group in Bergvriervier will predominantly be the learners in secondary schools and will the strategy focus on the 15 - 24 age groups. Additional to this focus group, school leavers to the age of 24 will also be included in the strategy given the specific characteristics and needs of school – to-work transition and the specific attention of the FLOW (Fostering Local Wellness) programme to youngsters in this age category.

The Pillars of the Youth Development Strategy include:

- Youth ICT Empowerment

- Establishment of publicly accessible ICT Centre(s)
- Environmental Action
  - FLOW Programme
- Awareness and Participation
  - Establishment of a Junior Town Council
- Education and Skills Development
  - Hosting of a career awareness day where Further Educational Institutions and local, national and multi-national companies could market their services to the youth of the Bergrivier Municipal area;
  - Development of the Occupational Readiness Programme.
- E-centres
 

The establishment of the e-centres was negotiated with the Office of the Premier and the first 3 e-centres will be established in the 2016/17 financial year in Noordhoek, Eendekuil and Piketberg.
- The FLOW programme
 

The FLOW programme was also successfully implemented and is a transdisciplinary programme that focuses on fostering local economic well-being. The main focus of the programme is the implementation of a complementary currency, called the **BRAND** (Bergrivier Rand). The Programme is funded by Flemish Government donor funding, the National Treasury and UCT's African Climate & Development Initiative (ACDI) and Bergrivier Municipality with Meshfield as an implementation partner.

### **Bergrivier FLOW Ambassadors Graduation**

On 15th June 2016 a graduation ceremony was held in the Bergrivier Municipal Council Hall for the second group of nine FLOW Ambassadors and two FLOW Ambassador Mentors who completed the three-month FLOW training course.

The FLOW Ambassadors' training course is part of the larger FLOW program and specifically focuses on developing skills among local youth and awareness of socio-economic and environmental issues. The focus is on how local solutions can be used to address local issues through awareness and empowerment of the local youth.

The course included the following:

- Video training - how to shoot short movies on mobile phones, edit and upload onto the Internet. The group made a series of movies about older people in the Bergrivier area describing what they did before they had electricity in their homes. They also compiled a range of modern technologies used in the region to generate and save electricity using solar energy, as well as the use of compost to heat water.
- Capacity building around the life support systems such as water, energy, food and waste. The first group of FLOW Ambassadors conducted research and made movies of the local water system. They did research on the South African electricity system, and how this is relayed to their homes. Part of the research with the Municipal Electrical Engineer, Mr. Rossouw, they also learned about Piketberg electricity infrastructure and household audit.
- Skills development on electronic data collection on mobile phones, computers used to map information and present use of the Internet for research and the application of new 'apps';

- Development of personality skills, including leadership, self-confidence and public presentation; and
- Awareness on how local government works and how to participate in decisions about local development.

The "FLOW PROGRAMME (Foster Local Well-being) focuses on issues regarding the current state of the South African youth, unemployment and lack of skills as well as social and environmental challenges (including climate change, resource depletion, inequality and poverty). The program is currently taking place in two areas in South Africa, namely the Greater Kokstad Municipal area and Bergrivier Municipal area. The program is funded through a partnership between the Flemish Government (through Treasury), African Climate and Development Initiative (University of Cape Town), Bergrivier Municipality and Meshfield Innovation for Sustainability (implementing agent).



FLOW Ambassador (FA) Graduation Ceremony that took place in the Bergrivier Municipal Council Chambers. From left to right: Penny Price (FLOW), John Ziniades (FLOW), Victor Benjamin (FA), Dominique van den Houdt (FLOW), Ashlene Goliath (FA), Anna Cowen (FLOW), Ilicia Cloete (FA), Kirwan Klaase (FA Mentor), Executive Mayor Alderman EB Manuel, Shalton Cornelius (FA), Mckyllin Donkerman (FA), Ian Schaffers (FLOW Bergrivier Coordinator), Nicole le Fleur (FA), Alderman Riaan de Vries, Lizel Vollenhoven (FA), Municipal Manager Advocate Hanlie Linde, Deputy Mayor Alderlady Sandra Crafford.

Ambassadors form part of implementing the BRAND complementary currency to facilitate increased local exchange of goods and services. The BRAND was launched on Saturday 30 May 2015 by the Bergrivier Brand Network (BNN) and the FLOW programme. Launching the local currency for local exchange in Bergrivier is part of building local economic capacity. The BRAND can only be spent locally and is backed by the products and services of the local businesses, all informal business to date, that have registered with the BNN. Over 70 small businesses from Piketberg and Goedverwacht are part of the BNN. Engagements with the formal retail sector is also being explored to consider ways in which the BRAND can be incorporated for exchange in the formal sector.





*FLOW ambassadors & project partners*



*BRAND Public Launch on 30 May 2015 BRAND Notes*



Photos taken by: Stanton Booys

- **West Coast Economic Development Partnership**

The Western Province Department of Economic Development and Tourism (DEDAT) worked with the West Coast District Municipality to pilot an Economic Development Partnership (EDP) initiative in the West Coast region which started in 2013/14, continued in 2014/15 and is still currently in progress. The PACA and other projects such as a value chain analysis were conducted in the West Coast and was used to identify themes to strengthen and add value to the West Coast EDP. The initiative aims to strengthen the economy of the West Coast District through assessment of the economic potential of local areas, development of strategies on how to mobilize and unlock the economic potential and finding ways to encourage stakeholders to work together to create practical opportunities for cooperation and trust building. The Municipality participates in this partnership and is represented by the Municipal Manager's Office.

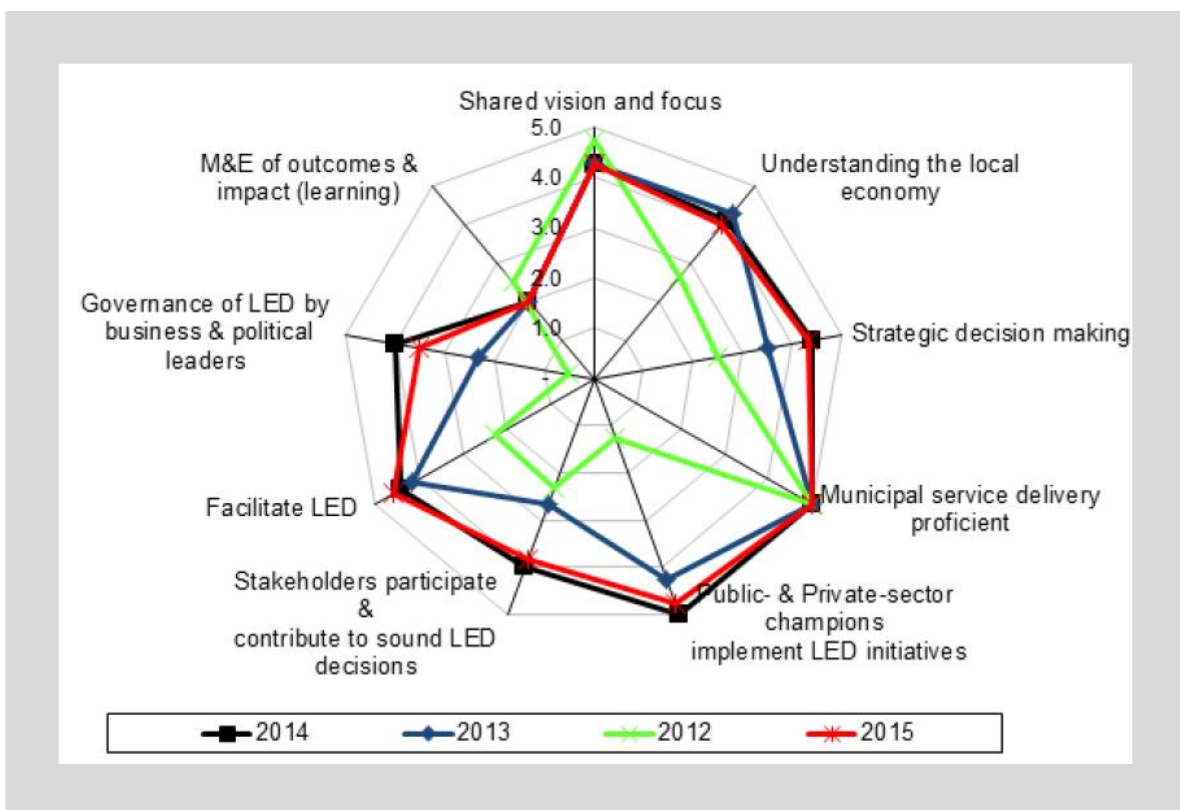
- **LED Maturity Assessment**

The fifth annual LED maturity assessment was conducted in the Western Cape Province. Twenty seven of the thirty municipalities participated this year, most of which received feedback on their results within 48 hours.

A *LED maturity assessment* provides a practical way to rapidly assess (in 3 hours) the state of maturity of a municipality or development organisation in the field of LED. The assessment method relies on information gathered by interviewing the chief LED decision makers in a municipality. The belief is that LED success depends ultimately on *the way these leaders make decisions*. Strategy and planning documents inform these subsequent decisions.

The state of LED in the Western Cape has improved remarkably since the systematic assessment and the informed capacity building support started in February 2012. Improvement is not only attributable to DEDAT and SALGA capacity building, but mainly due to the hard work of participating municipalities, striving to push up their LED competency and therewith their scores and ranking.

**FIGURE 18: 2015/16 LED MATURITY ASSESSMENT OUTCOMES**



### 3.4.4 SOCIAL DEVELOPMENT

The Municipality does not have a dedicated department or budget for social development, but works jointly with other organs of state and the West Coast District Municipality to promote social development within the Municipal Area. A Memorandum of Agreement has also been signed between Bergrivier Municipality and the Department of Social Development.

Bergrivier Municipal Area has 2 Community Development Workers (CDW's) allocated to it by the Provincial Department of Local Government for the year, who assisted the Municipality with community and social development. The Community Services Department of the West Coast District Municipality also contributed significantly to the roll-out of social programmes in the Bergrivier Municipal area.

The following social programmes were rolled out during the year:

- **Golden Games**

Participants from all five B-municipalities in the West Coast area participated in the finals in 2016 that was held in Darling.

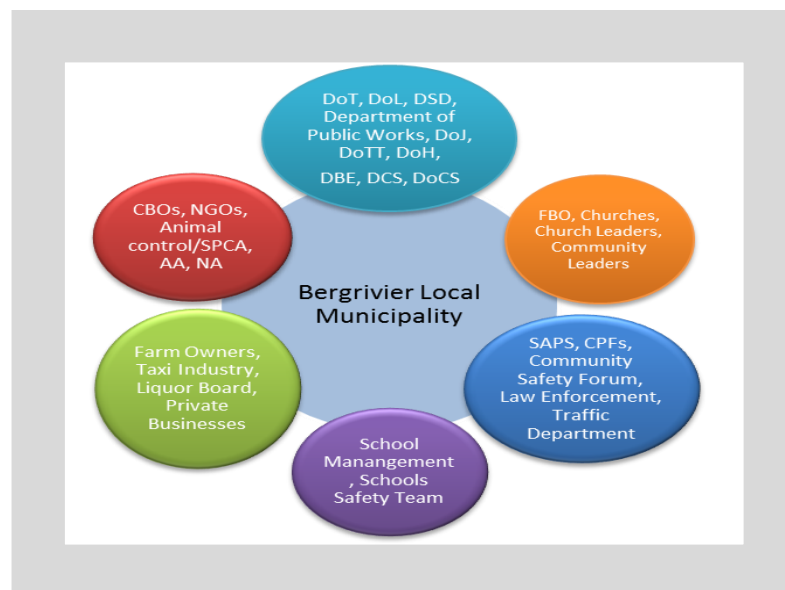


Photo taken by: WCDM

- **Community Safety Plan**

Bergvriër Municipality partnered with the Centre for Justice and Crime Prevention to develop a comprehensive safety plan for the local municipality to better respond to the crime and safety-related issues affecting the municipal area. The key to social crime prevention is to have a strong collaboration of government and non-state organisations.

The graph below depicts all the stakeholders needed to adequately implement and monitor the implementation of the safety plan:



### 3.5 COMMUNITY SERVICES

#### 3.5.1 LIBRARY SERVICES

##### 3.5.1.1 INTRODUCTION

Library Services are rendered by the Corporate Services Directorate. Libraries are the functional mandate of the Department of Cultural Affairs and Sport (Western Cape Library Services) and the Municipality manages 11 community libraries and 3 mini libraries on their behalf.

##### 3.5.1.2 SERVICE STATISTICS

Statistics listed below are only for books issued for this financial year and does not reflect the number of visitors to the library. There are still many people who visit the libraries to make use of the internet and computer facilities, to do research or for information purposes and do not necessarily borrow books. There was an annual decline in the issuing of books from the 2011/12 – 2014/15 financial year and can be attributed to changing technology, like the fact that people can electronically purchase and read books, magazines and newspapers on their cell phones and computers. Fortunately during the 2015/16 financial year there were an increase in book circulation and can be attributed to a very good marketing process by the libraries.

**TABLE 94: LIBRARY BOOKS ISSUED PER ANNUM**

LIBRARY	2011/12	2012/13	2013/14	2014/15	2015/16
Aurora	7 795	7 464	7 466	7 272	7 064
Bettie Julies	7 636	6 657	6 495	6 229	11 944
Berghof	38 894	26 797	19 093	12 031	3 862
Eendekuil	4 305	3 139	2 600	2 625	5 818
Goedverwacht	29 987	30 624	29 606	28 322	27 144
LB Wernich	25 578	26 666	25 004	23 257	22 170
Noordhoek	50 946	48 249	45 934	54 160	20 689
Piketberg	67 181	60 078	56 224	41 770	47 674
Porterville	24 201	20 764	18 523	17 749	39 023
Redelinghuys	9 591	7 724	5 314	6 000	5 390
Velddrif	68 899	68 320	67 217	63 023	65 579
Versfeldt	0	0	693	4 247	14 868
Wittewater	5 079	8 800	6 400	13 242	19 353
Dwarskersbos	18 333	23 001	19 450	7 886	5 800
<b>TOTAL</b>	<b>358 425</b>	<b>338 283</b>	<b>310 019</b>	<b>287 813</b>	<b>296 378</b>

Users of computer facilities at the undermentioned libraries were recorded from the 1 December 2015 – 30 June 2016.

**TABLE 95: COMPUTER USERS**

LIBRARY	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16	JUNE 16	TOTAL
Piketberg	167	341	400	297	360	463	274	2 302
LB Wernich	301	492	447	435	506	534	601	3 316
Porterville	198	178	307	239	180	225	275	1 602
Bettie Julies	233	120	168	233	186	186	188	1 314
Velddrif	103	117	210	182	160	213	157	1 142
Noordhoek	113	146	310	195	316	336	189	1 605
Eendekuil	71	62	84	84	46	69	38	454
Redelinghuys	2	3	7	22	6	17	22	79
Goedverwacht	-	-	-	9	20	28	14	71
<b>TOTAL</b>	<b>1 188</b>	<b>1 459</b>	<b>1 933</b>	<b>1 696</b>	<b>1 780</b>	<b>2 071</b>	<b>1 758</b>	<b>11 885</b>

### 3.5.1.3 HUMAN RESOURCES

There was one vacancy in the Library Services Section as at 30 June 2016.

**TABLE 96: HUMAN RESOURCES: LIBRARIES**

LIBRARY	TOTAL NO. OF PERMANENT POSTS (EXCLUDING CONTRACT WORKERS)	TOTAL NUMBER PERMANENT OF EMPLOYEES	NO. OF VACANCIES	CONTRACT WORKERS
Aurora	2	2	0	0
Eendekuil	1	1	0	0
Bettie Julius	3	3	0	0
Berghof	1	1	0	0
Goedverwacht	3	3	0	0
LB Wernich	3	3	0	0
Piketberg	4	4	0	2
Porterville	4	4	0	0
Noordhoek	3	3	0	0
Redelinghuys	1	1	0	0
Velddrif	4	4	0	0
Dwarskersbos	0	0	0	0
Versfeld	1	1	0	0
Wittewater	1	1	0	0
<b>TOTAL</b>	<b>31</b>	<b>31</b>	<b>0</b>	<b>2</b>

### 3.5.1.4 FINANCIAL PERFORMANCE

The Department of Culture, Art and Sport (Western Cape Library Services) provides an annual conditional grant (CG) to contribute towards personnel costs. The 2015/16 CG grant amounted to R1 930 000. This is in addition to the Municipal Replacement Fund Grant to the amount of R 4 000 000 which is also used for

personnel costs, library operations, purchasing of office equipment and furniture, maintenance and library projects.

**TABLE 97: FINANCIAL PERFORMANCE (OPERATIONAL): LIBRARY SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 4 754 000.00	R 4 725 616.00	R 4 658 387.32	-1%
Other:	R 721 000.00	R 1 151 500.00	R 1 067 247.17	-7%
Repairs & Maintenance:	R 42 000.00	R 101 900.00	R 101 066.79	-1%
<b>Total Operational Expenditure</b>	<b>R 5 517 000.00</b>	<b>R 5 979 016.00</b>	<b>R 5 825 701.28</b>	<b>-3%</b>
<b>Total Operational Revenue</b>	<b>R – 5 904 000.00</b>	<b>-R 5 978 00.00</b>	<b>-R 6 029 282.92</b>	<b>1%</b>
<b>Net Operational Expenditure</b>	<b>-R 387 000.00</b>	<b>R 1016.00</b>	<b>-R 202 581.64</b>	<b>-20039%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 98: FINANCIAL PERFORMANCE (CAPITAL): LIBRARY SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
Photocopiers	R 100 000.00	R 81 000.00	R 81 000.00	R 81 000.00	0,00%
Airconditioners	R 50 554.00	R 94 338.00	R 94 338.00	R 94 337.71	0,00%
Tables/Shelves/Furniture	R 54 446.00	R 60 766.00	R 60 766.00	R 60 578.90	-0,01%
Alterations Dwardersbos Library	R 250 000.00	R 209 145.00	R 209 145.00	R 209 146.43	0,00%
Upgrade of Piketberg Library & Hall	R 150 000.00	R 112 100.00	R 112 100.00	R 112 096.48	0,00%
Curtains & Blinds	R 0.00	R 47 651.00	R 47 651.00	R 47 650.64	0,00%
<b>TOTAL</b>	<b>R 605 000.00</b>	<b>R 605 000.00</b>	<b>R 605 000.00</b>	<b>R 608 778.14</b>	<b>-1,01%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.5.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

- Regular Story time for pre-school children;
- Holiday programs – Doing fun craft projects, needlework, making Christmas cards and gift bags, listen to stories, decorating and eating cake, colouring in, playing games, be creative with recycled material, treasure hunt, Christmas tree decorations and gifts from scrap material, face painting, etc;
- 50 Years birthday celebration of Velddrif Library;
- Visit local schools for library education, information and storytelling;
- Libraries have special programmes in conjunction with different organisations and groups such as the Museum, Badisa, SAP, Tourism, Santam, other municipal directorates and Cape Nature for story time, stargazing with picnic, games, tour of water purification plant, holiday fun projects etc;

- Library week, **#libraries4lifelonglearning**, were celebrated for the week with visits to schools to invite children to libraries, promote libraries to community at local Spar and OK, tea served to library users, special treat for elderly citizens with fun stories, tea and refreshments, ghost story night for 55 children;
- Library facebook for library news;
- Fun projects to teach children the fun of reading and stories: Teddie bear picnic and outdoor storytime;
- Smaller libraries help and assist children with homework and expanding their vocabulary;
- The libraries support and organise different reading circles;
- Visit old age home and clubs for the elderly to exchange books on a weekly basis;
- Versfeld library visit 6 farms to exchange books;
- Piketberg library staff together, with 4 volunteers, started with a storytime at Huis A. J. Liebenberg every Monday morning;
- Started with computer training for adults;
- Educare students wrote exams online on Internet facilities in Piketberg and L. B. Wernich Libraries;
- Minister of Arts, Culture and Sport, Ms A. Marais, launched her Oral history project at Bergrivier Municipality. (a collaboration between Libraries and Museums);
- At the start of the school year we handed a poem and invitation to join the library to every grade 1 learner in Bergrivier;
- The Matrics received a Matric prayer with a word of support and encouragement from Bergrivier Libraries;
- Piketberg Tourism, museum and library held a successful story telling occasion at Piketberg museum. Grade 7 students of Piketberg High School, together with people from the community, shared stories of old times in Piketberg;
- Librarian day was celebrated;
- Dwarskersbos library – storeroom at Dwarskersbos holiday resort was transformed into a new library building;
- A parcel with a Ruler, pen, pencil, something to eat, a prayer and notes of encouragement, was handed to every Matric in Bergrivier before the final matric exams of 2015;
- We joined the world in the celebration of the Worldcup Rugby with a kick off celebration by Bergrivier Municipality staff members;
- Bergrivier Municipality hosted a very successful Stellenbosch/Saldanha Library forum at Velddrif Yacht Club for about 45 librarians.
- The Head: Library Services joined 3 000 other Librarians from all over the world to attend the library IFLA conference in Cape Town in August 2015; and

- EXHIBITIONS IN LIBRARY: Cancer, Book Week, Heritage Day, Aids, Battered women and children, Valentine's Day, Easter, Christmas, Authors, Books and movies, Drugs, Africa day, Children's books art, Music, Mandela day, Back to school, The Alphabet, Go green and recycle, How to save water, True stories, World cup rugby, Diabetics, Remember the tragedy of 11 September, Spring, Mother's day, Archive week.

## CHALLENGES

- Procurement of materials for applications;
- Vacancies;
- High cost of upkeep of buildings (maintenance) – old electrical lightfittings, airconditioners, etc;
- High cost of renting library space;
- Shortage of space in some libraries; and
- Theft of copper pipes on air conditioners.

## UPGRADES

- The Velddrif, L.B.Wernich, Eendekuil, Piketberg, Noordhoek Porterville and Bettie Julius libraries already started with the Library Service's automated electronic library system, SLIMS. Redelinghuys Library was added during the 2015/16 financial year;
- Computers with internet access for the public were installed in Wittewater and Goedverwacht libraries;
- Piketberg, Porterville, Bettie Julius and L.B. Wernich libraries interior were painted with beautiful colours;
- L.B. Wernich and Velddrif Libraries children's side were decorated with beautiful and colourful wallpaintings;
- Piketberg and Noordhoek Libraries - replacement of carpets and blinds;
- Piketberg Library - upgrading of library and library hall;
- Computers and conditioners; and
- A colourful Bergrivier Municipality library brochure.





Computer training for adults in Redelinghuys



50 Years birthday celebration of Velddrif Library



Holiday Programme



The Head: Library Services joined 3 000 other Librarians from all over the world to attend the library IFLA conference in Cape Town in August 2015.

### 3.5.2 MUSEUMS

#### 3.5.2.1 INTRODUCTION

Museums are the functional mandate of the Department of Cultural Affairs and Sport. Museums are the responsibility of the Corporate Services Directorate. The two museums of the Municipality, the Jan Danckaert Museum in Porterville and the Piketberg Museum are managed by Museum Committees and are given a grant in aid by the Municipality to cover some of their operational costs. Each Museum was given R 201 500 for the year. The municipality also gave an amount of R 21 000 as a grant in aid to the SA Fisheries Museum in Velddrif. The Municipality plays an active role on the Museum Committee.

Although South African museums are facing transformation, similar to all other institutions, their existence are crucial in that they still play a central role in heritage and tourism. Other important contributions are that of education, social cohesion and environment, although museums do not see the spin-offs. Art always uplifts a society; it is a reflection of its history and where it stands in today's demographics. A museum should be integral to any community and has the ability to help bind a community.

#### 3.5.2.2 SERVICE STATISTICS

**TABLE 99: MUSEUM VISITS**

**2012/13**

MUSEUM	JUL 12	AUG 12	SEPT 12	OCT 12	NOV 12	DEC 12	JAN 13	FEB 13	MAR 13	APR 13	MAY 13	JUNE 13	TOTAL
Jan Danckaert (Porterville)	63	66	70	124	148	75	50	57	255	122	146	147	1 323
Piketberg Museum	47	169	94	43	18	18	45	24	208	76	51	21	814

TOTAL	110	235	164	167	166	93	95	81	463	198	197	168	2 137
-------	-----	-----	-----	-----	-----	----	----	----	-----	-----	-----	-----	-------

**2013/14**

MUSEUM	JUL 13	AUG 13	SEPT 13	OCT 13	NOV 13	DEC 13	JAN 14	FEB 14	MAR 14	APR 14	MAY 14	JUNE 14	TOTAL
Jan Danckaert (Porterville)	391	282	261	221	254	194	90	79	354	130	164	98	2518
Piketberg Museum	76	25	50	41	47	48	34	259	123	116	23	17	859
SA Fisheries Museum (Velddrif)	176	183	3050	146	113	410	318	206	346	436	180	200	5764
<b>TOTAL</b>	<b>643</b>	<b>490</b>	<b>3361</b>	<b>408</b>	<b>414</b>	<b>652</b>	<b>442</b>	<b>544</b>	<b>823</b>	<b>682</b>	<b>367</b>	<b>315</b>	<b>9141</b>

\*3050 museum visits at SA Fisheries Museum during September 2013 were (in?) "makietie" month

**2014/15**

MUSEUM	JUL 14	AUG 14	SEPT 14	OCT 14	NOV 14	DEC 14	JAN 15	FEB 15	MAR 15	APR 15	MAY 15	JUNE 15	TOTAL
Jan Danckaert (Porterville)	259	103	179	114	117	133	132	234	249	85	326	141	2 072
Piketberg Museum	58	127	77	106	51	17	14	126	282	91	69	20	1 038
SA Fisheries Museum (Velddrif)	140	395	408	200	215	453	326	311	371	236	185	197	3 437
<b>TOTAL</b>	<b>457</b>	<b>625</b>	<b>664</b>	<b>420</b>	<b>383</b>	<b>603</b>	<b>472</b>	<b>671</b>	<b>902</b>	<b>412</b>	<b>580</b>	<b>358</b>	<b>6 547</b>

**2015/16**

MUSEUM	JUL 15	AUG 15	SEPT 15	OCT 15	NOV 15	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16	JUNE 16	TOTAL
Jan Danckaert (Porterville)	271	146	237	213	163	352	82	97	140	173	132	128	2 134
Piketberg Museum	97	67	115	96	36	30	20	210	100	131	45	25	972
SA Fisheries Museum (Velddrif)	253	151	173	302	269	395	194	230	470	510	439	115	3 501
<b>TOTAL</b>	<b>621</b>	<b>364</b>	<b>525</b>	<b>611</b>	<b>468</b>	<b>777</b>	<b>296</b>	<b>537</b>	<b>710</b>	<b>814</b>	<b>616</b>	<b>268</b>	<b>6 607</b>

**3.5.2.3 PERFORMANCE HIGHLIGHTS AND CHALLENGES**

Performance highlights are contained in each of the museum's annual reports which are attached as **APPENDIX 9**.

**Challenges:**

The future of museums is becoming a balancing act between surviving the devastating consequences of funding cuts and striving to make the best of the creative minds working in the sector. The recession affected the museums in general negatively as it reduced their annual memberships, donations, and more importantly reduced, or in some cases completely removed, government funding. Museums must also continue to reach consumer markets that they haven't been able to tap into, such as perhaps a younger market.

### 3.5.3 COMMUNITY FACILITIES (MUNICIPAL BUILDINGS AND FACILITIES)

#### 3.5.3.1 INTRODUCTION

Community facilities are a shared responsibility between the Corporate Services Directorate (administration) and the Technical Services Directorate (maintenance). Community facilities include the following:

- ▲ Municipal offices in all towns;
- ▲ Community halls in all towns;
- ▲ Trading facilities; and
- ▲ Public ablution facilities.

#### 3.5.3.2 HUMAN RESOURCES

There were three vacancies (3) in the Community Facilities (Municipal Buildings) section (Technical Services) as at 30 June 2016.

**TABLE 100: HUMAN RESOURCES: COMMUNITY FACILITIES**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
20	19	1	5%

#### 3.5.3.3 FINANCIAL PERFORMANCE

**TABLE 101: FINANCIAL PERFORMANCE (OPERATIONAL): COMMUNITY FACILITIES (MUNICIPAL BUILDINGS AND FACILITIES)**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 198 000.00	R 168 830.00	R 81 152.80	-52%
Other:	R 257 000.00	R 327 510.00	R 327 926.46	0%
Repairs & Maintenance:	-	R 650.00	R 209.65	-68%
<b>Total Operational Expenditure</b>	<b>R 455 000.00</b>	<b>R 496 990.00</b>	<b>R 409 288.91</b>	<b>-18%</b>
<b>Total Operational Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operational Expenditure</b>	<b>R 455 000.00</b>	<b>R 496 990.00</b>	<b>R 409 288.91</b>	<b>-18%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 102: FINANCIAL PERFORMANCE (CAPITAL): COMMUNITY FACILITIES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	2015/16 ACTUAL	VARIANCE
Office Building	650 000.00	175 000.00	171 207.44	-2%
Diverse equipment	4 000.00	4 000.00	3 192.27	-20%
Community Hall: curtains	65 000.00	109 200.00	109 184.17	0%
Tables and chairs (Community Hall)	30 000.00	25 500.00	25 230.32	-1%
Replace fence -commonage	50 000.00	50 000.00		
Tools	10 000.00	10 000.00	2 390.45	-76%

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	2015/16 ACTUAL	VARIANCE
Air conditioning - office	35 000.00	25 800.00	19 185.64	-26%
Community Hall: Acoustics	150 000.00	150 000.00	127 192.98	-15%
Air conditioning PV Office	15 000.00	15 000.00		
<b>TOTAL</b>	<b>1 009 000.00</b>	<b>564 500.00</b>	<b>457 583.27</b>	<b>-19%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.5.4 CEMETERIES

#### 3.5.4.1 INTRODUCTION

Cemeteries are the responsibility of the Technical Services Directorate. The cemeteries are well maintained in accordance with a maintenance programme that includes weed control and general cleaning. A Cemetery Master Plan is in place to ensure that the capacity and life span of cemeteries can be monitored. Graves must be paid before an allocation can be made and the grave will be prepared at least 24 hours before the church service commences.

#### 3.5.4.2 SERVICE STATISTICS

The Municipality has 12 cemeteries and a total of 366 burials took place in 2015/16. There is also a private cemetery in Velddrif.

**TABLE 103: CEMETERIES PER TOWN**

TOWN	CEMETERIES	BURIALS 2011/12	BURIALS 2012/13	BURIALS 2013/14	BURIALS 2014/15	BURIALS 2015/16
Piketberg	2	115	123	115	128	119
Aurora	1	6	12	11	9	8
Velddrif	3	62	71	60	73	64
Redelinghuys	2	22	12	14	8	18
Eendekuil	2	17	16	20	22	21
Porterville	2	96	104	87	81	136
<b>TOTAL</b>	<b>12</b>	<b>318</b>	<b>338</b>	<b>307</b>	<b>321</b>	<b>366</b>

#### 3.5.4.3 HUMAN RESOURCE CAPACITY

There are two full time personnel in the Velddrif Cemetery and one in Piketberg Cemetery. Maintenance and development of the other cemeteries is done by the Parks teams of each town. There was 1 vacancy as at 30 June 2016.

**TABLE 104: HUMAN RESOURCES: CEMETERIES**

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
--------------	-----------------	-----------------	------------

3	2	1	33.33%
---	---	---	--------

#### 3.5.4.4 FINANCIAL PERFORMANCE

**TABLE 105: FINANCIAL PERFORMANCE (OPERATIONAL): CEMETERIES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 346 000.00	R 348 751.00	R 306 720.92	-12%
Other:	R186 000.00	R 150 000.00	R 100 088.67	-33%
Repairs & Maintenance:	R 4000.00	R 5000.00	R771.93	-85%
<b>Total Operational Expenditure</b>	<b>R 536 000.00</b>	<b>R 503 751.00</b>	<b>R 407 581.52</b>	<b>-19%</b>
<b>Total Operational Revenue</b>	<b>- R 250 000.00</b>	<b>- R 265 000.00</b>	<b>-R 311 940.21</b>	<b>18%</b>
<b>Net Operational Expenditure</b>	<b>R 286 000.00</b>	<b>R 238 751.00</b>	<b>R 95 641.31</b>	<b>-60%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 106: FINANCIAL PERFORMANCE (CAPITAL): CEMETERIES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	2015/16 ACTUAL	VARIANCE
Diverse equipment	4 000.00	4 000.00		
Tools	10 000.00	23 300.00	23 189.73	0%
Expansion of cemetery	200 000.00	200 000.00	199 091.48	0%
<b>TOTAL</b>	<b>214 000.00</b>	<b>227 300.00</b>	<b>222 281.21</b>	<b>-2%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

#### 3.5.4.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights include:

- A site was identified and approved by Council for the new Piketberg Cemetery.

Challenges that still need to be addressed include:

- Development of the new Cemetery for Piketberg;
- New Cemetery for Porterville; and
- Improved cemetery maintenance.

### 3.6 ENVIRONMENTAL PROTECTION

### 3.6.1 POLLUTION CONTROL

The Municipality does not have a dedicated unit for pollution control. The management of pollution is a cross cutting priority. Water and soil pollution are dealt with in terms of our Water Services Development Plan and Integrated Waste Management Plans. Noise pollution is dealt with by the Traffic Department which includes Law Enforcement officers who are also responsible for the control of public nuisances. The West Coast Air Quality Working group (WCAQWG), the Joint Municipal Air Quality Working Group (JMAQWG) and the Western Cape Air Quality Officer's Forum meet on a quarterly basis to discuss air quality matters and complaints. The Manager: Community Services represents Bergrivier Municipality at these meetings.



Manager: Community Services attending a Provincial Air Quality Officers' Forum meeting

### 3.6.2 BIODIVERSITY AND CLIMATE CHANGE

#### 3.6.2.1 BIODIVERSITY

Bergrivier Municipality is a member of the Local Action for Biodiversity Programme (LAB) which is run by ICLEI – Local Governments for Sustainability's Global Biodiversity Centre, in partnership with International Union for Conservation of Nature (IUCN).

As part of this programme, the Municipality commissioned a Biodiversity Report in 2013/14 that unequivocally states that the Municipality's biodiversity is under threat from human occupation and activity.

Critical challenges facing the Municipality in the conservation of its biodiversity are:

- Integration of biodiversity into municipal planning frameworks and processes;
- Conservation and management of freshwater aquatic biodiversity;
- Conservation, management and development of the Berg Estuary;
- Conservation and management of terrestrial biodiversity;
- The impact of waste and pollution on biodiversity;
- Lack of biodiversity awareness; and

- Mainstreaming biodiversity into local economic development.

The Municipality rolled out various community programmes in co-operation with other organs of state such as rain water harvesting initiatives. Part of the Municipality's obligations in terms of this programme included the development of a Local Biodiversity Strategic and Action Plan (LBSAP) for implementation.

The following biodiversity programmes were rolled out during the year:

- **Table Mountain Fund Applications**

The Table Mountain Fund administered by the Cape West Coast Biosphere invited proposals for environmentally friendly projects in their municipal areas to the value of R 20 000 per project. A total of 53 applications were received, and after thorough evaluations in which our Municipality took part, some projects from our municipal area made the prioritised 15 projects.

- ▲ **Coastal and estuarine management**

The Municipality has 40 Kilometres of coast line which includes the Berg River Estuary. These are valuable resources that contribute significantly to the local economy, especially the tourism and fishing sub sectors. The National Environmental Management: Integrated Coastal Management Act, 2008, (Act No. 24 of 2008) aims to establish a system of integrated coastal and estuarine management. This Act places a number of obligations on municipalities and defines a municipality as being "a metropolitan, district or local municipality established in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)". In areas where jurisdiction is shared by a district and local municipality, the district municipality is responsible for the implementation of the provisions of this Act unless the district municipality has by agreement assigned the implementation of any of the provisions of the Act to the local municipality.

The West Coast District Municipality (WCDM) adopted an Integrated Coastal Management Plan (ICMP) in 2013/14 and has also developed one for the Bergrivier Municipality in the same period which was adopted by the Municipal Council in 2014/15. Bergrivier provided a grant in aid to the Berg Estuary Management Forum (BEMF) which enabled them to fund the ranger to regulate and monitor the Berg River Estuary.

### 3.6.2.2 CLIMATE CHANGE

National Government acknowledges that there is undisputed evidence that climate change is occurring and that further climate change is inevitable. South Africa needs to adapt to the impact of climate change by managing its climate and weather-related risks to reduce its vulnerability (National Climate Change Response Strategy: White Paper 2010). Climate change is a cross cutting issue and relies on a coordinated approach by all spheres of government, the private sector and broader public. The National Climate Change Response Strategy advocates that in addition to top down approaches, a bottom up approach must be adopted which



is informed by local government and their communities. From this it is evident that the Municipality has a defined role to play in the mitigation of and adaptation to the impacts of climate change. The Western Cape is particularly vulnerable to climate change and the hotter drier conditions predicted for the West Coast could have far reaching impacts. The Municipality's local economy is driven by agriculture and there is concern about the negative impacts of climate change on the agricultural sector which will in turn impact on the local economy.

During March 2014 the Municipal Council adopted a Climate Change Adaptation Plan. This plan was developed for the Municipality in partnership with the Climate Change Sub Directorate of the Western Cape Department of Environmental Affairs and Development Planning as part of their Municipal Support Programme and is in process of implementing initiatives contained therein. Climate change initiatives that have been implemented / commenced with include:

- **Bergrivier Climate Knowledge Network**

The Bergrivier Climate Knowledge Network, which was established in 2013/14, is a trans- and interdisciplinary network comprising academics from the University of Cape Town, government practitioners and local community members who focus on climate change issues within the Bergrivier Municipal Area and the Berg River. A further outcome of this project was a successful joint funding application to National Treasury for funding for a complementary currency project to be known as the FLOW Programme, **F**ostering **L**ocal **W**ell-Being, as discussed earlier.

### **3.7 SAFETY AND SECURITY**

This part includes: traffic and law enforcement services (including licensing and control of animals and control of public nuisances), fire services and disaster management. These services all fall within the Corporate Services Directorate.

#### **3.7.1 TRAFFIC AND LAW ENFORCEMENT SERVICES**

##### **3.7.1.1 INTRODUCTION**

Bergrivier Municipality has a Traffic and Law Enforcement Division which deals with law enforcement and licensing in the Municipal Area. The Traffic Section is responsible for traffic and by-law enforcement which include control of animals and addressing of public nuisances. The Licensing Section is responsible for Vehicle Registration, Vehicle- and Driver testing. The Traffic Division is managed by a Chief Traffic Officer and there are 14 officers, 3 EPWP Law Enforcement Officers, 5 Vehicle licensing officials as well as a number of support staff. The aim of the service is to provide a safe and healthy environment for the community.

The three top service delivery priorities are:

- The safe use of public roads by all road users;
- The enforcement of the National Road Traffic Act; and
- The enforcement of the Municipal By-Laws.

The Traffic Department is also responsible for Licensing (vehicles and drivers). This is a function of the Department of Transport and Public Works, but the Municipality renders this service as an agency of the Department and receives a subsidy to perform these functions on their behalf.

### 3.7.1.2 SERVICE STATISTICS

**TABLE 107: TRAFFIC AND BY-LAW INFRINGEMENTS**

DETAILS	2014/2015	2015/2016
Number of by-law infringements attended	2583	<b>3612</b>
Number of Traffic and Law enforcement officers in the field on an average day	6	<b>7</b>
Number of Traffic and law enforcement officers on duty on an average day	11	<b>13</b>

**TABLE 108: LICENSING TRANSACTIONS**

TRANSACTION	2014/15	2015/2016
Drivers license Transactions.	10929	11041
Motor vehicle Registration Transactions.	46942	51850

### 3.7.1.3 HUMAN RESOURCE CAPACITY

There was 1 vacancy in Traffic Section, 1 vacancy in the Vehicle Licensing and Testing Section and 3 support staff officials as at 30 June 2016

**TABLE 109: HUMAN RESOURCES: TRAFFIC LAW, ENFORCEMENT AND LICENSING**

	NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
Traffic and Law Enforcement	24	20	4	16.67%
Vehicle Licensing	5	4	1	20%
Support Staff	6	3	3	50%

### 3.7.1.4 FINANCIAL PERFORMANCE

**TABLE 110: FINANCIAL PERFORMANCE (OPERATIONAL): TRAFFIC, LAW ENFORCEMENT**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 6 181 590.00	R 6 506 281.00	R 6 517 155.25	0%
Other:	R 1 111 000.00	R 4 150 050.00	R 7 486 411.58	80%
Repairs & Maintenance:	R 133 000.00	R110 740.00	R 103 363.19	-7%
<b>Total Operational Expenditure</b>	<b>R 7 425 590.00</b>	<b>R 10 767 071.00</b>	<b>R 14 106 930.02</b>	<b>31%</b>
<b>Total Operational Revenue</b>	<b>-R 1 030 000.00</b>	<b>-R 4 135 000.00</b>	<b>-R 6 990 279.85</b>	<b>69%</b>

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
<b>Net Operational Expenditure</b>	<b>R 6 395 590.00</b>	<b>R 6 632 071.00</b>	<b>R 7 116 650.17</b>	<b>7%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 111: FINANCIAL PERFORMANCE (OPERATIONAL): VEHICLE LICENSING**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 873 000.00	R 1 029 497.00	R 1 003 346.73	-3%
Other:	R 117 000.00	R 351 170.00	R 344 681.40	-2%
Repairs & Maintenance:	R 17 000.00	-	-	-
<b>Total Operational Expenditure</b>	<b>R 1 007 000.00</b>	<b>R 1 380 667.00</b>	<b>R 1 348 028.13</b>	<b>-2%</b>
<b>Total Operational Revenue</b>	<b>-R 3 200 000.00</b>	<b>-R 3 540 000.00</b>	<b>-R 3 358 371.80</b>	<b>-5%</b>
<b>Net Operational Expenditure</b>	<b>-R 2 193 000.00</b>	<b>-R 2 159 333.00</b>	<b>-R 2 010 343.67</b>	<b>-7%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

There was no capital expenditure for Traffic and Law Enforcement in 2015/16.

### 3.7.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year included:

- The increasing of patrols and visibility in all towns by means of regular road blocks and integrated operations with our counter partners, the SAPS, Neighbourhood watches and Provincial Traffic.



- The increased enforcement of speed in all problem areas.
- The Addressing the Heavy vehicle problem in Dwarskersbos area.
- Animal Clinics were held as follows:
 

Velddrif	-	8
Aurora	-	6
Redelinghuys	-	7
Eendekuil	-	8

Porterville	-	8
Piketberg	-	9



- The renewing of a contract between the SPCA and the Municipality to enhance better service delivery to address the animal needs and welfare.



The upgrading of the road signage and markings in all the different areas of Bergrivier Municipality

Challenges that still need to be addressed, include:

- Personnel shortages: there is a high turnover rate in the Traffic Department and difficulty is experienced in attracting suitably qualified candidates with a clean record. In most instances the remuneration packages are also not in line with the qualifications needed;
- Control and lack of specialised knowledge and equipment on nuisance control;
- Shortage of sufficient equipment and resources to address the speeding challenges especially after hours;
- The Electrification of the Piketberg Informal Trading Centre; and
- The establishment of an Informal Trading Facility for Velddrif.

### 3.7.2 FIRE SERVICES AND DISASTER MANAGEMENT

#### 3.7.2.1 INTRODUCTION

Fire Services and Disaster Management are provided in conjunction with the West Coast District Municipality (WCDM) with whom the Bergrivier Municipality concluded a Memorandum of Understanding. Bergrivier Municipality is responsible for structural fires and the West Coast District Municipality for all other fires. There is a support agreement between Bergrivier Municipality and WCDM Fire Department for all fires within the Municipal area. The Municipality has a Fire Response Plan in place as well as a Disaster Management Plan that is reviewed annually to ensure alignment with the WCDM and Provincial Disaster Management Plans.

#### 3.7.2.2 SERVICE STATISTICS

The recent hot summers and shortage of good rain caused dams in the area to reach dangerous low levels. The agricultural sector suffered due to the lack of good rains and areas within the West Coast District was declared as agricultural disaster areas. Water restrictions were imposed and the use of water strictly monitored.

The following table shows the incidence of different types of fires in the Municipal Area:

**TABLE 112: FIRE STATISTICS**

BUSH AND GRASS FIRES												
DESCRIPTION	JUL 15	AUG 15	SEPT 15	OCT 15	NOV 15	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16	JUNE 16
Aurora	0	0	0	0	0	0	0	0	0	0	0	0
Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
Piketberg	0	1	0	0	0	0	3	1	1	1	0	0
Porterville	0	0	0	3	3	3	2	2	3	2	0	0

Velddrif	2	0	4	7	3	5	6	6	5	2	1	0
Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
<b>SUBTOTAL (2015/16)</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>10</b>	<b>6</b>	<b>8</b>	<b>11</b>	<b>9</b>	<b>9</b>	<b>5</b>	<b>1</b>	<b>0</b>
<b>STRUCTURE FIRES</b>												
<b>DESCRIPTION</b>	<b>JUL 15</b>	<b>AUG 15</b>	<b>SEPT 15</b>	<b>OCT 15</b>	<b>NOV 15</b>	<b>DEC 15</b>	<b>JAN 16</b>	<b>FEB 16</b>	<b>MAR 16</b>	<b>APR 16</b>	<b>MAY 16</b>	<b>JUNE 16</b>
Aurora	0	0	0	0	0	0	0	0	0	0	0	0
Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
Piketberg	0	0	0	0	1	1	0	1	0	1	0	1
Porterville	0	0	0	0	0	0	0	0	0	0	0	0
Velddrift	1	3	1	1	0	1	1	1	0	0	0	0
Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
<b>SUBTOTAL (2015/16)</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>INSPECTIONS</b>												
<b>DESCRIPTION</b>	<b>JUL 15</b>	<b>AUG 15</b>	<b>SEPT 15</b>	<b>OCT 15</b>	<b>NOV 15</b>	<b>DEC 15</b>	<b>JAN 16</b>	<b>FEB 16</b>	<b>MAR 16</b>	<b>APR 16</b>	<b>MAY 16</b>	<b>JUNE 16</b>
Aurora	0	0	0	0	0	0	0	0	0	0	0	0
Eendekuil	0	0	0	0	0	0	0	1	1	1	0	0
Piketberg	0	2	9	4	2	1	2	4	4	3	2	2
Porterville	0	0	0	1	1	1	1	1	1	1	2	1
Velddrif	1	4	10	5	2	1	15	0	0	2	3	2
Redelinghuys	0	0	0	0	0	0	0	0	0	1	1	0
<b>SUBTOTAL (2015/16)</b>	<b>1</b>	<b>6</b>	<b>19</b>	<b>10</b>	<b>5</b>	<b>3</b>	<b>18</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>5</b>

### 3.7.2.3 HUMAN RESOURCE CAPACITY

Except for the Head: Disaster Management, there are no dedicated personnel allocated to the Fire Services or Disaster Management Function. The Fire Service and Disaster Management function is rendered by traffic and technical services personnel in the towns Piketberg, Porterville, Velddrif, Aurora, Eendekuil and Redelinghuys.

R 100 000-00 was made available to appoint EPWP personnel. Two persons were appointed as assistant firefighters for the period of twelve months. An additional person was appointed for the period of four months over the summer months.

### 3.7.2.4 FINANCIAL PERFORMANCE

The cost of the fire service can vary dramatically from year to year depending on the number of incidents. Provision is always made for the worst case scenario.

**TABLE 113: FINANCIAL PERFORMANCE (OPERATIONAL): FIRE SERVICES AND DISASTER MANAGEMENT**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 5 42 000.00	R 501 612.00	R 521 452.71	4%
Other:	R 412 500.00	R 483 000.00	R 560 495.53	16%
Repairs & Maintenance:	R 82 000.00	R 29 300.00	R 28 877.21	-1%
<b>Total Operational Expenditure</b>	<b>R 1 036 500.00</b>	<b>R 1 013 912.00</b>	<b>R1 110 915.45</b>	<b>10%</b>
<b>Total Operational Revenue</b>	<b>-R 3000.00</b>	<b>-R 5000.00</b>	<b>-</b>	<b>-100%</b>
<b>Net Operational Expenditure</b>	<b>R 1 033 500.00</b>	<b>R 1 008 912.00</b>	<b>R 1 110 915.45</b>	<b>10%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 114: FINANCIAL PERFORMANCE (CAPITAL): FIRE AND DISASTER MANAGEMENT**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
Firefighting equipment	70 000.00	0	70 000.00	68 518,54	-2%
Radio Network	200 000.00	92 000.00	292 000.00	291 448,26	-0,2%
Locker for Equipment	0	30 000.00	30 000.00	26 300.00	-12%
<b>TOTAL</b>	<b>270 000.00</b>	<b>122 000.00</b>	<b>392 000.00</b>	<b>386 266,80</b>	<b>-1%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.7.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The appointment of EPWP personnel to assist with the fire-fighting function;
- A new digital VHF radio network and radios were purchased to improve the two-way radio communication for the fire & disaster management, traffic & law enforcement sections;
- Fire prevention inspections were performed throughout the municipal area;
- Emergency evacuation plans were compiled for Homes of the Aged, School hostels & Municipal Resorts;
- The Fire Safety Bylaw was revised and adopted by Council. It was published in the Government Gazette of 24 June 2016;
- EPWP personnel were assisted to obtain there heavy duty drivers license; and
- Hydrant inspections & marking schedule commenced.

Challenges that still need to be addressed include:

- The lack of dedicated qualified personnel;
- Shortage of funding to purchase equipment;
- The lack of a 24 hour emergency dispatch centre;
- The lack of a single emergency number for Bergrivier municipality;

- The lack of specialized fire fighting vehicles to cover risks; and
- The lack of dedicated fire station buildings to facilitate vehicles, equipment and personnel.



Veld fire north of Dwarskersbos



Veld fire north of Dwarskersbos



Fire Fighting Vehicle



Basic fire & life safety awareness talks were conducted with schools



Bulk fuel storage at Amawandle Fish Factory Laaiplek





Porterville Mountain Fire

### 3.8 COMMUNITY PARKS, SPORT AND RECREATION

This part includes community parks, sport fields and swimming pools, sport development and recreation resorts. Community parks, sport fields (maintenance) and swimming pools are the responsibility of the Technical Services Directorate and sport development and recreation resorts are the responsibility of the Community Services Directorate.

#### 3.8.1 PARKS AND OPEN SPACES

##### 3.8.1.1 INTRODUCTION

The Municipality is responsible for all parks and open spaces, which are important to the conservation of our biodiversity as well as the aesthetic appearance of our town.

**TABLE 115: PARKS AND OPEN SPACES**

TOWN	PARKS AND OPEN SPACES (HA)	PLAY PARKS (NO)
Piketberg	26.4	5
Aurora	1.4	1
Dwarskersbos	0.5	0
Velddrif	19.9	1
Redelinghuys	0.1	1
Eendekuil	0.5	2
Porterville	4.8	2
<b>TOTAL</b>	<b>53.6 HA</b>	<b>12</b>

## 3.8.1.2 HUMAN RESOURCE CAPACITY

There were 2 vacancies in the Parks Section as at 30 June 2016.

**TABLE 116: HUMAN RESOURCES: COMMUNITY PARKS**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
31	29	2	6 %

## 3.8.1.3 FINANCIAL PERFORMANCE

**TABLE 117: FINANCIAL PERFORMANCE (OPERATIONAL): PARKS AND OPEN SPACES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 4 130 000.00	R 4 427 947.00	R4 608 895.91	4%
Other:	R 976 000.00	R 840 500.00	R 657 723.68	-22%
Repairs & Maintenance:	R 143 000.00	R 254 500.00	R 312 508.95	23%
<b>Total Operational Expenditure</b>	<b>R 5 249 000.00</b>	<b>R5 522 947.00</b>	<b>R 5 579 128.54</b>	<b>1%</b>
<b>Total Operational Revenue</b>	-	-	-	-
<b>Net Operational Expenditure</b>	<b>R 5 249 000.00</b>	<b>R 5 522 947.00</b>	<b>R 5 579 128.54</b>	<b>1%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 118: FINANCIAL PERFORMANCE (CAPITAL): PARKS AND OPEN SPACES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
Diverse equipment	4 000.00	4 000.00	4 000.00	0.00	-100%
Lawn mowers	50 000.00	50 000.00	50 000.00	29 971.81	-40%
Irrigation - parks	20 000.00	20 000.00	20 000.00	18 017.05	-10%
Replace tractor (CBY 3021)	250 000.00	195 000.00	195 000.00	195 000.00	0%
Recreation areas garden	100 000.00	100 000.00	100 000.00	64 765.80	-35%
Town entrances	78 000.00	78 000.00	78 000.00	29 963.63	-62%
<b>TOTAL</b>	<b>502 000.00</b>	<b>447 000.00</b>	<b>447 000.00</b>	<b>337 718.29</b>	<b>-24%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

## 3.8.1.4 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Challenges that still need to be addressed include the vandalism of play equipment in parks. Areas are now fenced with lockable gates and the community must participate in controlling access.

### 3.8.2 SPORT FIELDS AND SWIMMING POOLS

#### 3.8.2.1 INTRODUCTION

The maintenance of sport fields and swimming pools is the responsibility of the Technical Services Directorate. Staff also received training in life saving at the municipal swimming pools.

#### 3.8.2.2 SERVICE STATISTICS

The following table indicates the sports facilities /codes in each town: (It must be noted that the Piketberg and De Hoek golf courses are privately owned and not maintained by the Municipality. The Porterville and Velddrif Golf Courses are municipal property, but maintained by the respective golf clubs).

**TABLE 119: SPORT FACILITIES AND CODES**

TOWN	FACILITY
Piketberg	Tennis / Rugby / Athletics/Soccer/ Netball / Bowls / Golf/ Pistol Shooting / swimming and cricket
Aurora	Tennis / Rugby / Soccer / Netball
Dwarskersbos	Tennis
Velddrif	Tennis / Netball / Rugby / Soccer/ Cricket / Bowls / Golf / Athletics / Racing pigeons / Angling / Jukskei
Redelinghuys	Rugby / Soccer / Athletics / Tennis / Netball / Jukskei
Eendekuil	Rugby / Soccer / Tennis / Netball / Athletics
Porterville	Rugby / Soccer / Athletics / Tennis / Netball / Bowls / Golf / swimming

#### 3.8.2.3 HUMAN RESOURCE CAPACITY

There was 1 vacancy in the sport fields and swimming pool section as at 30 June 2016.

**TABLE 120: HUMAN RESOURCES SPORT FIELDS AND SWIMMING POOLS**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
10	9	1	10%

#### 3.8.2.4 FINANCIAL PERFORMANCE

**TABLE 121: FINANCIAL PERFORMANCE (OPERATIONAL): SPORT FIELDS AND SWIMMING POOLS**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 1 112 000.00	R 1 354 439.00	R 1 145 171.83	-15%
Other:	R 1 316 000.00	R 1 248 000.00	R711 692.09	-43%
Repairs & Maintenance:	R 151 000.00	R 197 000.00	R 146 824.50	25%
<b>Total Operational Expenditure</b>	<b>R 2 579 000.00</b>	<b>R 2 799 439.00</b>	<b>R 2 003688.42</b>	<b>-28%</b>
<b>Total Operational Revenue</b>	<b>-R 24 000.00</b>	<b>-R 1 783 330.00</b>	<b>-R 1 795 171.63</b>	<b>1%</b>

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
<b>Net Operational Expenditure</b>	<b>R 2 555 000.00</b>	<b>R 1 016 109.00</b>	<b>R 208 516.79</b>	<b>-79%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 122: FINANCIAL PERFORMANCE (CAPITAL) SPORT FIELDS AND SWIMMING POOLS**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
Diverse equipment	5 000.00	12 000.00	12 000.00	11 556.84	-4%
Tools	50 000.00	43 000.00	43 000.00	35 476.00	-17%
Portable pavilions	50 000.00	50 000.00	50 000.00	49 200.00	-2%
Upgrading of Sport Facilities	1 717 000.00	1 315 789.00	1 315 789.00	969 980.84	-26%
<b>TOTAL</b>	<b>1 822 000.00</b>	<b>1 420 789.00</b>	<b>1 420 789.00</b>	<b>1 066 213.68</b>	<b>-25%</b>

Annual Financial Statements 2015/16 dated 30 November 2016

### 3.8.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- ▲ MIG Funds 15 %. Upgrade Piketberg sport (cricket grounds)

Challenges that still need to be addressed include:

- ▲ A lack of funding and a shortage of water for maintenance of grass fields.

### 3.8.3 SPORT DEVELOPMENT

Each town has a Local Sports Council who manages the local sport facilities and who are responsible for sport development. The Municipality supports these Sports Councils through an annual grant and maintain and upgrade the facilities on an on-going basis.

Performance highlights for the year include;

- ▲ The Municipality contributed an amount of R 270 000 towards sport development;
- ▲ The scene was set for the 2015 Berg River Canoe Marathon from Paarl to Velddrif. Paddlers the world over recognise this as the ultimate canoeing challenge! Hank McGregor who became the first person in history to win the 240 km clash from Paarl to Velddrif for a 10th time while Western Cape local Bianca Beavitt notched up her first women's crown. The 54<sup>th</sup> annual Bergrivier canoe marathon finished on 18 July 2015 at the Marinus Bridge in Velddrif.
- ▲ On 24 – 28 Augustus 2015 Bergrivier Municipality, in conjunction with Boland Rugby Union, host the SARU Provincial Amateur Tournament at Smit Sport Grounds in Velddrif. Hundreds of spectators attended the match;

- ▲ The 28<sup>th</sup> annual Fish Factories Rugby, Soccer and Netball Tournament was held on 30 and 31 October 2015 at the Smit Park Sport grounds in Velddrif; and
- ▲ Municipal Infrastructure Grant (MIG) to the amount of R 2 760 863 was received from the Department of Local Government (DoLG) for the upgrading of the Piketberg Cricket Grounds (also known as the Tollie Adams Oval). The project was completed during June 2016.

Challenges that still need to be addressed include;

- ▲ A lack of funding and the shortage of water put a burden on projects/initiatives that require high maintenance;
- ▲ A shortage of financial support to Sport Councils to render administrative services;
- ▲ Not all Sport Councils conduct monthly meetings as prescribed by policy and legislation;
- ▲ Sport councils do not submit timeously monthly financial statements as prescribed; and
- ▲ There is no dedicated official for sport development.



***Hank McGregor (2015 winner of the men's division)***



***Eigevis Soccer Team at Fish Factory Tournament***



***Planting of new grass at Piketberg Cricket Ground***



***Watering newly planted grass at Piketberg Cricket Ground***



***New Cricket nets at Piketberg Cricket Ground***



***New Cricket Pitch at Piketberg Cricket Ground***



***Piketberg Cricket Grounds***

### **3.8.4 RECREATION RESORTS**

#### **3.8.4.1 INTRODUCTION**

The Municipality has 3 beach/recreation resorts, namely Stywelyne (Laaiplek), Dwarskersbos and Pelican Holiday Resort (Laaiplek). Pelican beach resort is currently not in operation due to the poor state of the chalets and camping sites. The Municipality manages the other two resorts itself and strives to maintain a high standard at all times as these resorts contribute significantly to the tourism sector.

#### **3.8.4.2 SERVICE STATISTICS**

The Municipal recreation resorts are well utilised during summer months. Usage statistics are derived from the Resort Management System and is contained in the table below.

**TABLE 123: UTILISATION OF RECREATION RESORTS (VISITORS PER MONTH)**

BOOKINGS	JUL 15	AUG 15	SEPT 15	OCT 15	NOV 15	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16	JUN 16	TOTAL
<b>Stywelyne</b>													
Luxury Houses (7)	119	113	66	71	82	102	112	68	102	77	111	104	1 127
Flats (6)	84	82	48	66	65	119	89	75	63	88	97	84	960
Camping Sites (52)	46	61	112	90	48	888	236	105	334	139	28	28	2 115
<b>Dwarskersbos</b>													
Cottages (5)	20	44	36	55	43	78	71	64	55	47	57	61	631
Flats (12)	111	101	68	96	121	237	137	149	118	97	118	112	1 465
Camping Sites (124)	31	205	246	225	178	2 448	778	510	843	181	129	45	5 819
<b>TOTAL</b>	<b>411</b>	<b>606</b>	<b>576</b>	<b>603</b>	<b>537</b>	<b>3 872</b>	<b>1 423</b>	<b>971</b>	<b>1 515</b>	<b>629</b>	<b>540</b>	<b>434</b>	<b>12 117</b>

## 3.8.4.3 HUMAN RESOURCE CAPACITY

There were no vacancies in the Recreation Resorts Section as at 30 June 2016.

**TABLE 124: HUMAN RESOURCES: RECREATION RESORTS**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
16	16	0	0%

## 3.8.4.4 FINANCIAL PERFORMANCE

**TABLE 125: FINANCIAL PERFORMANCE (OPERATIONAL): RECREATION RESORTS**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 2 539 000.00	R 2 981 308.00	R 2 990 451.91	0%
Other:	R 1 451 500.00	R 2 175 450.00	R 1 770 228.57	-19%
Repairs & Maintenance:	R 323 000.00	R 349 130.00	R 341 532.01	-2%
<b>Total Operational Expenditure</b>	<b>R 4 313 500.00</b>	<b>R 5 505 888.00</b>	<b>R 5 102 212.49</b>	<b>-7%</b>
<b>Total Operational Revenue</b>		<b>-R 3 574 000.00</b>	<b>-R 4 146 828.70</b>	<b>16%</b>
<b>Net Operational Expenditure</b>	<b>R 1 238 306.00</b>	<b>R 1 931 888.00</b>	<b>R 955 383.79</b>	<b>-51%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 126: FINANCIAL PERFORMANCE (CAPITAL) RECREATION RESORTS**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
<i>Furniture and equipment</i>	180 000	61 100	241 100	240 815,82	-0,1
<b>TOTAL</b>	<b>180 000</b>	<b>61 100</b>	<b>241 100</b>	<b>240 815,82</b>	<b>-0,1</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.8.4.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The beach resorts were well-supported during the December/January holidays, as well as the 2016 Easter Weekend and the winter months;
- Maintenance work at both beach resorts is on schedule and complaints regarding the management and facilities at the beach resorts are minimal. Outstanding service delivery to the public is a priority;
- Twenty three unemployed persons from Velddrif were employed as temporarily workers at the resorts;
- Revenue of the resorts increased from R3 434 310 for 2014/15 to R4 139 184 in 2015/16; and
- Over the festive - and summer period hundreds of people visited the day camping site and swimming pool at Pelican Beach Resort.

Challenges that still need to be addressed include:

- Increasing occupancy levels outside of holiday seasons; and
- The overall sustainability and viability of the resorts.



New outside shower at Dwarskersbos beach resort





New warm water geysers at Dwarskersbos beach resort



New kitchen cupboards at Dwarskersbos chalets



Old wood window frames replaced with alluminium frames at Stywelyne



Upgraded bathroom at seaview chalets at Stywelyne



### 3.9 CORPORATE AND OTHER SERVICES

### 3.9.1 EXECUTIVE AND COUNCIL

#### 3.9.1.1 INTRODUCTION

The Executive and Council comprise the Municipal Council and its support staff as well as the Office of the Municipal Manager which includes the Strategic Services Department and Internal Audit Unit. The activities of this section are detailed under Governance (Chapter 2)

#### 3.9.1.2 HUMAN RESOURCES

There were no employee or Councillor vacancies as at 30 June 2015.

**TABLE 127: HUMAN RESOURCES: THE EXECUTIVE AND COUNCIL**

	NO OF POSTS	NO OF EMPLOYEES / COUNCILLORS	NO OF VACANCIES	VACANCIES%
Employees	5	5	0	0%
Councillors	13	13	0	0%

#### 3.9.1.3 FINANCIAL PERFORMANCE

There was no capital expenditure for the Council and Executive. The Municipality's equitable share is included as part of the income.

**TABLE 128: FINANCIAL PERFORMANCE (OPERATIONAL): THE EXECUTIVE AND COUNCIL**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 4 483 000.00	R 5 262 546.00	R 3 406 864.30	-35%
Other:	R 500 040.00	R 7 371 920.00	R 7 488 405.57	2%
Repairs & Maintenance:	R 6000.00	R 6000.00	R 1563.16	-74%
<b>Total Operational Expenditure</b>	<b>R 13 989 040.00</b>	<b>R 12 640 466.00</b>	<b>R 10 896 833.03</b>	<b>-14%</b>
<b>Total Operational Revenue</b>	<b>-R 14 557 301.00</b>	<b>-R 18 064 500.00</b>	<b>-R 18. 131 536.72</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>-R 568 261.00</b>	<b>-R 5 424 034.00</b>	<b>-R 7 234 703.69</b>	<b>33%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.9.2 FINANCIAL SERVICES

### 3.9.2.1 INTRODUCTION

The Financial Services Directorate is responsible for the Budget and Treasury Office, Revenue Management, Expenditure Management and Supply Chain Management. The Department is also responsible for the Valuation Roll. The activities of this section are detailed under Financial Performance (Chapter 5).

### 3.9.2.2 HUMAN RESOURCES

There were 7 vacancies in the Financial Services Directorate as at 30 June 2016.

**TABLE 129: HUMAN RESOURCES: FINANCIAL SERVICES**

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
52	45	7	16.46%

### 3.9.2.3 FINANCIAL PERFORMANCE

**TABLE 130: FINANCIAL PERFORMANCE (OPERATIONAL): FINANCIAL SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 13 051 950.00	R 14 221 363.00	R 13 828 904.60	-3%
Other:	-R 2 586 134.00	R 3 488 000.00	R 1 542 819.97	-56%
Repairs & Maintenance:	R 636 650.00	R 652 000.00	R 528 728.43	-19%
Total Operational Expenditure	R 11 102 466.00	R 18 361 363.00	R 15 900 446.00	-13%
Total Operational Revenue	-R 60367 928.00	-R 60 450 000.00	-R 63 184 621.61	5%
Net Operational Expenditure	-R 49 265 462.00	-R 42 088 637.00	-R 47 284 175.61	12%

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 131: CAPITAL EXPENDITURE: FINANCIAL SERVICES**

DESCRIPTION	2015/15 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Diverse equipment	30 000,00	30 000,00	35 000,00	32 723,87	-7%
Replacing outdated computers and software	100 000,00	100 000,00	87 398,00	87 397,97	0%
Upgrade of Income System to Promis <sup>2</sup>	300 000,00	300 000,00	300 000,00	0	-100%
Assets from Insurance claims		30 000,00	30 000,00	0	-100%
<b>TOTAL</b>	<b>430 000,00</b>	<b>460 000,00</b>	<b>452 398,00</b>	<b>120 121,84</b>	<b>-73%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

## 3.9.3 HUMAN RESOURCE SERVICES

### 3.9.3.1 INTRODUCTION

Human resource management falls within the Corporate Services Directorate. Human Resource Services are responsible for human resource management, labour relations, training and development and occupational

health and safety. The activities of this section are detailed under Organisational Development Performance (Chapter 4).

### 3.9.3.2 HUMAN RESOURCES

There was 1 vacancy in the financial year. The Human Resource Officer: Recruitment, Selection and Personnel Administration post is vacant, but will be filled through an external recruitment process in the new financial year.

**TABLE 132: HUMAN RESOURCES: HUMAN RESOURCE SERVICES**

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
6	5	1	16.67%

### 3.9.3.3 FINANCIAL PERFORMANCE

**TABLE 133: FINANCIAL PERFORMANCE (OPERATIONAL): HUMAN RESOURCE SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 4 158 470.00	R 5 216 322.00	R 5 170 537.61	-1%
Other:	R 4 015 660.00	R 5 895 565.00	R 6 555 921.37	11%
Repairs & Maintenance:	R 17 000.00	R 7000.00	R 3409.38	-51%
<b>Total Operational Expenditure</b>	<b>R 8 191 130.00</b>	<b>R 11 118 887.00</b>	<b>R 11 729 868.36</b>	<b>5%</b>
<b>Total Operational Revenue</b>	<b>-R 53 000.00</b>	<b>-R 746 600.00</b>	<b>-R 677 187.29</b>	<b>-9%</b>
<b>Net Operational Expenditure</b>	<b>R 7 841 130.00</b>	<b>R 10 372 287.00</b>	<b>R 11 052 681.07</b>	<b>7%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 134: FINANCIAL PERFORMANCE (CAPITAL): HUMAN RESOURCE SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
Diverse equipment	10 000.00	10 000.00	9 444.00	8 929.67	-5%
<b>TOTAL</b>	<b>R 10,000</b>	<b>10 000.00</b>	<b>9 444.00</b>	<b>8 929.67</b>	<b>-5%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

## 3.9.4 ADMINISTRATION AND INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

### 3.9.4.1 INTRODUCTION

Administrative Services are the responsibility of the Administrative Services Department of the Corporate Services Directorate. Information and Communication Technology is a section of the Administrative Services Department. The Administration activities of this Department are to a large extent covered in Chapter 2 (Governance), and the focus of this paragraph will therefore be on Information and Communication Technology (ITC). The focus and expectation of an Information Communication Technology section is to provide support to the Administration in digital activities. The role and function of ICT is now being seen as an enabling function. ICT has taken on a new role in developing countries for instance where it helped education, provide video session with doctors and helped with research.

It is in light of this new understanding of ICT that the ICT & Archives Department conducted an ICT Assessment in partnership with State Information Technology Agency (SITA) with the result an approved ICT 5 year Strategic plan.

The objective of this plan is to ensure that ICT spending is aligned to the strategic goals of the Municipality set out in the IDP. A New vision, mission mandate, objectives and 23 ICT Initiatives were created to speak to the whole enterprise (covering the goals of every department) they are;

- **ICT Vision:**

To create an efficient, effective, reliable, well governed and intelligent Administration.

- **ICT Mission:**

To provide and maintain the foundation for an effective administration, innovation, opportunities and development in Bergrivier Municipality by using applicable and value-derivable technology and governance.

- **ICT Mandate:**

To use ICT to enable and support administration and development

- **ICT Objectives**

- To establish within the organisation an ICT culture and a strategy that integrates ICT with the organisation's mission and functions;
- To ensure that ICT complements and enhances the organisation's service to its clients;
- To integrate business applications;
- To ensure the availability, quality and security of information;
- To improve ICT Governance;
- To ensure business continuity; and
- To encourage innovation and development.

Subsequently to the ICT Strategy an Implementation plan was developed to guide ICT expenditure and measure progress. This was followed by an Application analysis and integration workshop which was facilitated by SITA.

The ICT Committee has been formerly constituted by Council during the 2013/14 financial year, with the approval of an ICT Committee Charter. The charter sets out the mandate, objectives and roles of the ICT Committee. The Committee met 7 times (minimum quarterly) during the financial year.

#### 3.9.4.2 HUMAN RESOURCES

There were two vacancies in the Administrative Services Department as at 30 June 2016.

**TABLE 135: HUMAN RESOURCES: ADMINISTRATION AND ICT SERVICES**

SECTION	NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
Administration & IT	13	11	2	15.38%

#### 3.9.4.3 FINANCIAL PERFORMANCE

**TABLE 136: FINANCIAL PERFORMANCE (OPERATIONAL): ADMINISTRATION AND ICT SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTED BUDGET	2015/16 ACTUAL	VARIANCE
Employees:	R 4 581 000.00	R 4 701 668.00	R 4 490 687.42	-4%
Other:	R 2 387 400.00	R 1 068 200.00	R 562 916.87	-47%
Repairs & Maintenance:	R 6000.00	R 13 000.00	R 8639.60	-34%
<b>Total Operational Expenditure</b>	<b>R 6 974 400.00</b>	<b>R 5 782 868.00</b>	<b>R 5 062 243.89</b>	<b>-12%</b>
<b>Total Operational Revenue</b>	<b>-R 606 000.00</b>	<b>-R 607 000.00</b>	<b>-R 604 800.13</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>6 368 400.00</b>	<b>R 5 175 868.00</b>	<b>R 4 457 443.76</b>	<b>-14%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

**TABLE 137: FINANCIAL PERFORMANCE (CAPITAL) : ADMINISTRATION AND ICT SERVICES**

DESCRIPTION	2015/16 BUDGET	2015/16 ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE
Office equipment	10 000.00	34 400.00	34 400.00	32972.27	-4.5%
Photocopiers	300 000.00	300 000.00	300 000.00	300 000.00	0,00%
Microsoft volume Licensing	600 000.00	600 000.00	600 000.00	599 752.47	-0,04%
Replacement of computers	200 000.00	175 600.00	175 600.00	175 523.37	-0,04%
<b>TOTAL</b>	<b>1 110 000.00</b>	<b>1 110 000.00</b>	<b>1 110 000.00</b>	<b>1 108 248.11</b>	<b>-0,16%</b>

Audited Annual Financial Statements 2015/16 dated 30 November 2016

### 3.9.4.4 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights include:

Significant progress was made by the Municipality to modernise its interaction with its citizens.

The changing of physical environment to virtual environment have greatly increased the Municipality's ability to enhance its services to the citizens. This future proof solution has ensured that no matter how law and technology changes, the Municipality will be in a position to comply or adapt. Further to the deployment of the virtualization a new website was also launched. This was a very good initiative that was driven by the Provincial Government. Further ground was made with the standardization project (Microsoft Licences) and this project will be completed in the 2016/17 financial year. Another goal deriving from the ICT Strategy is the capacitation of ICT. The ICT Department completed several ICT courses to upskill the department and the results are already visible.

The Archives department is embarking on an awareness program and the aim of this project is to increase utilization of the current document management system to save official time and money. Sorting of records was done at the Porterville offices and these records are ready to be accepted by Provincial Archives. The transfer of mail between towns proved to be a challenge, but the current document managed system was used to facilitate this issue.

#### Policy development

The following administrative policies were developed and reviewed by the various departments during the financial year:

**TABLE 138: POLICIES ADOPTED DURING 2015/16**

POLICY	RESOLUTION	DATE OF ADOPTION
Anti-Fraud and Corruption	RVN009/05/2016	31 May 2016
Asset Management Policy	RVN019/05/2016	31 May 2016
Borrowing Policy	RVN019/05/2016	31 May 2016
Cash Management and Investment Policy	RVN019/05/2016	31 May 2016
Credit Control and Debt Collection Policy	RVN019/05/2016	31 May 2016
Property Rates Policy	RVN019/05/2016	31 May 2016
Tariff Policy	RVN019/05/2016	31 May 2016
Virement Policy	RVN019/05/2016	31 May 2016
Supply Chain Management Policy	RVN019/05/2016	31 May 2016
Funding Reserves and Long Term Financial Planning Policy	RVN019/05/2016	31 May 2016
Budget Implementation and Monitoring Policy	RVN019/05/2016	31 May 2016
Municipal ICT Governance Policy	BKN014/11/2015	17 November 2015
Contract Management Policy and SOP	BKN020/06/2016	21 June 2016
Public Participation	RVN011/05/2016	31 May 2016
Risk Management Strategy	RVN010/05/2016	31 May 2016

POLICY	RESOLUTION	DATE OF ADOPTION
Risk Management Implementation Plan	RVN010/05/2016	31 May 2016
Risk Appetite Framework	RVN010/05/2016	31 May 2016
Risk Committee Charter	RVN010/05/2016	31 May 2016
Hiring of Municipal Halls Policy (Amendments)	BKN025/09/2015	15 September 2015

**Performance challenges include:**

- The integration of different systems;
- The centralization of ICT function;
- The implementation of ICT Policies and governance framework;
- Permanent human resources; and
- Disaster recovery facilities.

It is believed that the ICT Committee will address these challenges through the ICT 5 year Strategic Plan.



## DETAILED ANNUAL PERFORMANCE REPORT

### 3.1 INTRODUCTION

This report comprises the Annual Performance Report of the Bergrivier Municipality for 2015/16 which has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).

### 3.2 LEGISLATIVE FRAMEWORK

Section 46 of the Municipal Systems Act, 2000 ( Act 32 of 2000), provides that:

- “46(1) A Municipality must prepare for each financial year; a performance report reflecting;*
- a) the performance of the municipality and of each external service provider during that financial year;*
  - b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
  - c) measures taken to improve performance.*
- (2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.”*

### 3.3 OVERVIEW OF PERFORMANCE MANAGEMENT AND REPORTING SYSTEM

The Performance Management System is an internet based system that uses the approved Service Delivery Budget Implementation Plan (SDBIP) as its basis. Section 1 of the MFMA defines the service delivery and budget implementation plan (SDBIP) as:

*“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:*

- 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”.*
- c) Budget processes and related matters”*

The SDBIP is a layered plan comprising a Top Layer SDBIP and Departmental SDBIP's. The Top Layer SDBIP comprises quarterly high level service delivery targets. It is a public document which was approved by Council on 26 March 2015. Reporting on the top layer SDBIP is done to the Mayoral Committee and Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis (Annual Report). Any amendments to the Top Layer SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget. The Mayor approved amendments to the Top Layer SDBIP and these changes have been incorporated into the Top Layer SDBIP.

The Performance Report of the Municipality is presented according to the Strategic objectives of the Municipality as contained in the 2015/16 Integrated Development Plan (IDP) Review. (Fourth revision).

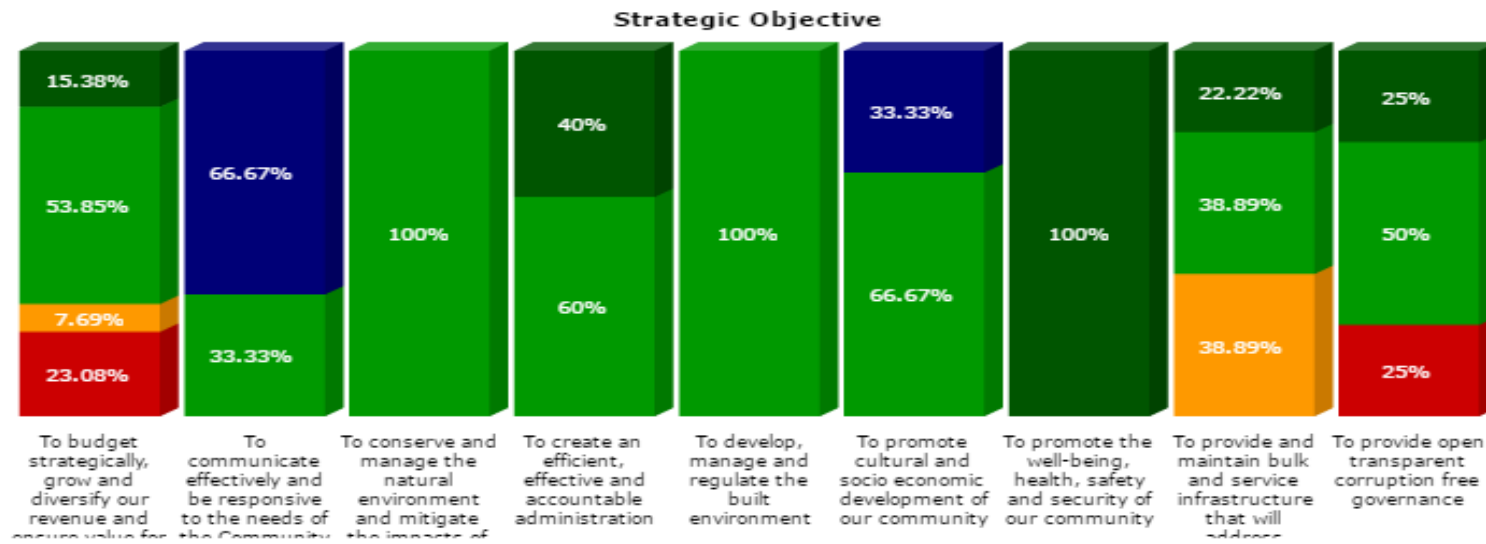
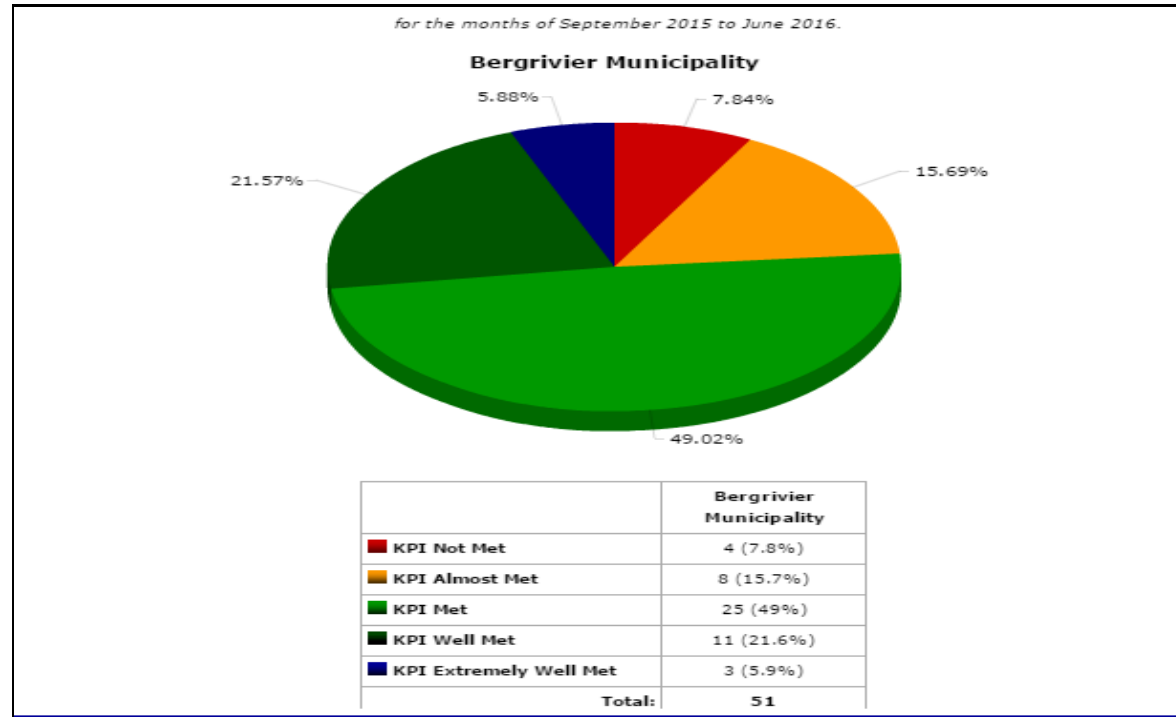
The strategic objectives of the Municipality are:






1. *To budget strategically, grow and diversify our revenue and ensure value for money services;*
2. *To communicate effectively and be responsive to the needs of the Community;*
3. *To conserve and manage the natural environment and mitigate the impacts of climate change;*
4. *To create an efficient, effective and accountable administration;*
5. *To develop, manage and regulate the built environment;*
6. *To promote cultural and socio economic development of our community;*
7. *To promote the well-being, health, safety and security of our community;*
8. *To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development.*

### **3.4 PERFORMANCE AS MEASURED AGAINST THE MUNICIPALITY'S STRATEGIC OBJECTIVES**

#### **3.4.1 PERFORMANCE OVERVIEW**

The following graph provides an overview of the Municipality's overall performance for the 2015/16 financial year. The Municipality set 51 Key Performance Indicators (KPI's) for the financial year when the SDBIP was approved in June 2015.

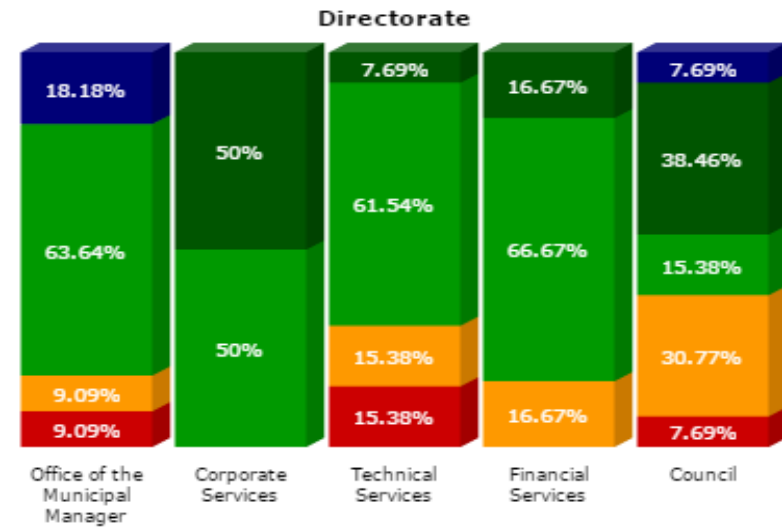
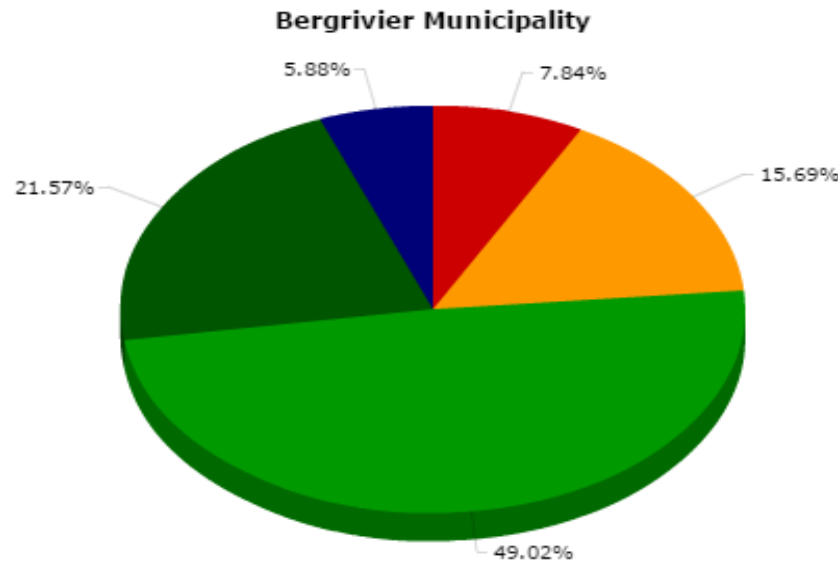


	Strategic Objective								
	<i>To budget strategically, grow and diversify our revenue and ensure value for money services</i>	<i>To communicate effectively and be responsive to the needs of the Community</i>	<i>To conserve and manage the natural environment and mitigate the impacts of climate change</i>	<i>To create an efficient, effective and accountable administration</i>	<i>To develop, manage and regulate the built environment</i>	<i>To promote cultural and socio economic development of our community</i>	<i>To promote the well-being, health, safety and security of our community</i>	<i>To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development</i>	<i>To provide open transparent corruption free governance</i>
 KPI Not Met	3 (23.1%)	-	-	-	-	-	-	-	1 (25%)
 KPI Almost Met	1 (7.7%)	-	-	-	-	-	-	7 (38.9%)	-
 KPI Met	7 (53.8%)	1 (33.3%)	2 (100%)	3 (60%)	1 (100%)	2 (66.7%)	-	7 (38.9%)	2 (50%)
 KPI Well Met	2 (15.4%)	-	-	2 (40%)	-	-	2 (100%)	4 (22.2%)	1 (25%)
 KPI Extremely Well Met	-	2 (66.7%)	-	-	-	1 (33.3%)	-	-	-
<b>Total:</b>	<b>13</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>18</b>	<b>4</b>

## ACHIEVEMENT OF KEY PERFORMANCE INDICATORS PER DIRECTORATE

### Top Layer SDBIP Report

*Report drawn on 30 August 2016 at 08:37  
for the months of September 2015 to June 2016.*



	Bergivier Municipality	Directorate				
		Office of the Municipal Manager	Corporate Services	Technical Services	Financial Services	Council
<span style="color: red;">■</span> KPI Not Met	<a href="#">4 (7.8%)</a>	<a href="#">1 (9.1%)</a>	-	<a href="#">2 (15.4%)</a>	-	<a href="#">1 (7.7%)</a>
<span style="color: orange;">■</span> KPI Almost Met	<a href="#">8 (15.7%)</a>	<a href="#">1 (9.1%)</a>	-	<a href="#">2 (15.4%)</a>	<a href="#">1 (16.7%)</a>	<a href="#">4 (30.8%)</a>
<span style="color: green;">■</span> KPI Met	<a href="#">25 (49%)</a>	<a href="#">7 (63.6%)</a>	<a href="#">4 (50%)</a>	<a href="#">8 (61.5%)</a>	<a href="#">4 (66.7%)</a>	<a href="#">2 (15.4%)</a>
<span style="color: darkgreen;">■</span> KPI Well Met	<a href="#">11 (21.6%)</a>	-	<a href="#">4 (50%)</a>	<a href="#">1 (7.7%)</a>	<a href="#">1 (16.7%)</a>	<a href="#">5 (38.5%)</a>
<span style="color: blue;">■</span> KPI Extremely Well Met	<a href="#">3 (5.9%)</a>	<a href="#">2 (18.2%)</a>	-	-	-	<a href="#">1 (7.7%)</a>
<b>Total:</b>	<b>51</b>	<b>11</b>	<b>8</b>	<b>13</b>	<b>6</b>	<b>13</b>

## Bergrivier Municipality

### TL SDBIP 2015/16

#### To budget strategically, grow and diversify our revenue and ensure value for money services

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016		
											Target	Actual	R
TL13	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2016 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	Debt to Revenue as at 30 June 2016 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	3	56.16	2.40	2.40	Last Value	<b>[D488]</b> <b>Admin Officer: DF:</b> Indicator should be corrected (June 2016)	2.40	2.40	G
TL14	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Financial viability measured in terms of the outstanding service debtors as at 30 June 2016 (Total outstanding service debtors/ revenue received for services)	Service debtors to revenue as at 30 June 2016 – (Total outstanding service debtors/ revenue received for services)	32%	100.08	32%	32%	Reverse Last Value		32%	32%	G

TL15	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2016 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage as at 30 June 2016 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	27	15.95	14.50	14.50	Last Value	[D490] Admin Officer: DF: Indicator Incorrect (June 2016)	14.50	2.92	R
TL30	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Review the revenue enhancement plan for resorts and submit to the Corporate Services Portfolio Committee by 31 December 2015	Revenue enhancement plan for resorts reviewed and submitted to the Corporate Services Portfolio Committee by 31 December 2015	1	1	1	1	Carry Over		1	1	G







TL31	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Collect 95% of budgeted income by 30 June 2016 for speeding fines (Excluding budgeted debt provision) [(Actual amount collected/total amount budgeted)x100].	% of budgeted income for speeding fines collected by 30 June 2016	New Key Performance indicator for 2015/16	121%	95%	95%	Carry Over		95%	114%	G2
TL35	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Limit unaccounted for water to 10% by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified minus Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified × 100}	% unaccounted water by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified minus Number of Kilolitres Water Sold (including Free basic water) / Number of Kilolitres Water Purchased or Purified × 100}.	7.57%	8.88%	10%	10%	Reverse Last Value	<b>[D409]</b> <b>Director:</b> <b>Technical Services:</b> Continue to implement water loss strategy (June 2016)	10%	10.53%	R
TL38	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Limit unaccounted for electricity to 10% by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) × 100}	% unaccounted electricity by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) × 100}	10%	10.70%	10%	10%	Reverse Last Value	<b>[D412]</b> <b>Director:</b> <b>Technical Services:</b> Continue to implement electricity loss strategy (June 2016)	10%	10.13%	R



TL50	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Institute legal processes by 30 June 2016 against 95% of non-exchange debtors to improve credit control [(Number of rates and availability charges debtors older than 90 days handed over for collection/Total number of rates and availability chargers debtors older than 90 days)x100]	% of non-exchange debtors against whom legal action can be and was instituted by 30 June 2016	90%	80%	95%	95%	Carry Over	<b>[D491] Accountant : Credit Control:</b> KPI achievement was amended with draft AFS (June 2016)	95%	83.85 %	O
TL51	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Achieve a payment percentage of 96% as at 30 June 2016 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100)	Payment % as at 30 June 2016 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100)	96%	97.47%	96%	96%	Last Value	<b>[D492] Director Finance:</b> Only .57% difference (March 2016)	96%	99.43 %	G2
TL52	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Complete the monthly bank reconciliations within 30 days after month end	Number of bank reconciliations completed monthly within 30 days after month end	12	12	12	12	Accumulative		12	12	G

TL53	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Submit monthly Section 71 Report to the National Treasury in terms of the MFMA before the 10th working day of each month	Number of reports submitted	12	12	12	12	Accumulative		12	12	G
TL54	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	Submit monthly VAT 201 returns to SARS by the 25th of each month	Number of VAT 201 returns submitted to SARS		12	12	12	Accumulative		12	12	G
TL55	A financially viable and sustainable Municipality	To budget strategically, grow and diversify our revenue and ensure value for money services	100% of the conditional FMG conditional grant spent by 30 June 2016 [(Total amount spent/Total allocation received)x100]	% of conditional FMG grant spent by 30 June 2016			100%	100%	Carry Over	<b>[D496] Director Finance:</b> Tender advertised for computer hardware (March 2016)	100%	100%	G

**Summary of Results: To budget strategically, grow and diversify our revenue and ensure value for money services**





	KPI Not Yet Measured	0
	KPI Not Met	3
	KPI Almost Met	1
	KPI Met	7
	KPI Well Met	2
	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>13</b>

**To communicate effectively and be responsive to the needs of the Community**

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016		
											Target	Actual	R
TL21	An open transparent corruption free and responsive Municipality	To communicate effectively and be responsive to the needs of the Community	Communicate with the public on a quarterly basis through printed media	Number of editions and/or communications	8	14	8	8	Accumulative	[D51] Municipal Manager: None required (April 2016) [D51] Municipal Manager: None required (June 2016)	8	16	B
TL22	An open transparent corruption free and responsive Municipality	To communicate effectively and be responsive to the needs of the Community	Quarterly ward committee meetings and/or engagements	Number of meetings and/or engagements per quarter	28	45	28	28	Accumulative	[D15] Strategic Manager: Meetings were held in April 2016 (June 2016)	28	49	B
TL23	An open transparent corruption free and responsive Municipality	To communicate effectively and be responsive to the needs of the Community	Undertake an annual Customer Service evaluation and submit report with recommendations on the improvement of customer service to the Mayoral Committee by 30 June 2016	Customer service evaluations completed and report with recommendations submitted to the Mayoral Committee by 30 June 2016	1	1	1	1	Carry Over	[D53] Client Services Manager: report (January 2016) [D53] Client Services Manager: report (February 2016)	1	1	G

**Summary of Results: To communicate effectively and be responsive to the needs of the Community**







KPI Not Yet Measured	0
KPI Not Met	0

	KPI Almost Met	0
	KPI Met	1
	KPI Well Met	0
	KPI Extremely Well Met	2
<b>Total KPIs</b>		<b>3</b>

#### To conserve and manage the natural environment and mitigate the impacts of climate change

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016		
											Target	Actual	R
TL25	Sustainable development of the Municipal Area (environment, economy, people)	To conserve and manage the natural environment and mitigate the impacts of climate change	Co-ordinate the entry for Greenest Town Competition by the due date	Entry submitted by the due date	1	1	1	1	Carry Over		1	1	G
TL47	Sustainable development of the Municipal Area (environment, economy, people)	To conserve and manage the natural environment and mitigate the impacts of climate change	Raise public awareness on recycling to reduce household waste with awareness initiatives	Number of awareness initiatives	New Key Performance indicator for 2015/16		2	2	Accumulative	<b>[D421] Director: Technical Services:</b> Ensure good communication and public awareness (June 2016)	2	2	G

#### Summary of Results: To conserve and manage the natural environment and mitigate the impacts of climate change

	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	2
	KPI Well Met	0
	KPI Extremely Well Met	0

---

**Total KPIs**








---

**2**
**To create an efficient, effective and accountable administration**

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016		
											Target	Actual	R
TL11	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	100% compliance with the Selection and Recruitment Policy when vacant posts within the 3 highest levels of management are filled subject to suitably qualified candidates	% compliance with the selection and recruitment policy	100%	199%	100%	100%	Stand-Alone	[D45] Municipal Manager: None required (June 2016)	100%	100%	G
TL12	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	The percentage of a municipality's personnel budget actually spent on implementing its workplace skills plan as at 30 June 2016 [(Total expenditure on training/total personnel budget)/100]	% of personnel budget spent on training [(Total expenditure on training/total personnel budget)/100] as at 30 June 2016	1%	22.33%	1%	1%	Carry Over		1%	1.26%	G2
TL16	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Improve staff productivity and responsiveness through quarterly leadership development meetings and/or initiatives	Number of Leadership Forum Meetings and/or other leadership initiatives	4	11	4	4	Accumulative	[D46] Municipal Manager: None required (June 2016)	4	4	G
TL28	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	Submit a quarterly report on human resource management in the municipality to the Corporate Services Portfolio Committee	Number of reports submitted	New Key Performance indicator for 2015/16	4	4	4	Accumulative		4	4	G

TL34	An effective productive administration capable of sustainable service delivery	To create an efficient, effective and accountable administration	95% of the training budget spent by 30 June 2016 to implement the Work Place Skills Plan [(Total amount spent on training/Total amount budgeted)x100]	% of the training budget spent by 30 June 2016 to implement the Work Place Skills Plan	New Key Performance indicator for 2015/16		95%	95%	Carry Over		95%	99.21%	G2
------	--	--	---	--	---	--	-----	-----	------------	--	-----	--------	----





**Summary of Results: To create an efficient, effective and accountable administration**



	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	3
	KPI Well Met	2
	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>5</b>

**To develop, manage and regulate the built environment**

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016		
											Target	Actual	R
TL33	Sustainable development of the Municipal Area (environment, economy, people)	To develop, manage and regulate the built environment	Develop a uniform Zoning Scheme for the Municipality and submit to council by 30 June 2016	Uniform Zoning Scheme developed and submitted to council by 30 June 2016	New Key Performance indicator for 2015/16		1	1	Carry Over		1	1	G

**Summary of Results: To develop, manage and regulate the built environment**





	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	1



	KPI Well Met	0
	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>1</b>

### To promote cultural and socio economic development of our community

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016		
											Target	Actual	R
TL10	Sustainable development of the Municipal Area (environment, economy, people)	To promote cultural and socio economic development of our community	Create full time equivalents (FTE's) in terms of the EPWP programme by 30 June 2016	Number of FTE's created by 30 June 2016	36	35	36	36	Accumulative	[D408] Director: Technical Services: All projects completed (June 2016)	36	110	B
TL26	Sustainable development of the Municipal Area (environment, economy, people)	To promote cultural and socio economic development of our community	Develop an implementation plan to implement the LED strategy and submit to the municipal manager by 31 December 2015	Implement plan as developed and submitted to the Municipal Manager by 31 December 2015	New Key Performance indicator for 2015/16		1	1	Carry Over		1	1	G
TL32	Sustainable development of the Municipal Area (environment, economy, people)	To promote cultural and socio economic development of our community	95% spent of the library grant by 30 June 2016 in terms of the approved business plan [(Actual amount spent/Total allocation received)x100]	% of library grant spent by 30 June 2016	100%	100%	100%	100%	Carry Over		100%	100%	G

### Summary of Results: To promote cultural and socio economic development of our community



	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	2

	KPI Well Met	0
	KPI Extremely Well Met	1
<b>Total KPIs</b>		<b>3</b>





### To promote the well-being, health, safety and security of our community

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016		
											Target	Actual	R
TL29	A safe, healthy and secure living environment	To promote the well-being, health, safety and security of our community	95% of the MIG conditional grant allocated to sport spent by 30 June 2016 to upgrade sport infrastructure in accordance with the business plan (Subject to MIG Funding approval) [(Actual amount spent on projects/Total allocation for projects)x100]	% of the MIG conditional grant allocated to sport spent by 30 June 2016	100%	76%	95%	95%	Carry Over		95%	100%	G2
TL49	A safe, healthy and secure living environment	To promote the well-being, health, safety and security of our community	95% water quality level obtained as per SANS 241 physical and micro parameters as at 31 December 2015 and 30 June 2016	% water quality level as at 31 December 2015 and 30 June 2016	New Key Performance indicator for 2015/16		95%	95%	Last Value	<b>[D423]</b> <b>Director:</b> <b>Technical Services:</b> Monitor and report on monthly basis to technical committee (June 2016)	95%	96.70%	G2

### Summary of Results: To promote the well-being, health, safety and security of our community

	KPI Not Yet Measured	0
	KPI Not Met	0



	KPI Almost Met	0
	KPI Met	0
	KPI Well Met	2
	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>2</b>

**To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development**

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016		
											Target	Actual	R
TL1	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Number of formal households that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network as at 30 June 2016	Number of households which are billed for water or have pre paid meters as at 30 June 2016 (W/WB/1)	8,472	8 593	8,885	8,658	Last Value	[D480] Admin Officer: DF: Corrected after audit (June 2016)	8,658	8,734	G2
TL2	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Number of formal households connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) at 30 June 2016	Number of households which are billed for electricity or have pre paid meters (Excluding Eskom areas) at 30 June 2016 (E.A1 + Conlog + Active meters)	8,485	9 323	8,551	8,953	Last Value	[D481] Admin Officer: DF: Corrected after audit (June 2016)	8,953	8,977	G2

TL3	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Number of formal households connected to the municipal waste water sanitation/ sewerage network for sewerage service, irrespective of the number of water closets (toilets) at 30 June 2016	Number of households which are billed for sewerage at 30 June 2016 (S/SI/1)	6209	6 919	6,914	6,861	Last Value		6,861	6,981	G2
TL4	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Number of formal households for which refuse is removed once per week at 30 June 2016	Number of households which are billed for refuse removal at 30 June 2016 (R/RD/1)	8374	8 941	8,885	9,118	Last Value		9,118	9,21	G2
TL5	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Provide free basic water to indigent households	Number of households receiving free basic water	2336	1 704	2,365	1,882	Last Value	<b>[D484]</b> <b>Admin Officer: DF:</b> THIS KPI SHOULD MEASURED IN THE NEGATIVE (June 2016)	1,882	1,79	O
TL6	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Provide free basic electricity to indigent households	Number of households receiving free basic electricity	2000	1 362	2	1,662	Last Value	<b>[D485]</b> <b>Admin Officer: DF:</b> THIS KPI SHOULD BE MEASURED IN THE NEGATIVE (June 2016)	1,662	1,616	O







TL7	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Provide free basic sanitation to indigent households	Number of households receiving free basic sanitation	2336	1 605	2,1	1,721	Last Value	<b>[D486]</b> <b>Admin Officer: DF:</b> THIS KPI SHOULD BE MEASURED IN THE NEGATIVE (June 2016)	1 721	1,614	O
TL8	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Provide free basic refuse removal to indigent households	Number of households receiving free basic refuse removal	2336	1 797	2,365	1,885	Last Value	<b>[D487]</b> <b>Admin Officer: DF:</b> THIS KPI SHOULD BE MEASURED IN THE NEGATIVE (June 2016)	1,885	1,793	O
TL9	Sustainable development of the Municipal Area (environment, economy, people)	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2016 (Actual amount spent on capital projects/Total amount budgeted for capital projects)x100	% of Capital budget spent as at 30 June 2016 [(Actual amount spent on capital projects/Total amount budgeted for capital projects)x100]	95%	95%	95%	95%	Carry Over	<b>[D44]</b> <b>Municipal Manager:</b> None required thus far. (June 2016)	95%	92.88%	O
TL36	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	100% of MIG funding allocated to build a new reservoir in Velddrif spent by 30 June 2016 [(Total amount spent/Total amount allocated)x100]	% of MIG funding allocated to built Velddrif reservoir spent by 30 June 2016	New Key Performance indicator for 2015/16		100%	100%	Carry Over	<b>[D410]</b> <b>Director: Technical Services:</b> Effective and efficient project management (June 2016)	100%	100%	G

TL37	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	100% of MIG funding allocated to upgrade the water infrastructure in Porterville spent by 30 June 2016 [(Total amount spent/Total amount allocated)x100]	% MIG Funding allocated to the upgrading of water infrastructure in Porterville spent by 30 June 2016	New Key Performance indicator for 2015/16		100%	100%	Carry Over	<b>[D411]</b> <b>Director:</b> <b>Technical Services:</b> Could not spend and claim more than MIG registered amount. MIG registered amount R 2 887 526.01 (June 2016)	100%	97.50%	○
TL39	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	100% of the MIG conditional grant spent by 30 June 2016 to upgrade infrastructure [(Total amount spent/Total allocation received)x100]	% of MIG conditional grant spent by 30 June 2016	100%	93.40%	100%	100%	Carry Over	<b>[D413]</b> <b>Director:</b> <b>Technical Services:</b> Ensure budget and MIG registered amounts are equal (June 2016)	100%	99%	○

TL40	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	100% of the conditional road maintenance operational grant spent by 30 June 2016 [(Total amount spent/Total allocation received)x100]	% of conditional road maintenance operational grant spent by 30 June 2016	100%	86%	100%	100%	Carry Over	[D414] <b>Director:</b> <b>Technical Services:</b> Projects completed (June 2016)	100%	100%	G
TL41	Sustainable development of the Municipal Area (environment, economy, people)	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Upgrade the hostels in Velddrif by 30 June 2016	Number of hostels upgraded by 30 June 2016	New Key Performance indicator for 2015/16	3	34	34	Accumulative	[D415] <b>Director:</b> <b>Technical Services:</b> Not needed project completed (June 2016)	34	34	G
TL42	Sustainable development of the Municipal Area (environment, economy, people)	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Complete the top structures on Erf 3046 in Velddrif by 30 June 2016	Number of top structures completed by 30 June 2016	New Key Performance indicator for 2015/16		89	89	Accumulative	[D416] <b>Director:</b> <b>Technical Services:</b> Ensure effective and efficient project management (June 2016)	89	89	G
TL44	Sustainable development of the Municipal Area (environment, economy, people)	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Complete the top structures in Albatros Street in Velddrif by 30 June 2016	Number of top structures completed by 30 June 2016	New Key Performance indicator for 2015/16		18	18	Accumulative	[D418] <b>Director:</b> <b>Technical Services:</b> Ensure effective and efficient project management (June 2016)	18	18	G

TL46	Sustainable development of the Municipal Area (environment, economy, people)	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Complete the top structures in Porterville by 30 June 2016	Number of top structures completed by 30 June 2016	New Key Performance indicator for 2015/16		116	116	Accumulative	<b>[D420]</b> <b>Director:</b> <b>Technical Services:</b> Not necessary - Project completed (June 2016)	116	116	G
TL48	A quality living environment that is conducive to development and investment	To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development	Purchase stand-by generator by 31 March 2016 to ensure the functionality of sewerage pump station in the event of prolonged electricity interruptions	Number of stand-by generator purchased by 31 March 2016	New Key Performance indicator for 2015/16		3	1	Accumulative	<b>[D422]</b> <b>Director:</b> <b>Technical Services:</b> Completed (April 2016)	1	1	G

#### Summary of Results: To provide and maintain bulk and service infrastructure that will address backlogs and provide for future development

	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	7
	KPI Met	7
	KPI Well Met	4
	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>18</b>







#### To provide open transparent corruption free governance

Ref	Pre-determined Objectives	Strategic Objective	KPI	Unit of Measurement	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Corrective Measures	Overall Performance for Sep 2015 to Jun 2016
-----	---------------------------	---------------------	-----	---------------------	----------	---------------------------	---------------	----------------	----------------------	---------------------	--







											Target	Actual	R
TL17	An open transparent corruption free and responsive Municipality	To provide open transparent corruption free governance	Achieve an unqualified audit with less than 3 matters in total on Financial Statements, compliance and Performance Management (2014/15 Financial year)	Less than 3 matters in final audit report	1		3	3	Reverse Stand-Alone	[D47] Head Internal Audit: The report of the AG identified 4 matters and will be addressed in the new financial year (December 2015)	3	4	R
TL18	An open transparent corruption free and responsive Municipality	To provide open transparent corruption free governance	Develop a risk based audit plan with an internal audit plan (RBAP) (MFMA - Section 165(2)(a)) and submit to the Audit Committee by 30 June 2016	RBAP with internal audit programme submitted to the Audit Committee by 30 June 2016	1	1	1	1	Carry Over		1	1	G
TL19	An open transparent corruption free and responsive Municipality	To provide open transparent corruption free governance	Convene a Councillor and Senior Management strategic planning session for the IDP Review and budget process by 30 November 2015	Strategic planning session held by 30 November 2015	1	11	1	1	Carry Over		1	1	G

TL27	An open transparent corruption free and responsive Municipality	To provide open transparent corruption free governance	95% of the MSIG grant spent by 30 June 2016 to implement the SITA report recommendations on software standardisation [(Actual amount spent on the project/Total project allocation)x100]	% of MSIG grant spent on the project by 30 June 2016	New Key Performance indicator for 2015/16		95%	95%	Carry Over		95%	100%	G2
------	---	--	--	--	---	--	-----	-----	------------	--	-----	------	----

**Summary of Results: To provide open transparent corruption free governance**

	KPI Not Yet Measured	0
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	2
	KPI Well Met	1
	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>4</b>

**Summary of Results**

	KPI Not Yet Measured	0
	KPI Not Met	4
	KPI Almost Met	8
	KPI Met	25
	KPI Well Met	11
	KPI Extremely Well Met	3
<b>Total KPIs</b>		<b>51</b>

Report generated on 07 November 2016 at 14:41.



## PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

Section 46 (1) (a) of the Municipal Systems Act (2000), (Act 32 of 2000), provides that *“A Municipality must prepare for each financial year; a performance report reflecting the performance of the municipality and of each external service provider during that financial year”*.

For purposes of this report, we regarded external service providers as being all service providers with a contract of 12 months or longer and all organisations receiving a grant in aid to perform a service on behalf of the Municipality.

**The performance of external service providers was measured and rated as follows:**

- 1 : Very Poor
- 2 : Poor
- 3 : Acceptable
- 4 : Very Good
- 5 : Excellent

No corrective measures were indicated where service is regarded as very good and excellent.

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

**OFFICE OF THE MUNICIPAL MANAGER**

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2015/16						
						Average	Q1	Q2	Q3	Q4		
Strategic Services	Ignite	1 Year (annually reviewed – initially appointed by Province)	R 214 434.56	<ul style="list-style-type: none"> <li>System support and Development all modules</li> <li>Training</li> <li>Performance evaluations</li> </ul>	100% compliance with Service level agreement	5	5	5	5	5	Good performance	None required

**CORPORATE SERVICES**

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2015/16						
						Average	Q1	Q2	Q3	Q4		
Community Services	Multi Choice	5 December 2013 - Indefinite	R 233 735,00	DSTV at Stywelyne Beach Resort	100% compliance with Service level agreement	4	4	4	4	4	Service is good	Monitoring done on an ongoing basis
Corporate Services	Ultimate Traffic Solutions	01 Dec 2012 – 30 June 2016	R 305 865,64 per annum	Operational Support and Maintenance of Turnkey Speed Law Enforcement System	100% compliance with Service level agreement	4	4	4	4	4	Service Provider always assists when required.	None required
Community Services	Avalon Works (Pty) Ltd T/A MSS Security Services	1 July 2015 – 28 February 2017	R15 577,20 per annum	Alarm system at beach resorts (Stywelyne, DKB) and Traffic Departments	100% compliance with Service level agreement	4	4	4	4	4	Monitoring is done on a daily basis	None required
Administration	Telkom	June 2013 – June 2016	R 1 200 000	New Telephone system	100% compliance with service level agreement	4	4	4	1	1	Account Manager responsible for Bergrivier left Telkom in April 2016. To date no new Account manager appointed for Bergrivier. We are struggling to get necessary contracts	None required. Problems were eventually sorted out.

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2015/16						
						Average	Q1	Q2	Q3	Q4		
Administration	Municipal Network Services	1 July 2015 -30 June 2018	R 386 460	Radio Computer Network	100% compliance with service level agreement	3	3	3	3	3	from Telkom to renew service. Service is good	None required
Administration	Konica Minolta	1 Feb 2012- 31 Jan 2014 (Contracts continue on a month to month basis) & 1 Febr 2015 – 31 Jan 2018	R 38 300	Photocopiers	100% compliance with service level agreement	5	5	5	5	5	Excellent service rendered	None required
Administration	Nashua West Coast	1 Febr 2012- 31 Jan 2014 (Contracts continue on a month to month basis)	R 44 916	Photocopiers	100% compliance with service level agreement	5	5	5	5	5	Excellent service rendered	None required
Administration	Autopage	1 April 2015 – 30 March 2016	R 384 586	Cell phones	100% compliance with service level agreement	5	1	1	1	-	(Autopage closed all branches from the 01/04/ 2016 and transferred all MTN contracts to MTN Service Provider as from 1/04/2016. Service from Autopage very poor).	None required
Administration	MTN	1 April 2016 – 30 June 2017	R 93 612	Cell phones	100% compliance with service level agreement	-	-	-	-	1	(Autopage closed all branches as from the 01/04/2016 and transferred all MTN contracts to MTN Service Provider as from the 1/04/2016.	None required. Problems were eventually sorted out.

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2015/16						
						Average	Q1	Q2	Q3	Q4		
Administration	Vodacom	1 April 2016 – 30 June 2017	R 4 291	Cell phones	100% compliance with service level agreement	-	-	-	-	1	Service from MTN with the transition was very poor). (Autopage closed all branches as from 01/04/2016 and transferred all MTN contracts to MTN Service Provider as from the 1/04/2016. Service from Vodacom with transition was very poor).	None required. Problems were eventually sorted out.
Administration	TGIS	1 March 2016- 28 February 2019	R 151 017	Electronic Records and Document Management system	100% compliance with service level agreement	4	5	5	5	5	Excellent service rendered.	None required

**FINANCIAL SERVICES**

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2015/16						
						AVERAGE	Q1	Q2	Q3	Q4		
Finance (Income)	Conlog	36 months	R1.4m	Prepaid vending system	100% compliance with service level agreement	3	-	3	-	3	Good performance	None required
Finance (Income)	NeoMeter	12 months	R 20 000	Meter reading system	100% compliance with service level agreement	4		4		4	Good performance	None required
Finance (Income)	Metgovis	12 months	R 60 000	Valuation system	100% compliance with service level agreement	3	-	3	-	3	Acceptable performance	None required

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

Finance (Income & Expenditure)	Fujitsu	ongoing	R 700 000	Financial system	100% compliance with service level agreement	3	-	3	-	3	Acceptable performance	None required
Finance (Budget Office)	Mubesko	24 Months	R 500 000	Accounting Support	100% compliance with service level agreement	5		5		5	Good	None required
Finance (Budget Office)	G4	36 months	R 350 000	Security Transport	100% compliance with service level agreement	5	-	5	-	5	Good	None
Finance (Budget Office)	Lateral	36 months	R 1,1 m	Insurance Brokers	100% compliance with service level agreement	5	-	5	-	5	Good	None

**TECHNICAL SERVICES**

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2015/16						
						AVERAGE	Q1	Q2	Q3	Q4		
	Total	3 Years	± R 2 000 000	Supply and delivery of Fuel	Deliver products on time	1	1	1	1			
	Colas	1 Year	± R 600 000	Supply and delivery of Bituminous Products	Deliver products on time	-	4	4	4	Good performance	None required	
	Martin & East	1 Year	± R 600 000	Supply and delivery of Bituminous Products	Deliver products on time	-	-	-	-			
	Glencape Resources	1 Year	± R 100 000	Supply and delivery of Premix	Deliver products on time	-	4	4	4	Good performance	None required	
	Protea Chemicals	1 Year	± R 300 000	Supply and delivery of Water treatment Chemicals	Deliver products on time	4	4	4	4			
	West Coast Builders	1 Year	± R 1 000 000	Supply and delivery of Road Materials	Deliver products on time	-	4	4	4			
	AWV Projects	1 Year	± R 700 000	Supply and delivery of Refuse Bags	Deliver products on time	5	5	5	5	Good performance	None required	
	Intergral Laboratories	1 Year	± R 700 000	Monitor and test WTW and WWTW to comply with SANS 241:2006	Test drinking and sewerage water	5	5	5	5			

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2015/16						
						AVERAGE	Q1	Q2	Q3	Q4		
					monthly according to SANS 241:2006							
	Precision Meters	1 Year	± R 400 000	Supply Domestic water meters and Boxes	Deliver correct products on time	-	-	4	4			
	Watertite Conservation	1 Year	± R 100 000	Supply Domestic water meters and Boxes	Deliver products on time	-	-	4	4			
	Emajoleni Construction	1 Year	± R 180 000	Collect black refuse bags- Goedverwacht & Wittewater	Collect waste in time and keep towns clean	1	1	1	1			
	Wasteman	3 Years	± R 1 200 000	Transport of Refuse	Deliver products on time	4	4	4	4	Good performance	None required	
					Collecting recyclables on time and keep recycling area clean and neat. (Piketberg)					Good performance	None required	
	Piketberg Civils	3 Years	± R 350 000	Collect, sort and sell recyclables		3	4	4	4			
	IMQS	Sole supplier	± R 20 000	Infra-Structure Management Program	Assist with maintaining the computer programme	-	5	4	4			
					Assist with maintaining the computer programme					Good performance	None required	
	Caddie	Sole supplier	± R 20 000	Infra-Structure Management Program	Assist with maintaining the computer programme	-	-	-	-			
	Synapsis	Sole supplier	± R 30 000	Cemetery Booking Program	Assist with maintaining the computer programme	4	4	4	4			
	Pienaar Bros	3 months	± R 200 000	Supply and delivery of Protective clothing	Deliver products on time	4	4	4	4	Good performance	None required	

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2015/16						
						AVERAGE	Q1	Q2	Q3	Q4		
West Coast District Municipality		Multi Years	± R 5 000 000	WSP – Velddrif Water	Supply potable water to Velddrif	4	4	4	4			
Unweibile General		1 Year	± R 240 000	Collect black refuse bags- Goedverwacht & Wittewater	Collect waste in time and keep towns clean	-	5	5	5			
BP Atlantic		Ad hoc		Supply and delivery of Fuel	Deliver products on time	-	4	4	4	Good performance	None required	

## CHAPTER 4 ORGANISATIONAL DEVELOPMENT

### PERFORMANCE



Reflections: Flamingos in the Berg River Estuary in Velddrif  
Photographer unknown: Photo provided



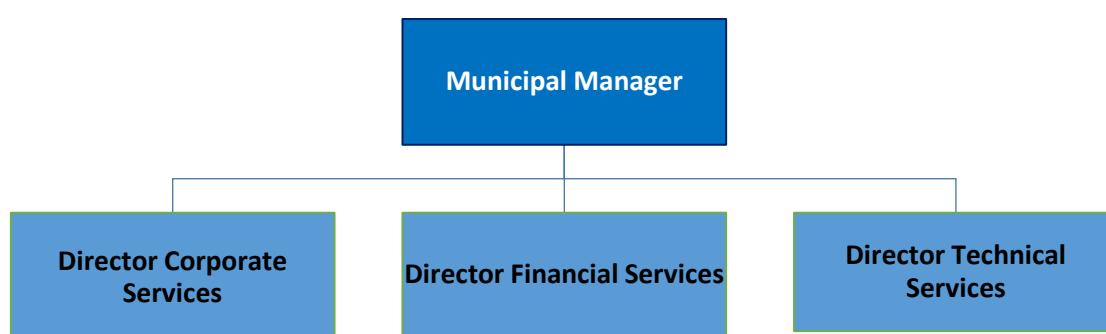
## 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Section 67 of the Municipal Systems Act (requires) municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration in accordance with the Employment Equity Act, 1998 (Act 55 of 1998).

### 4.1.1 STAFF ESTABLISHMENT

A new macro structure was adopted by Council on 13 February 2013 and implemented in the 2013/14 financial year. The figure below depicts the macro structure that was adopted by Council on 13 February 2013.

FIGURE 19: APPROVED MACRO STRUCTURE



Council adopted a new micro structure (organogram) on 29 October 2013 to complement the new macro structure. The total number of approved posts on the new organogram increased to 455. This organogram came into effect on 1 January 2014. Only 440 of these posts were funded for this financial year.

#### 4.1.1.1 MANAGEMENT

The Municipal Manager is appointed on a fixed term contract in terms of Section 57 of the Municipal Systems Act, 2000 (Act 32 of 2000), and the Directors reporting to the Municipal Manager are appointed on permanent contracts. Employment contracts and performance agreements are in place for the Municipal Manager and all Directors reporting to the Municipal Manager.

TABLE 139: SENIOR MANAGEMENT TEAM

POSITIONS	FILLED AS AT 30 JUNE 2016	EMPLOYMENT CONTRACTS IN PLACE AS AT 1 JULY 2015	PERFORMANCE AGREEMENTS IN PLACE BY 30 JULY 2015
<b>Municipal Manager:</b>	Yes	Yes (Fixed term contract)	Yes
<b>Chief Financial Officer</b>	Yes	Yes	Yes
<b>Director: Corporate Services</b>	Yes	Yes	Yes
<b>Director: Technical Services</b>	Yes	Yes	Yes

4.1.1.2 WORKFORCE, VACANCIES AND TURNOVER

The municipality employed 375 employees at the end of June 2016 and the total vacancy rate inclusive of funded and unfunded posts is 17.33%. Currently 65 funded posts and 15 unfunded posts are still vacant. The vacancy rate for funded posts is 14.32% which is quite higher than the 10.33% of 2014/15. The vacancy rate is carefully managed and strategically done as a saving mechanism. The total staff turnover rate for the financial year to date is 0.48%. Employee turnover is important to organisations of all sizes because it takes money, time and resources to recruit and train employees. A high turnover rate can be costly to an organisation, because it forces management to recruit and hire new employees constantly to fill vacant positions. New employees often are not as productive as experienced employees and require weeks or even months to learn how to perform their jobs efficiently. In addition, employees with specialized skills and intimate knowledge of a company's systems and processes are difficult to replace. The low staff turnover rate is a positive indicator for the Municipality.

The number of approved posts and the vacancy rate in the municipality is reflected below.

**TABLE 140: MONTHLY WORKFORCE AND VACANCY RATE**

DESCRIPTION	Jul '15	Aug '15	Sept '15	Oct '15	Nov '15	Dec '15	Jan '16	Feb '16	Mar '16	Apr '16	May '16	Jun '16
Total Nr of Approved Permanent Posts	455	455	455	455	455	455	455	455	455	455	455	455
No of permanent posts filled (excluding councillors)	384	387	392	392	388	387	384	380	376	374	374	375
No of permanent posts vacant	70	68	64	63	67	68	71	75	79	81	81	80
No of funded posts	42	40	36	41	45	46	55	59	63	65	66	65
No of unfunded posts	28	28	28	22	22	22	16	16	16	16	15	15
<b>Vacancy Rate</b>	<b>9.23</b> %	<b>8.79</b> %	<b>7.91</b> %	<b>9.01</b> %	<b>9.89</b> %	<b>10.1</b> %	<b>12.0</b> 9%	<b>12.9</b> 6%	<b>13.85</b> %	<b>14.2</b> 8%	<b>14.5</b> %	<b>14.3</b> 2%

**TABLE 141: AVERAGE WORKFORCE AND VACANCY RATE**

YEAR	TOTAL STAFF (FUNDED POSTS)	VACANCIES	% VACANCIES
<b>2013/14</b>	407	40	9.9%
<b>2014/15</b>	380	47	10.32%
<b>2015/16</b>	375	65	17.33%

The following table indicates the number of approved (funded) positions, number of employees, number of vacancies and vacancy rate per Directorate and function:

DRAFT ANNUAL REPORT 2015/16 VOLUME I

**TABLE 142: EMPLOYEES AND VACANCY RATE PER DEPARTMENT AS AT 30 JUNE 2016**

DEPARTMENT	APPROVED POSTS (FUNDED) JUNE 2015	EMPLOYEES JUNE 2015	VACANCIES(FUNDED) JUNE 2015	% VACANCIES JUNE 2015	APPROVED POSTS (FUNDED) JUNE 2016	EMPLOYEES JUNE 2016	VACANCIES(FUNDED) JUNE 2016	% VACANCIES JUNE 2016
<b>COUNCIL</b>								
Council (Excl Councillors)	5	5	0	0%	5	5	0	0%
<b>STRATEGIC SERVICES</b>								
	15	15	0	0%	15	15	0	0%
<b>FINANCIAL SERVICES</b>								
Finances	52	45	7	16.46%	52	45	7	16.46%
<b>CORPORATE SERVICES</b>								
Planning	3	3	0	0%	3	3	0	0%
Human Resources	6	5	1	16.67%	6	5	1	16.67%
Administrative Services & IT	12	11	1	8%	13	11	2	15.38%
Libraries	30	29	1	3.33%	31	31	0	0%
Traffic and Law Enforcement	22	18	4	18.18%	24	20	4	16.67%
Recreation Resorts	15	15	0	0%	16	16	0	0%
Community Services	1	0	1	100%	1	0	1	100%
Motor Licences and Testing	5	5	0	0%	5	4	1	20%
<b>TECHNICAL SERVICES</b>								
Building Control	3	2	1	33.33%	3	3	0	0%
Municipal Buildings	20	19	1	5%	18	15	3	16.67%
Waste Management	51	43	8	15.69%	51	41	10	19.61%
Cemeteries	3	3	0	0%	3	2	1	33.33%
Sanitation	15	14	1	6.67%	14	14	0	0%
Storm Water Management	3	3	0	0%	4	4	0	0%
Housing	3	2	1	33.33%	3	2	1	33.33%

**DRAFT ANNUAL REPORT 2015/16 VOLUME I**

<b>DEPARTMENT</b>	<b>APPROVED POSTS (FUNDED) JUNE 2015</b>	<b>EMPLOYEES JUNE 2015</b>	<b>VACANCIES(FUNDED) JUNE 2015</b>	<b>% VACANCIES JUNE 2015</b>	<b>APPROVED POSTS (FUNDED) JUNE 2016</b>	<b>EMPLOYEES JUNE 2016</b>	<b>VACANCIES(FUNDED) JUNE 2016</b>	<b>% VACANCIES JUNE 2016</b>
Parks and Open Spaces	31	29	2	6%	31	29	2	6%
Sport Grounds & Swimming Pools	10	10	0	0%	10	9	1	10%
Water	22	18	4	18.18%	24	22	2	8.33%
Roads	77	68	10	12.98%	88	67	21	23.86%
Electricity	22	17	5	22.76%	21	13	8	38.1%
<b>SUB TOTAL</b>	<b>427</b>	<b>380</b>	<b>47</b>	<b>11%</b>	<b>441</b>	<b>376</b>	<b>65</b>	<b>14.74%</b>
Councillors	13	13	0	0%	13	13	0	0%
<b>TOTAL</b>	<b>440</b>	<b>393</b>	<b>47</b>	<b>10.68%</b>	<b>454</b>	<b>389</b>	<b>65</b>	<b>14.32%</b>

#### 4.1.2 EMPLOYMENT EQUITY

In terms of the Employment Equity Act, 1998 (Act 55 of 1998), Bergrivier Local Municipality is required to prepare and submit an Employment Equity Plan. The Municipality approved a new Employment Equity Plan in March 2013 which will be subject to annual review during October. The Employment Equity Plan is based on the demographics of the Western Cape.

The development of an Employment Equity Plan is a legislative obligation under the Employment Equity Act. The Plan provides a framework for the achievement of equity across the Municipality- it guides the inclusion of equity and access strategies as integral components of strategic planning.

The Municipality is strongly committed to the achievement of employment equity and equal opportunity for all employees. The Municipality is actively working towards creating and maintaining a fair and equitable working environment, free from all forms of discrimination and harassment. The Municipality is also proud of its diverse population of employees, and a major priority is to promote a workplace culture of inclusivity, in which cultural diversity is respected and valued.

The Employment Equity Plan sets the strategic direction of the Municipality's overall employment equity programmes and supports the Municipality's commitment to equal justice for all. It focuses on four main areas:

1. The integration of employment equity within policy, planning and management systems;
2. Ensuring employment practices do not discriminate against employees or potential employees;
3. Promoting employment equity and workforce diversity; and
4. Ensuring a work environment that is free from racial harassment.

As a socially responsible employer in the Western Cape Province, the Municipality acknowledges its role and responsibilities in the furtherance of the aims and principles contained in the Act and this Employment Equity Plan has therefore been prepared in adherence to and in terms of the requirements set out in section 20 (1) of the Act.

The municipality has endeavoured to inform all employees on all levels of:

1. the process and the aim of the process the Municipality has embarked on;
2. the municipality's role, legal obligations and social responsibility in this process; and
3. the roles employees should play in the process.

With the drafting of the new employment equity plan one of the challenges identified is the ability of the employer to attract suitably qualified black candidates for the remuneration offered by the employer as well as the ability to transform the gender representation of the workforce especially in the Technical Department where physical demanding work is required of incumbents.

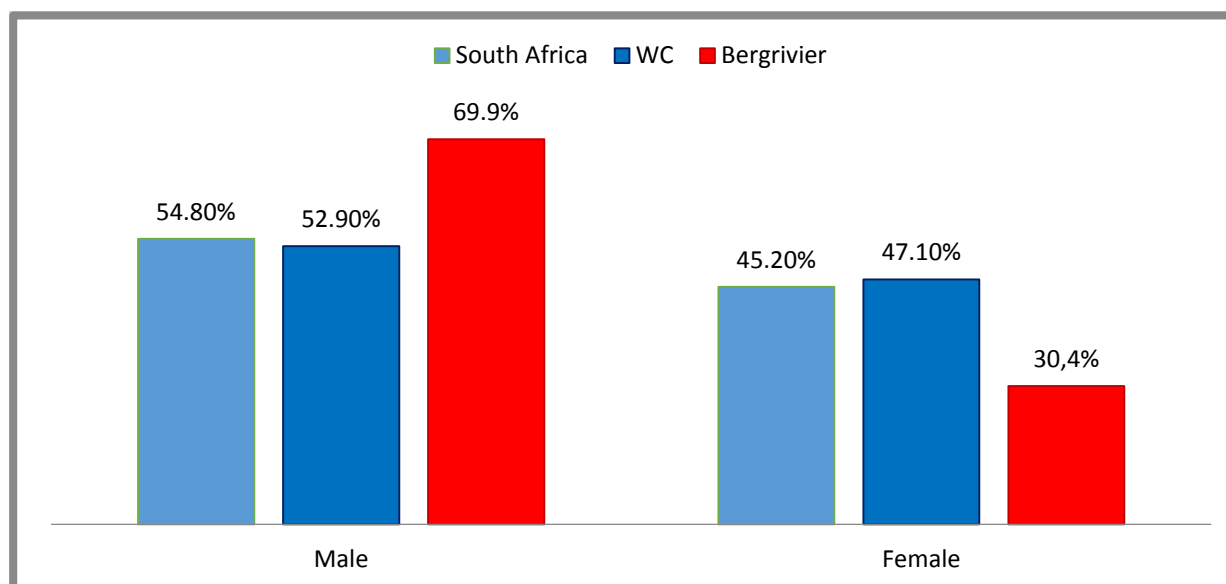
The table below sets out the demographics of the Western Cape compared to the national demographics and is based on information (as available during the drafting of this Plan) of the “economically active population” (Refers to people between the ages of 15 and 65) as provided by the Department of Labour.

**TABLE 143: DEMOGRAPHIC PROFILE FOR PURPOSES OF EMPLOYMENT EQUITY**

	SOUTH AFRICA	WESTERN CAPE	BERGRIVIER
<b>Black</b>	74,9%	33,9%	6,4%
<b>Coloured</b>	10,8%	51%	80,26%
<b>Asian</b>	3,00%	0,3%	0,00%
<b>White</b>	11,3%	14,8%	13,33%

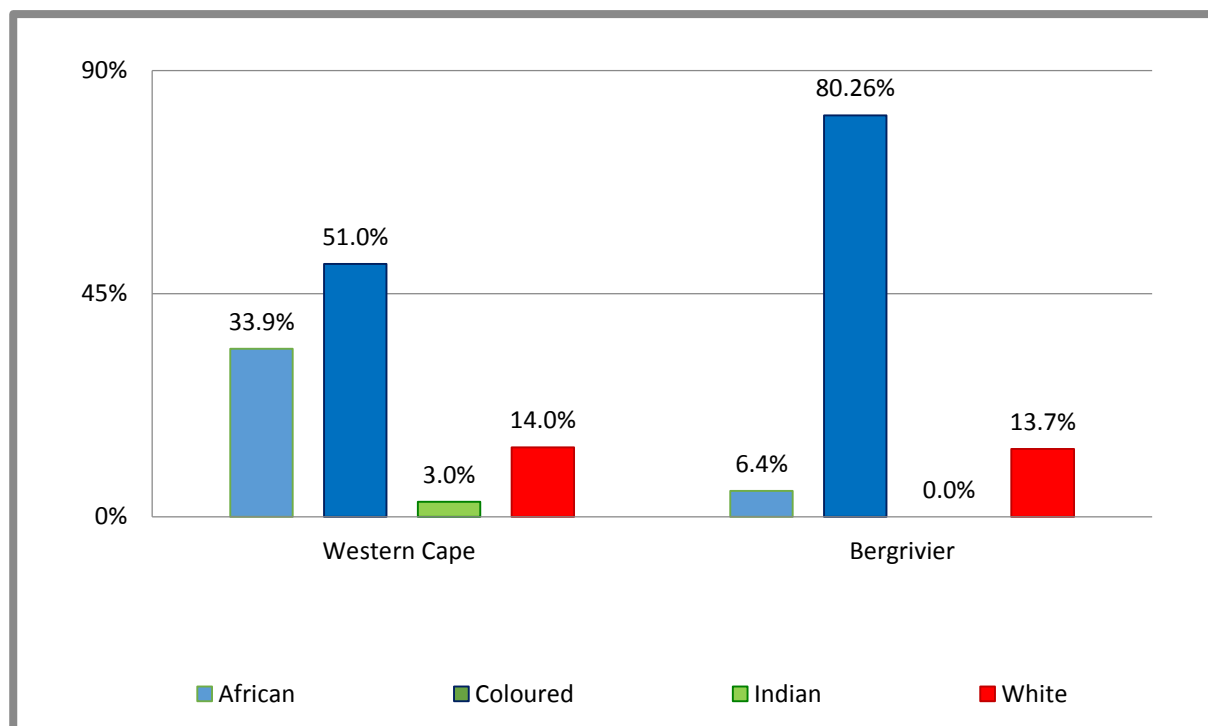
The challenge of attracting suitably qualified black candidates is reiterated in the table above. The implication is that the Municipality will have to increase the net recruitment in all occupational levels to at least align to the Western Cape Province demographic instead of the regional demographic. The municipality’s gender profile at the time when the Employment Equity plan was reviewed is shown in the graph below. It shows that the Municipality will have to undertake a targeted recruitment process to ensure representivity in the Municipal Workforce.

**FIGURE 20: GENDER PROFILE FOR PURPOSES OF EMPLOYMENT EQUITY**



The workforce profile as reported during the last reporting cycle (1 April 2015 to 30 June 2016) is in the graph below:

FIGURE 21: WORKFORCE PROFILE



From the graph above it is clear that coloured employees are overrepresented and African employees remain under represented in Bergrivier. The municipality needs to redress these imbalances and will have to embark on a targeted recruitment drive to achieve the necessary representivity to reflect the demographics of the West Coast District.

The workforce profile in each occupational category compared to the 2015 Employment Equity 2 report submitted to the Department of Labour during January 2016 is reflected below:

DRAFT ANNUAL REPORT 2015/16 VOLUME I

**TABLE 144: PROFILE OF THE MUNICIPAL WORKFORCE PER CATEGORY**

CATEGORY	YEAR	AM	CM	IM	WM	AF	CF	IF	WF	TOTAL
Top Management	2015	-	1	-	2	-	-	-	1	4
	2016	-	1	-	2	-	-	-	1	4
	<b>Goals 2015</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>
		AM	CM	IM	WM	AF	CF	IF	WF	
Senior Management	2015	-	3	-	6	-	1	-	1	11
	2016	-	3	-	5	-	1	-	1	10
	<b>Goals 2015</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>9</b>
		AM	CM	IM	WM	AF	CF	IF	WF	
Professionally qualified and experienced specialists and middle management	2015	-	7	-	7	-	2	-	-	16
	2016	1	8	-	7	-	3	-	1	20
	<b>Goals 2015</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>17</b>
		AM	CM	IM	WM	AF	CF	IF	WF	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2015	2	47	-	10	1	31	-	19	110
	2016	2	50	-	11	4	34	-	13	114
	<b>Goals 2015</b>	<b>2</b>	<b>51</b>	<b>0</b>	<b>10</b>	<b>2</b>	<b>34</b>	<b>0</b>	<b>15</b>	<b>114</b>
		AM	CM	IM	WM	AF	CF	IF	WF	
Semi-skilled and discretionary decision-making	2015	4	68	-	4	4	38	-	3	121
	2016	10	111	-	5	4	32	-	3	165
	<b>Goals 2015</b>	<b>2</b>	<b>54</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>18</b>	<b>0</b>	<b>2</b>	<b>85</b>
		AM	CM	IM	WM	AF	CF	IF	WF	
Unskilled and defined decision making	2015	10	86	-	1	1	20	-	-	118
	2016	2	42	-	1	1	16	-	-	62
	<b>Goals 2015</b>	<b>14</b>	<b>101</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>29</b>	<b>0</b>	<b>1</b>	<b>151</b>



## 4.2 MANAGING THE MUNICIPAL WORKFORCE

### 4.2.1 HUMAN RESOURCE POLICIES AND PLANS

There are a number of policies and plans in place to regulate personnel matters. Some matters are regulated in terms of collective agreements and legislation.

Human resource (HR) policies are reviewed on an on-going basis. One human resource policy was reviewed and approved during the financial year as part of a comprehensive HR Policy review. Ten (10) Draft HR policies were drawn up and the unions consulted regarding the policies on 25-26 May 2016 and were submitted to council for approval, but were postponed to the new financial year.

**TABLE 145: HUMAN RESOURCE POLICIES AND PLANS**

APPROVED POLICIES 2015/16	DRAFT POLICIES 2015/16
Recruitment and Selection Policy	Payroll Management and Administration policy Employee Bursary and Study Assistance policy Labour Relations policy Leave Management policy Remuneration & Allowances policy Smoking in the Workplace policy Training & Development and Student Assistance policy Vehicle & Equipment policy Working Hours and Attendance policy Private Work Policy

### 4.2.2 TERMINATIONS, RECRUITMENT, SELECTION AND ABSENTEEISM

#### 4.2.2.1 TERMINATIONS

There were 47 terminations during the year. Fourteen were voluntary resignations. Three dismissals were a result of disciplinary steps instituted by the employer. The following terminations were recorded:

**TABLE 146: PERMANENT TERMINATIONS**

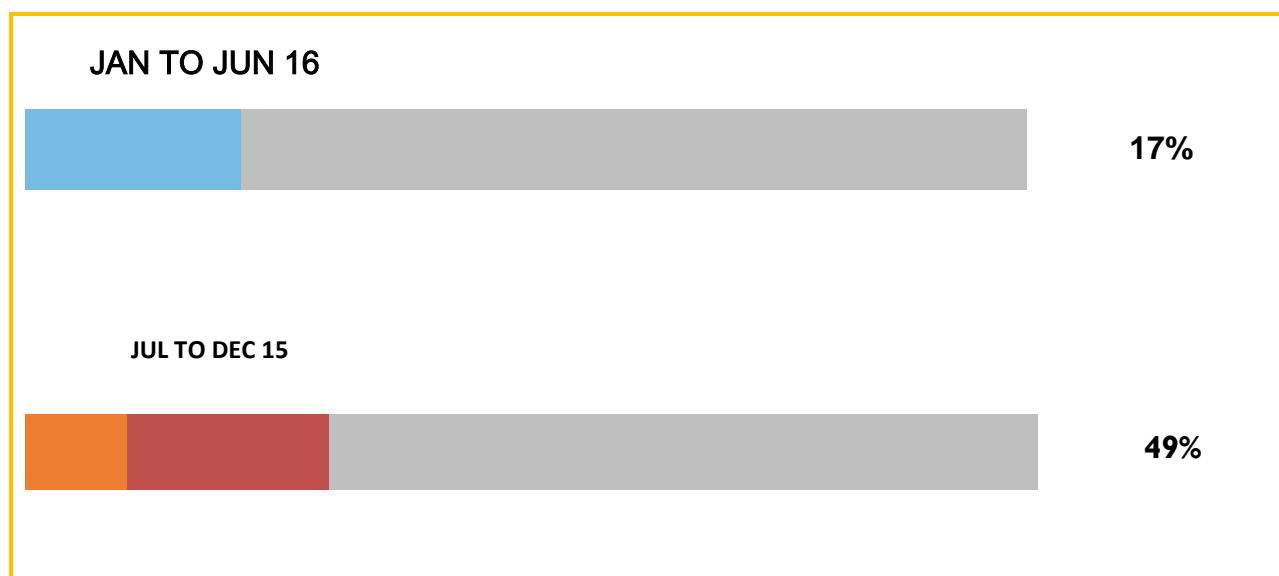
REASON	Jul '15	Aug '15	Sept '15	Oct '15	Nov '15	Dec '15	Jan '16	Feb '16	Mar '16	Apr '16	May '16	Jun '16
Resignations	-	-	1	-	4	1	2	2	3	-	1	-
Retirement	-	-	-	-	-	2	2	1	-	-	-	-
Ill Health/Incapacity	-	-	-	-	-	-	-	-	1	-	-	-
Contract Expires	-	-	-	4	8	1	4	3	-	-	-	-
Died	-	-	-	-	-	-	-	1	1	2	-	-
Dismissal(Misconduct)	-	-	-	-	2	-	-	-	-	-	-	-
Absenteeism	-	-	-	-	-	-	-	-	-	-	1	-
Dishonesty	-	-	-	-	-	-	-	-	-	-	-	-
Other misconduct	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	0	0	1	4	14	4	8	7	5	2	2	0

**TABLE 147: TEMPORARY TERMINATIONS**

REASON	Jul '15	Aug '15	Sept '15	Oct '15	Nov '15	Dec '15	Jan '16	Feb '16	Mar '16	Apr '16	May '16	Jun '16
Resignations	-	-	-	-	-	-	-	-	-	-	-	-
Retirement	-	-	-	-	-	-	-	-	-	-	-	-
Ill Health/Incapacity	-	-	-	-	-	-	-	-	-	-	-	-
Contract Expires	0	0	4	4	8	0	4	3	0	1	3	3
Died	-	-	-	-	-	-	-	-	-	-	-	-
Dismissal(Misconduct)	-	-	-	-	-	-	-	-	-	-	-	-
Absenteeism	-	-	-	-	-	-	-	-	-	-	-	-
Dishonesty	-	-	-	-	-	-	-	-	-	-	-	-
Other misconduct	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	0	0	4	4	8	0	4	3	0	1	3	3

## 4.2.2.2 RECRUITMENT AND SELECTION

The number of appointments made during the year under review is shown below. From July 2015 to December 2015, 23 new appointments were made and from January 2016 to June 2016, 14 new appointments were made.

**FIGURE 22: APPOINTMENTS**

The table below summarises the number of applications received for each post and the extensive lists prepared for the period July 2015 to June 2016. Human Resources only started keeping record of this information from January 2014.

**TABLE 148: APPLICATIONS FOR VACANT POSTS**

MONTH	DIRECTORATE	POST	APPLICATIONS RECEIVED
Jul 15	Technical Services	Project Manager	2
	Technical Services	Building Control Officer (VD)	20

DRAFT ANNUAL REPORT 2015/16 VOLUME I

MONTH	DIRECTORATE	POST	APPLICATIONS RECEIVED
	Financial Services	Chief Clerk: Valuation & Rates (PB)	22
	Financial Services	Indigent Examiner (PB)	35
	Corporate Services	Clerk: Committee Services (PB)	42
	Corporate Services	Senior Library Assistant (VD)	81
	Corporate Services	Senior Clerk: DKB	22
<b>Aug 15</b>	-	-	0
<b>Sept 15</b>	Technical Services	Handyman: Building Maintenance (PB)	20
	Technical Services	Supervisor: Water & Sewage (VD)	13
	Technical Services	Teamleader/Driver: Water & Sewage (PB)	21
	Technical Services	Senior Supervisor: Refuse (PB)	12
	Technical Services	Operator Grader 1 (Final Cut)	4
	Technical Services	Senior Superintendent: Civil Services (VD)	10
<b>Oct 15</b>	Technical Services	Project Manager	1
	Technical Services	Senior Superintendent: Civil Services (PB)	3
	Technical Services	Worker: Works (PBx2, PVx1, VDx4)	EPWP/Database
	Technical Services	Worker: Parks (VD)	EPWP/Database
	Corporate Services	Administration Officer - SPLUMA	56
<b>Nov 15</b>	Technical Services	Electrician x2	6
	Technical Services	Operator Grade 2: Electrical (VD)	7
	Technical Services	Worker: Electrical (VD)	11
	Corporate Services	Senior Admin Officer: Recons	31
	Corporate Services	Senior Admin Officer: Salaries & Wages	25
<b>Dec 15</b>	Technical Services	Operator Digger Loader (PV)	4
<b>Jan 16</b>	Corporate Services	Bookpacker/Cleaner: VD Library	88
	Corporate Services	Librarian (PV)	32
	Corporate Services	Senior Typist (PB)	39
<b>Feb 16</b>	-	-	0
<b>March 16</b>	Corporate Services	Senior Admin Officer: Salaries & Wages	49
	Corporate Services	Head Sport Development	48
	Financial Services	Assistant Accountant (VD)	49
	Technical Services	Senior Housing Officer (VD)	66
	Technical Services	Senior Worker Buildings	4
	Technical Services	Teamleader/Driver: Roads & Stormwater (PV)	20
	Technical Services	Tractor Driver	14
	Technical Services	Senior Worker: Stores	58
	Technical Services	Supervisor: Waste	8
<b>April 16</b>	Corporate Services	Clerk Committee Services	30
	Office of The Municipal Manager	Head: Strategic Services	16
	Office of The Municipal Manager	Financial Management Intern (Internal Audit)	7
	Financial Services	Manager: SCM & Expenditure	19
	Technical Services	Senior Superintendent: Civil Services (VD)	11
<b>May 16</b>	Technical Services	Worker: Works (VD)	EPWP/Database

MONTH	DIRECTORATE	POST	APPLICATIONS RECEIVED
	Technical Services	Worker: Works (PB)	EPWP/Database
	Technical Services	Worker: Parks (VD)	EPWP/Database
	Technical Services	Senior Worker: Water/Sewage (VD)	EPWP/Database
	Technical Services	Driver/Operator: Refuse (VD)	23
	Technical Services	Supervisor: Building Maintenance (VD)	18
	Technical Services	Teamleader/Driver: Refuse (PB)	13
	Technical Services	Worker: Transfer Station (PB)	31
	Corporate Services	Senior Admin Officer: Salaries & Wages	Headhunt
<b>June 16</b>	Financial Services	Assistant Accountant (VD)	32
	Financial Services	Principal Clerk: Enquiries/Reception (PB)	31
	Financial Services	Clerk Grade 2: Valuations	25
	Financial Services	Meter Reader (VD)	10
	Corporate Services	Principal Clerk: E-Natis	19
	Corporate Services	Traffic Officer (PV)	9
	Corporate Services	Traffic Officer (PB)	13
	Technical Services	Operator Gr2: Electrical (PB)	6
	Technical Services	Special Workman: Electrical (VD)	17
	Technical Services	Worker Electrical x1 (PB)	15
	Technical Services	Worker Electrical x1 (PV)	9
	Technical Services	Worker Electrical x4 (VD)	11
	<b>TOTAL</b>		

The Department had to process 1 288 applications in the period July 2015 to June 2016. The administrative burden on the Human Resource Department increased significantly with the number of applications that were received. The use of students in the Department assisted to reduce the pressure and enable the Department to fulfil the needs of the municipality.

#### 4.2.2.3 OCCUPATIONAL HEALTH AND SAFETY

An Occupational Health and Safety Unit was established in the 2012/13 financial year and the Occupational Health and Safety Officer was appointed with effect from September 2012. Since the appointment of the OHS Officer, a great deal of effort has been made to implement OHS in the workplace. At the 30<sup>th</sup> June 2016, 95% of the recommendations made from the Audit Report was completed to redress the legal implications of Health and Safety.

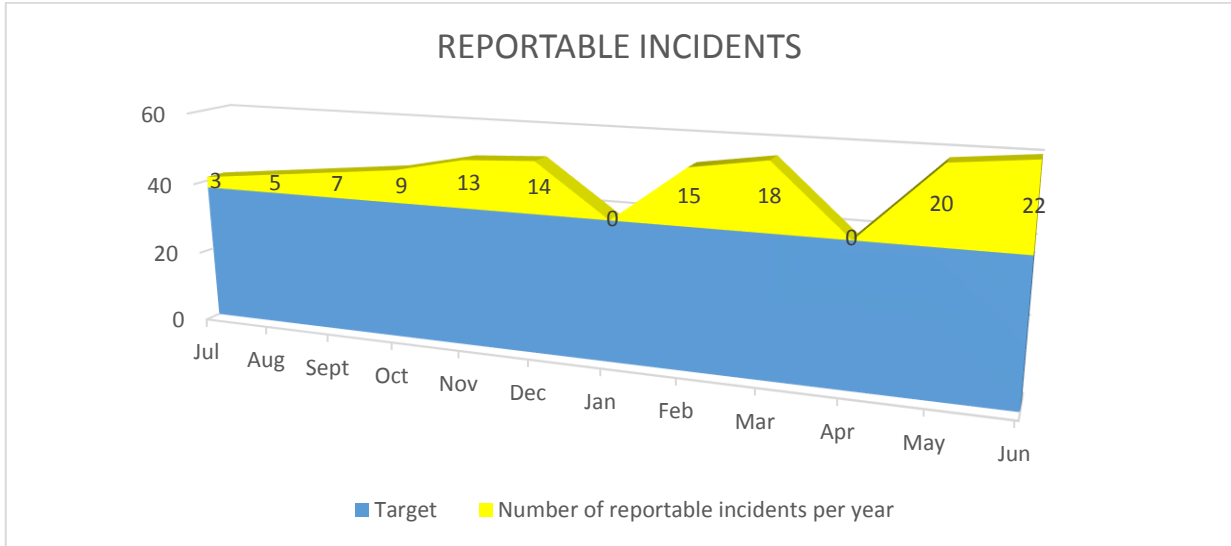
#### ▲ Health and Safety Committees

Health and Safety positions were filled and all Health and Safety Representatives were appointed for each workplace. All also attended the Health and Safety Committee meetings. Health and Safety Representatives were informed of the importance of the smooth functioning of the committees and that if they cannot attend these meetings regularly due to work or other reasons, they must inform the OHS Officer timeously.

▲ **Reportable incidents**

The Occupational Health and Safety Unit set a target to reduce the number of reportable incidents. A target for the financial year was set at less than 38 incidents and only 22 incidents occurred, that shows a decrease in incidents of 31 %. As can be seen from the graph below, the Municipality was able to achieve the target and reduce the number of reported incidents to 22.

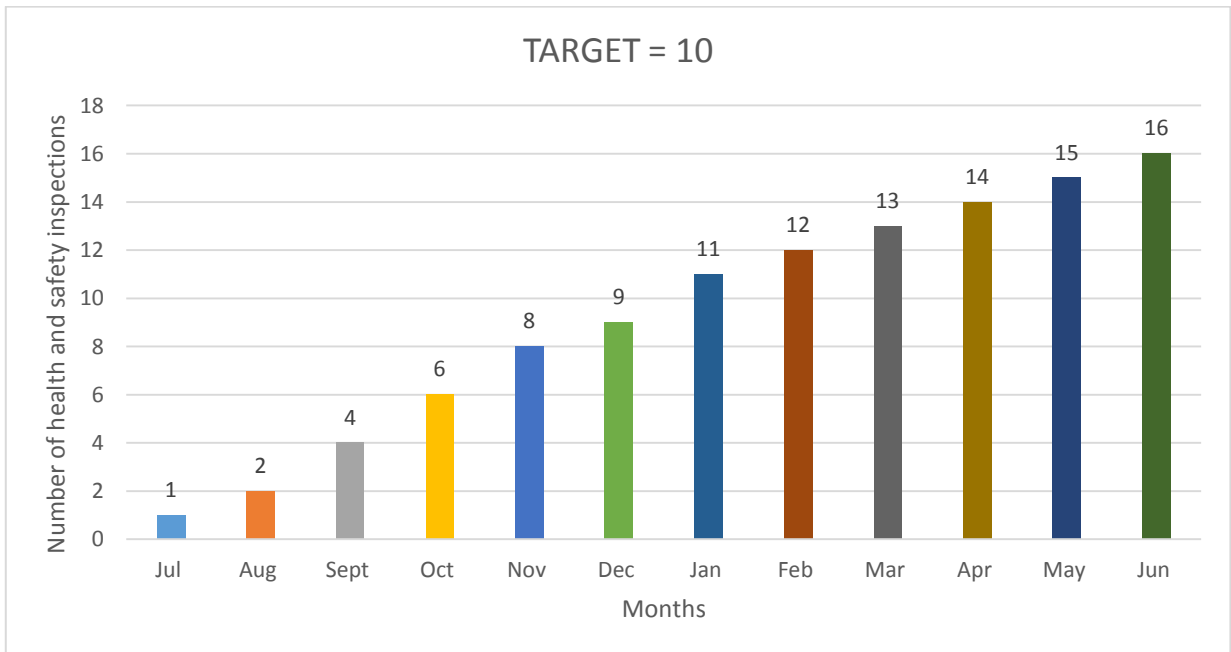
**FIGURE 23: REPORTABLE INCIDENTS**



▲ **Health and Safety Inspections**

The number of health and safety inspections done by the unit is reflected in the graph below. The target was achieved and the target should be increased for the new financial year.

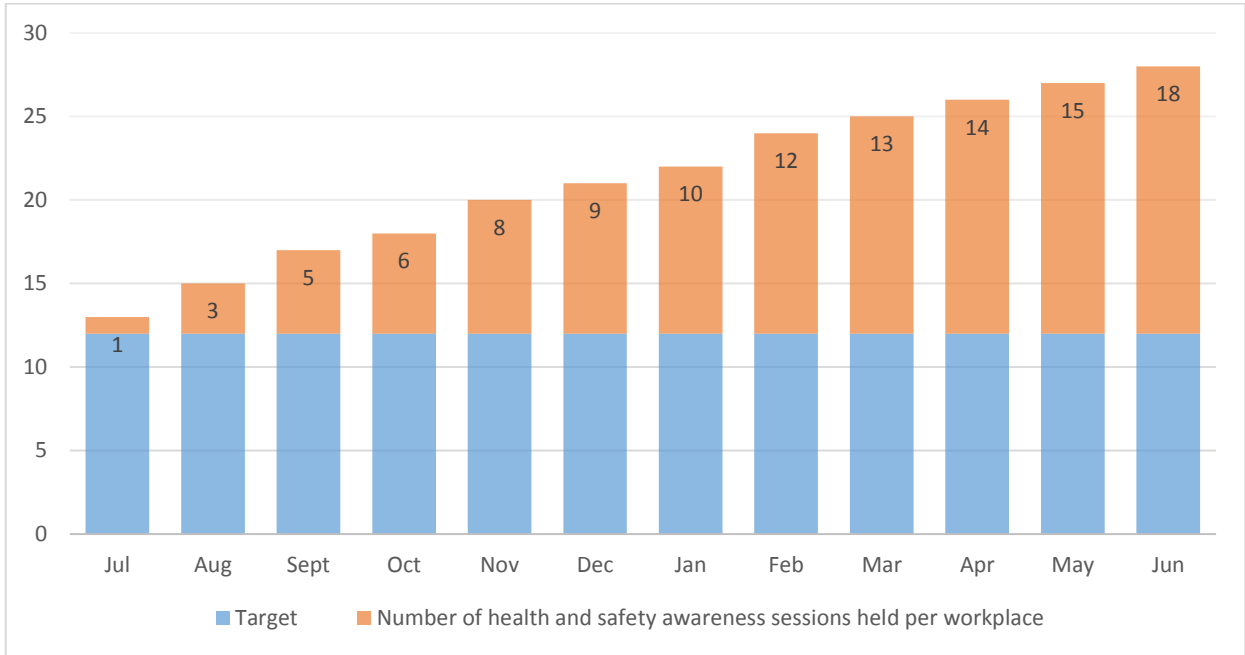
**FIGURE 24: HEALTH AND SAFETY INSPECTIONS**



▲ **Health and Safety awareness**

The Health and Safety Officer conducted 16 health and safety awareness sessions, six more than the target of 12, set at the beginning of the financial year.

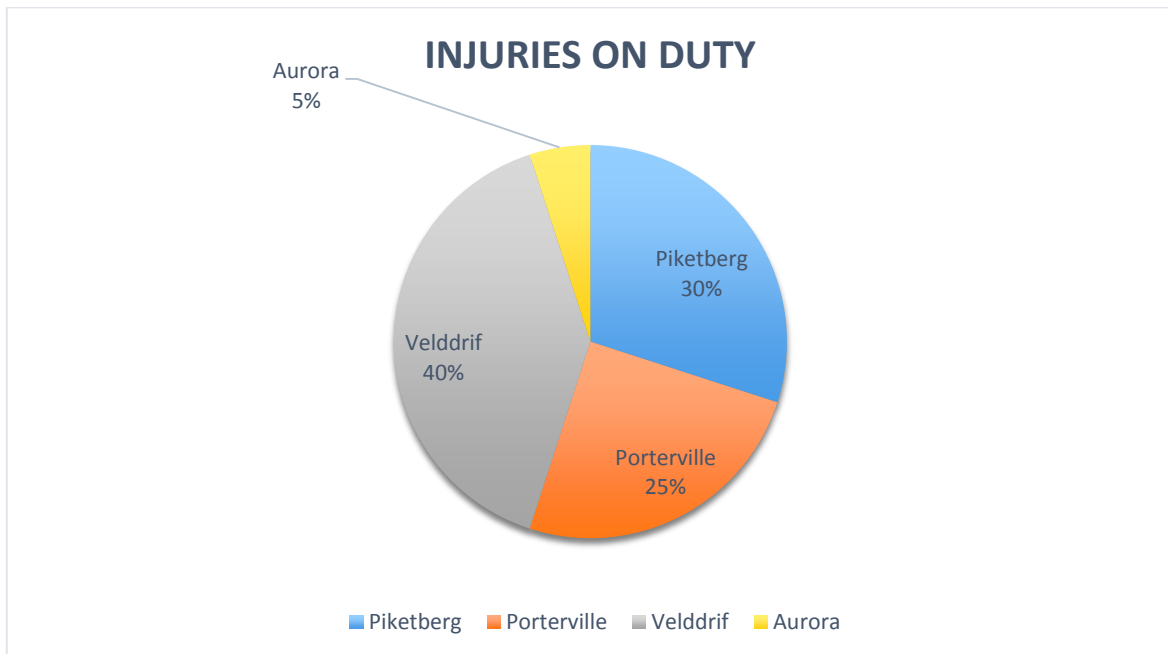
**FIGURE 25: HEALTH AND SAFETY AWARENESS SESSIONS**



**4.2.3 INJURIES ON DUTY**

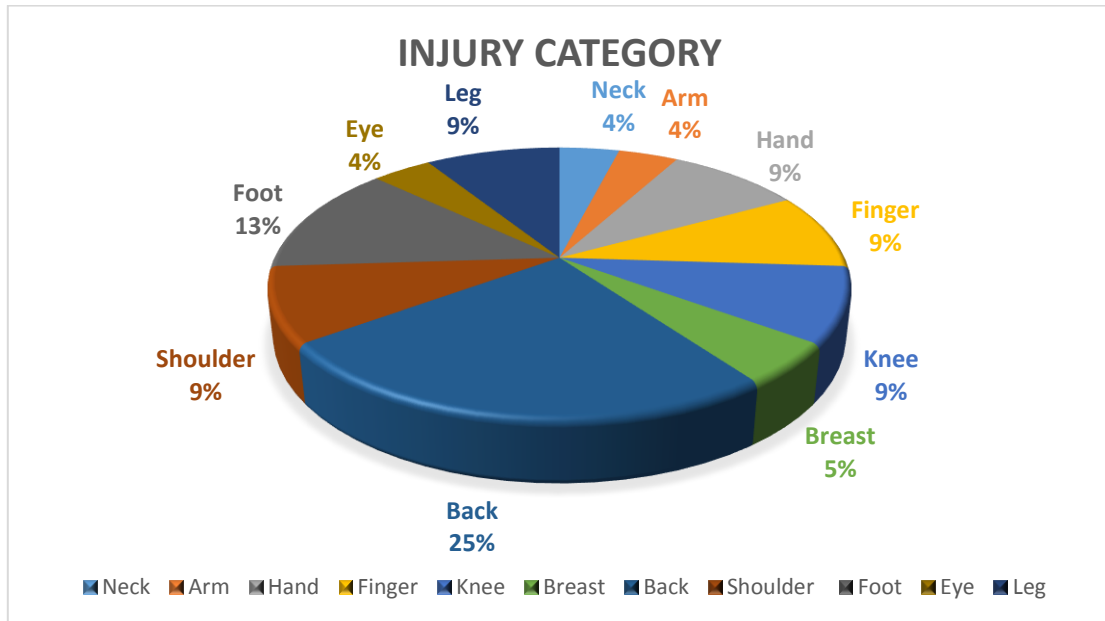
A total of 22 incidents occurred and is a decrease from the previous financial year. Most of the injuries on duty occurred in Piketberg. No injuries on duty were recorded in Redelinghuys and Eendekuil during the 2015/16 financial year.

**FIGURE 26: INJURIES ON DUTY**



The type of injuries that occurred is shown in the graph below. Most of the injuries were back and foot injuries.

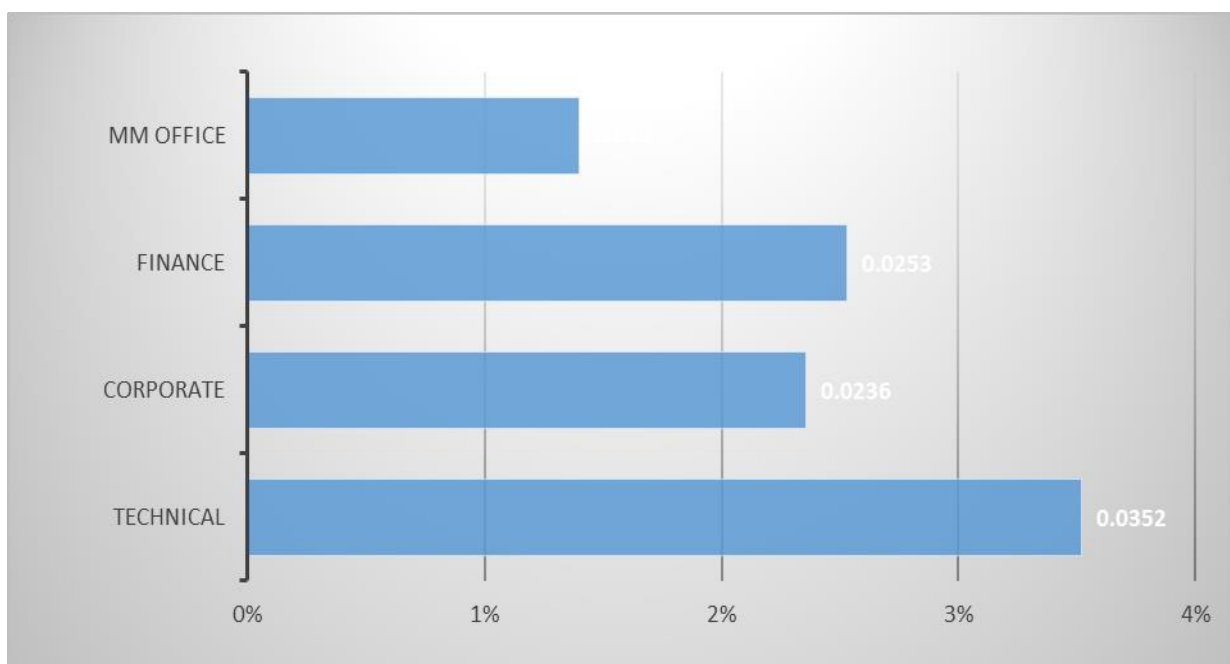
**FIGURE 27: INJURY CATEGORY**



**4.2.4 ABSENTEEISM**

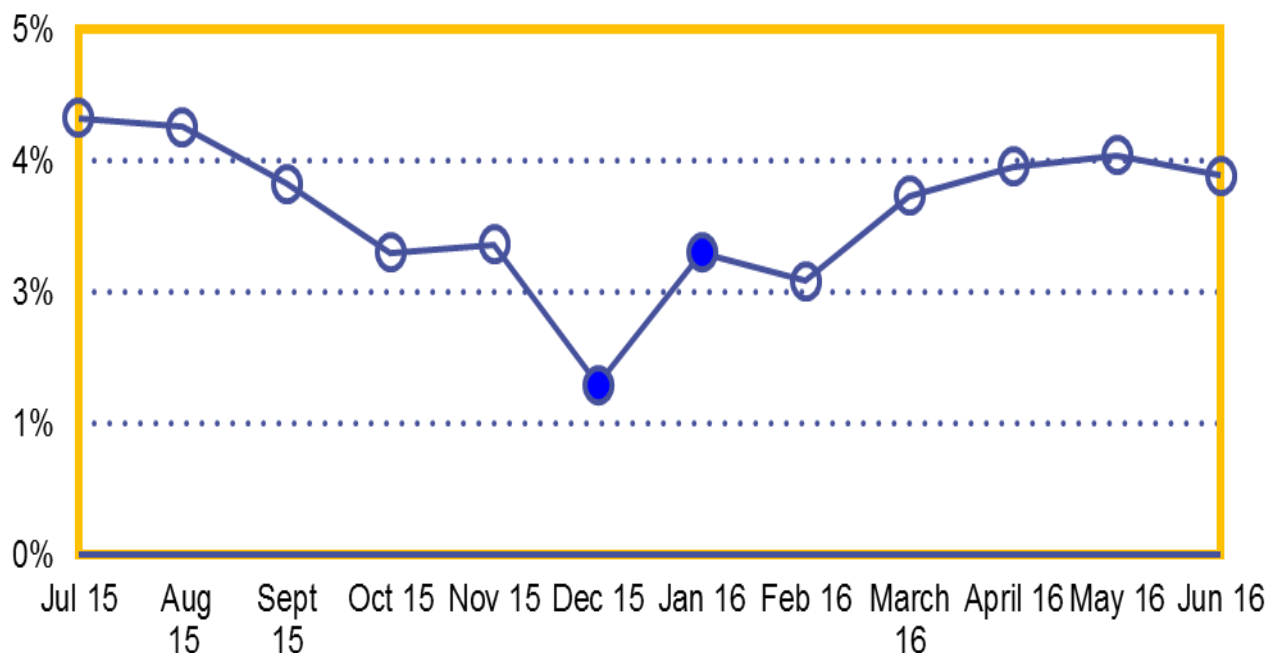
Sick absenteeism should be at an average of 1.5% (Source: Human Capital Review – Absenteeism trends in South African Companies), which means that for every 250 working days per year, the average employee should take 3.75 days off sick. The sick leave absenteeism rate for each Directorate was calculated by dividing the number of days employees were absent by the number of days they should have worked. The annual absenteeism rate for each directorate is shown in the table below:

**FIGURE 28: ABSENTEEISM RATE PER DIRECTORATE**



The combined sick leave absenteeism rate for the Municipal workforce for the period under review is shown in the figure below:

**FIGURE 29: COMBINED ABSENTEEISM RATE**



The months with the absenteeism rate below 3% were October 2015, November 2015, December 2015, January 2016, February 2016 and June 2016.

#### 4.2.5 PERFORMANCE REWARDS

Performance is evaluated in accordance with legislation and the Bergrivier Municipality Performance Management Policy. Bergrivier Municipality does not pay performance bonuses.

#### 4.2.6 DISCLOSURES OF FINANCIAL INTERESTS

The Performance Management Regulations, 2006 (Regulation 805 of 2006) requires that Municipal officials and Councillors disclose their financial interests. The interests of Councillors, the Municipal Manager and Directors is set out in out in **APPENDIX 9**.

### 4.3 CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.3.1 SKILLS DEVELOPMENT AND TRAINING

Section 68(1) of the Municipal Systems (Act requires) municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way. The Municipality has a Training Committee in place, which deals with matters concerning the training of Municipal Staff. Skills development activities for 2015/16 are reflected below:

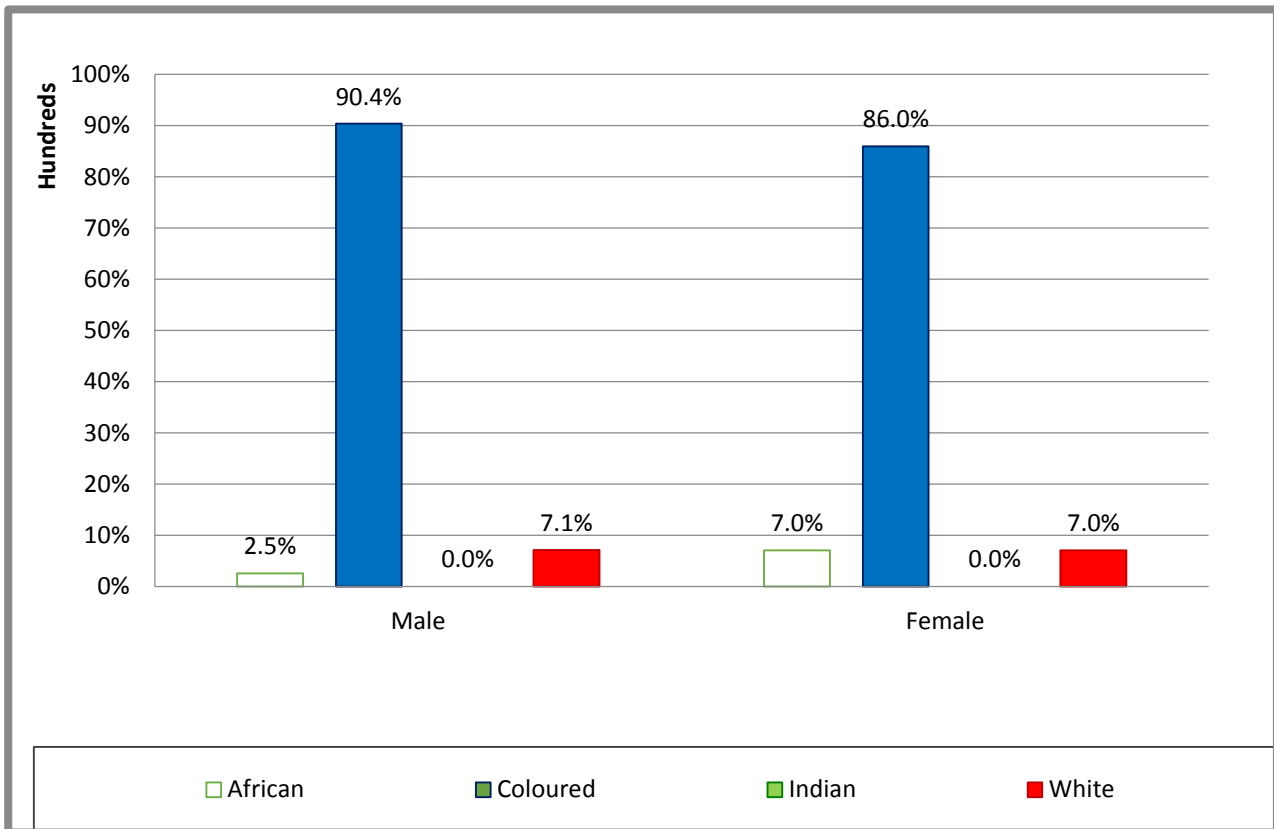


**TABLE 149: SKILLS DEVELOPMENT**

SKILLS DEVELOPMENT	JUL '15	AUG '15	SEPT '15	OCT '15	NOV '15	DEC '15	JAN '16	FEB '16	MAR '16	APR '16	MAY '16	JUN '16
No of employees trained	47	47	80	82	72	0	0	82	51	33	32	68
No of permanent employees receiving training	45	45	80	82	72	0	0	82	51	33	30	66
No of temporary employees receiving training	2	2	-	-	-	-	-	-	-	-	2	2
No of unemployed people receiving training	-	-	-	-	-	-	-	-	-	-	-	-
No of financial interns employed	4	4	4	4	4	4	4	4	3	3	3	3
No of other interns employed	-	-	-	-	-	-	-	-	-	-	-	-
Students doing in service training	3	3	3	3	3	3	3	4	3	3	3	3

The beneficiaries of training provided by the Municipality are shown in the two diagrams below. The majority of the beneficiaries were coloured and male.

**FIGURE 31: TRAINING BENEFICIARIES**



The planned training for the new financial year sees a slight increase in the number of female beneficiaries. Of the 254 beneficiaries identified 57 (22%) are female and 197 (78%) are male. The following training interventions took place during the period under review.

**TABLE 150: TRAINING INTERVENTIONS**

TYPE OF LEARNING INTERVENTION	NAME OF LEARNING INTERVENTION	NQF LEVEL	NUMBER TRAINED	
			FEMALE	MALE
Skills Programme	AET	1-3	3	14
Short Course Non Credited	Cherry Picker	3	0	10
Skills Programme	Fire arm Competency	4	4	9
Skills Programme	High Voltage Refresher	3	0	4
Skills Programme	Telephone Etiquette	3	5	0
Short Course Non Credited	Code 10 learners and Drivers licence	3	4	13
Skills Programme	Grade L	3	2	0
Skills Programme	Supervisory Training	3	1	15
Learnership	Water Reticulation NQF level 2	2	0	7
Learnership	Road Construction NQF level 2	2	0	7
Learnership	Horticulture	2	1	9
Learnership	Library Information Services	4	9	1
Skills Programme	MFMP Provincial Treasury	6	1	1
Apprenticeship	Bricklayer	5	0	1
Apprenticeship	Plumbing	5	0	3
Skills Programme	Grade 12	4	0	3
Skills Programme	Examiner of Vehicles	5	0	1
Skills Programme	Conflict Management	3	8	18
Skills Programme	Tiling	3	0	6
Skills Programme	ORHVS Switching	3	0	3
Short Course Non Credited	Streetlights	3	0	5
Skills Programme	Microsoft Configuration Systems	3	0	1
Skills Programme	Chainsaw	3	0	17
Learnership	Water Reticulation level 4	4	0	5
Skills Programme	Cobit 5	4	0	1
Learnership	Roads Construction Level 4	4	0	5
Skills Programme	Health and Safety	2	3	7
Skills Programme	Incident Investigation	2	5	27
Skills Programme	Client services	3	5	0
Learnership	LGAC	3	3	2
Skills Programme	MFMP	5	3	2
<b>TOTAL</b>			<b>57</b>	<b>197</b>

R 1 235 600.00 of Budgeted R1 225 868.59 spent.

### Reporting on and monitoring competency levels

The municipal manager of a municipality must ensure that competencies of all staff are assessed in order to identify and address gaps in competency levels of officials. In terms of Section 14 (2) (b) of the: Local Government: Municipal Financial Management Act; Municipal Regulations on Minimum Competency levels;(NR 493), the municipality must report in its annual report reflecting the information on minimum competencies as at the end of 30 June 2016.

The following is a summary of the minimum competency training undertaken in Bergrivier Municipality as at 30 June 2016. The following employees received their certificates.

No.	Name	Occupation	Identity number	Completion Date
1.	Hanlie Linde	Municipal Manager	700411 0082 083	October 2012
2.	Hendrik Kröhn	Director: Technical Services	630903 5054 088	August 2012
3.	Martin Crous	Manager: Income	720730 5228 086	May 2011
4.	John Peter Sass	Senior Accountant Budget Office	691028 5228 080	August 2012
5.	André Pereira	Head: Assets & SCM	570405 5098 083	August 2012
6.	Lené Louw	Accountant : Budget Office	870205 0071 086	August 2012
7.	Jacobus Alwyn Van Niekerk	Chief Financial Officer	581013 5099 080	August 2012
8.	Johan William Andreas Kotzee	Director Administrative Services	670316 5007 082	September 2013
9.	Andries Wessel Rheeder	Manager: Corporate Services	720707 5236 087	October 2013
10.	Werner Wagener	Manager: Planning and Development	740923 5005 085	October 2013
11.	Jacob Breunissen	Senior Engineer: Civil	621231 5108 089	October 2013
12.	Erasmus Bothma	Regional Engineer	670324 5051 084	December 2015
13.	Leon Gouws	Regional Engineer	631030 5045 087	December 2015
14.	Jurene Erasmus	Internal Auditor	880111 0167 080	October 2014

The following officials are on the programme and will complete the training on or before 30 December 2016. Only after completion of the training, assessments will be done and certificates will be issued.

Officials still requiring certain unit standards.			
15.	Elorese Scholtz	Accountant SCM	84112 00149 087
16.	Dean Josephus	Manager: Community Services	690417 5211 082
17.	Angelique Louw	Manager: Human Resources	810504 0059 080
18.	Alletta Van Sittert	Strategic Manager	601128 0087 082

#### 4.4 THE WORKFORCE EXPENDITURE

Section 66 of the Local Government Municipal Financial Management (Act) (MFMA) states that the accounting officer of a Municipality must, in a format and for periods as may be prescribed, report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure.

#### 4.5 EMPLOYEE EXPENDITURE

The Municipality's employee costs for 2015/16 totalled an amount of R 96 066 313.00. This constitutes 34.47% of the total operational revenue and is a reduction from the previous year's 37.2%. The percentage personnel expenditure to total expenditure is higher for small municipalities as the same legal requirements

for budgetary reporting, internal audit, strategic planning, performance management and intergovernmental relations and working groups apply to all municipalities irrespective of their size. This places undue pressure on the size of smaller municipality staff structures.

## CHAPTER 5 FINANCIAL PERFORMANCE



Paragliding: A popular sport in Porterville

Photographer unknown: Photo provided

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE AND POSITION

### 5.1.1 STATEMENTS OF FINANCIAL PERFORMANCE

The following table provides a summary of the Municipality's financial performance as at 30 June 2016:

**TABLE 151: SUMMARY OF FINANCIAL PERFORMANCE**

	Notes	Original Budget	Budget Adjustments	Final Budget	Actual Outcome	Actual Outcome vs Final Budget
		R	R	R	R	R
<b>REVENUE</b>						
Property Rates		51 928 000	(814 000)	51 114 000	52 508 447	1 394 447
Service Charges - Electricity Revenue		89 576 000	1 200 000	90 776 000	86 484 265	(4 291 735)
Service Charges - Water Revenue		24 230 000	400 000	24 630 000	23 629 312	(1 000 688)
Service Charges - Sanitation Revenue		9 558 000	300 000	9 858 000	10 211 626	353 626
Service Charges - Refuse Revenue		15 948 000	670 000	16 618 000	17 072 032	454 032
Rental of Facilities and Equipment		3 697 000	-	3 697 000	4 323 309	626 309
Interest Earned - External Investments		2 250 000	1 000 000	3 250 000	4 296 966	1 046 966
Interest Earned - Outstanding Debtors		3 000 000	300 000	3 300 000	3 776 001	476 001
Fines		4 107 000	-	4 107 000	7 001 397	2 894 397
Licences and Permits		1 560 000	-	1 560 000	1 219 081	(340 919)
Agency Services		2 041 000	-	2 041 000	2 199 847	158 847
Transfers Recognised - Operational		40 517 000	40 664 272	81 181 272	42 232 852	(38 948 420)
Other Revenue		3 337 000	187 600	3 524 600	3 917 700	393 100
Gain on Disposal of PPE		-	-	-	68 548	68 548
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>43.2.6</b>	<b>251 749 000</b>	<b>43 907 872</b>	<b>295 656 872</b>	<b>258 941 383</b>	<b>(36 715 489)</b>
<b>EXPENDITURE</b>						
Employee Related Costs		97 727 000	(532 236)	97 194 764	96 066 313	(1 128 451)
Remuneration of Councillors		5 274 140	(700 720)	4 573 420	5 281 515	708 095
Debt Impairment		3 823 440	699 560	4 523 000	7 764 257	3 241 257
Depreciation and Asset Impairment		17 944 000	95 000	18 039 000	17 521 386	(517 614)
Finance Charges		10 892 892	826 714	11 719 606	11 582 399	(137 207)
Bulk Purchases		72 292 000	130 000	72 422 000	73 029 500	607 500
Transfers and Grants		3 331 000	-	3 331 000	3 214 250	(116 750)
Other Expenditure		46 945 000	41 968 800	88 913 800	38 842 355	(50 071 445)
<b>Total Expenditure</b>	<b>43.2.7</b>	<b>258 229 472</b>	<b>42 487 118</b>	<b>300 716 590</b>	<b>253 301 975</b>	<b>(47 414 615)</b>
<b>Surplus/(Deficit)</b>		<b>(6 480 472)</b>	<b>1 420 754</b>	<b>(5 059 718)</b>	<b>5 639 408</b>	<b>10 699 126</b>
Transfers Recognised - Capital		55 301 000	(34 624 956)	20 676 044	19 831 596	(844 448)
Contributions Recognised - Capital		-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>48 820 528</b>	<b>(33 204 202)</b>	<b>15 616 326</b>	<b>25 471 004</b>	<b>9 854 678</b>

**TABLE 152: FINANCIAL PERFORMANCE OF OPERATIONAL SERVICE**

DRAFT ANNUAL REPORT 2015/16 VOLUME I

Vote Description	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance
<b>Revenue by Vote</b>							
<b>Vote 1 - Municipal Manager</b>	<b>15 278</b>	<b>18 408</b>	<b>18 871</b>	<b>18 788</b>	<b>18 871</b>	(83)	0%
1.1 - Council	14 986	17 802	18 065	18 132	18 065	67	0%
1.2 - Strategic Services	292	606	806	656	806	(150)	-19%
<b>Vote 2 - Finance</b>	<b>60 528</b>	<b>59 164</b>	<b>60 450</b>	<b>63 185</b>	<b>60 450</b>	2 735	5%
2.1 - Finance	60 528	59 164	60 450	63 185	60 450	2 735	5%
2.2 - IT Administration	-	-	-	-	-	-	
<b>Vote 3 - Corporate Services</b>	<b>20 747</b>	<b>18 849</b>	<b>19 223</b>	<b>22 316</b>	<b>19 223</b>	3 093	16%
3.1 - Corporate Services	627	607	607	605	607	(2)	0%
3.2 - HR Administration	193	371	747	677	747	(69)	-9%
3.3 - Planning and Development	427	637	637	509	637	(128)	-20%
3.4 - Community Services	-	-	-	-	-	-	
3.5 - Library & Records	6 289	5 978	5 978	6 029	5 978	51	1%
3.6 - Museum	-	-	-	-	-	-	
3.7 - Traffic Control	6 099	4 135	4 135	6 990	4 135	2 855	69%
3.8 - Fire Department	-	5	5	-	5	(5)	-100%
3.9 - Holiday Resorts	3 895	3 576	3 574	4 147	3 574	573	16%
3.10 - Vehicle Registration	3 217	3 540	3 540	3 358	3 540	(182)	-5%
<b>Vote 4 - Technical Services</b>	<b>167 431</b>	<b>210 629</b>	<b>217 790</b>	<b>174 485</b>	<b>217 790</b>	(43 305)	-20%
4.1 - Council Property	475	335	343	432	343	89	26%
4.2 - Refuse Removal	20 491	20 844	21 314	21 909	21 314	595	3%
4.3 - Cemeteries	275	265	265	312	265	47	18%
4.4 - Sewerage	15 939	12 515	15 658	16 033	15 658	375	2%
4.5 - Stormwater Management	-	-	-	-	-	-	
4.6 - Community Parks	-	-	-	-	-	-	
4.7 - Water	37 546	39 030	41 126	39 907	41 126	(1 218)	-3%
4.8 - Roads	1 248	1 286	1 366	1 362	1 366	(3)	0%
4.9 - Electricity	82 392	95 519	96 883	91 909	96 883	(4 974)	-5%
4.10 - Building Control	504	465	465	777	465	312	67%
4.11 - Housing	7 573	38 587	38 587	48	38 587	(38 539)	-100%
4.12 - Sport facilities and swimming pools	989	1 783	1 783	1 795	1 783	12	1%
<b>Total Revenue by Vote</b>	<b>263 983</b>	<b>307 050</b>	<b>316 333</b>	<b>278 773</b>	<b>316 333</b>	(37 560)	-12%
						-	
<b>Expenditure by Vote</b>						-	
<b>Vote 1 - Municipal Manager</b>	<b>15 641</b>	<b>18 448</b>	<b>18 406</b>	<b>16 090</b>	<b>18 406</b>	(2 315)	-13%
1.1 - Council	11 414	13 150	12 640	10 897	12 640	(1 744)	-14%
1.2 - Strategic Services	4 228	5 298	5 765	5 194	5 765	(572)	-10%
<b>Vote 2 - Finance</b>	<b>8 927</b>	<b>17 583</b>	<b>18 361</b>	<b>15 900</b>	<b>18 361</b>	(2 461)	-13%
2.1 - Finance	8 927	17 583	18 361	15 900	18 361	(2 461)	-13%
2.2 - IT Administration	-	-	-	-	-	-	
<b>Vote 3 - Corporate Services</b>	<b>41 656</b>	<b>43 717</b>	<b>45 009</b>	<b>47 447</b>	<b>45 009</b>	2 438	5%
3.1 - Corporate Services	6 171	6 317	5 783	5 062	5 783	(721)	-12%
3.2 - HR Administration	9 903	10 246	11 119	11 730	11 119	611	5%
3.3 - Planning and Development	2 247	2 844	2 963	2 751	2 963	(213)	-7%

Vote Description	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance
3.4 - Community Services	297	324	496	409	496	(87)	-18%
3.5 - Library & Records	5 923	5 719	5 979	5 827	5 979	(152)	-3%
3.6 - Museum	-	-	-	-	-	-	
3.7 - Traffic Control	10 916	10 486	10 777	14 107	10 777	3 330	31%
3.8 - Fire Department	866	1 120	1 023	1 111	1 023	88	9%
3.9 - Holiday Resorts	4 029	5 148	5 529	5 102	5 529	(427)	-8%
3.10 - Vehicle Registration	1 303	1 513	1 338	1 348	1 338	10	1%
<b>Vote 4 - Technical Services</b>	<b>161 854</b>	<b>178 481</b>	<b>218 941</b>	<b>173 864</b>	<b>218 941</b>	<b>(45 077)</b>	<b>-21%</b>
4.1 - Council Property	7 430	8 547	7 915	7 519	7 915	(396)	-5%
4.2 - Refuse Removal	17 377	18 160	20 987	20 113	20 987	(874)	-4%
4.3 - Cemeteries	593	524	504	408	504	(96)	-19%
4.4 - Sewerage	4 595	9 601	10 784	7 496	10 784	(3 289)	-30%
4.5 - Stormwater Management	2 369	618	805	703	805	(103)	-13%
4.6 - Community Parks	4 853	5 440	5 523	5 579	5 523	56	1%
4.7 - Water	16 180	19 075	18 989	18 044	18 989	(946)	-5%
4.8 - Roads	22 689	23 469	22 720	23 070	22 720	350	2%
4.9 - Electricity	79 843	87 342	86 798	86 194	86 798	(605)	-1%
4.10 - Building Control	1 210	1 568	1 392	1 458	1 392	66	5%
4.11 - Housing	2 824	1 494	39 724	1 278	39 724	(38 445)	-97%
4.12 - Sport facilities and swimming pools	1 891	2 644	2 799	2 004	2 799	(796)	-28%
<b>Total Expenditure by Vote</b>	<b>228 079</b>	<b>258 229</b>	<b>300 717</b>	<b>253 302</b>	<b>300 717</b>	<b>(47 415)</b>	<b>(0)</b>
						-	
<b>Surplus/ (Deficit) for the year</b>	<b>35 904</b>	<b>48 821</b>	<b>15 616</b>	<b>25 471</b>	<b>15 616</b>	<b>9 855</b>	<b>0</b>

### 5.1.2 FINANCIAL GRANTS

The Municipality received the following operating transfers and grants during the 2015/16 financial year:

**TABLE 153: OPERATING GRANTS AND TRANSFERS**

Description	Budget Year 2015/16		
	Original Budget	Adjusted Budget	YearTD actual
<b>R thousands</b>			
<b>EXPENDITURE</b>			
<b>Operating expenditure of Transfers and Grants</b>			
<b>National Government:</b>	<b>35 069</b>	<b>35 621</b>	<b>35 523</b>
Local Government Equitable Share	30 454	30 454	30 454
Finance Management	1 000	1 000	1 000
Municipal Systems Improvement	300	300	340
EPWP Incentive	1 070	1 070	1 070
Municipal Infrastructure (MIG)	2 245	2 245	2 111
ACIP		552	547
<b>Provincial Government:</b>	<b>5 448</b>	<b>6 711</b>	<b>6 633</b>
CDW - Operational Support Grant	36	36	36



Description	Budget Year 2015/16		
	Original Budget	Adjusted Budget	YearTD actual
<b>R thousands</b>			
Library Services	1 325	1 325	1 325
Maintenance of Proclaimed Roads	87	87	82
Financial Management Grant - Internal Audit	–	263	189
Library Service: Replacement Funding For Most Vulnerable B3 Municipalities	4 000	4 000	4 000
Finance Management	–	800	800
Municipal Performance Management Grant	–	200	200
<b>Other grant providers:</b>	–	<b>300</b>	<b>122</b>
<i>Chieta</i>		300	122
<b>Total operating expenditure of Transfers and Grants:</b>	<b>40 517</b>	<b>42 631</b>	<b>42 278</b>
<b>Capital expenditure of Transfers and Grants</b>			
<b>National Government:</b>	16 046	19 987	19 055
Municipal Infrastructure (MIG)	11 956	11 956	11 783
Integrated National Electrification Programme (Municipal) Grant	3 000	3 000	2 315
Municipal Systems Improvement	640	640	600
Finance Management	450	450	450
ACIP		3 941	3 906
<b>Provincial Government:</b>	<b>605</b>	<b>605</b>	<b>605</b>
Library Services	605	605	605
<b>Other grant providers:</b>	<b>100</b>	<b>83</b>	<b>72</b>
Cerebos	<b>100</b>	<b>83</b>	<b>72</b>
<b>Total capital expenditure of Transfers and Grants</b>	<b>16 751</b>	<b>20 675</b>	<b>19 731</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>57 268</b>	<b>63 307</b>	<b>62 009</b>

### 5.1.2 FINANCIAL GRANTS

The Municipality received the following operating transfers and grants during the 2015/16 financial year:

These grants were utilized as follows:

#### ▲ Finance Management Grant (National Government)

R1 450 000 was received for the 2015/16 financial year. R 1 000 000 was spent on operational expenses and R 450 000 was spent on capital expenses. The operational expenses included intern salaries, assistance with the compilation and review of the financial statements, audit queries and training for staff of the Finance Department. The capital expenses were earmarked for the upgrading of the financial system.

#### ▲ Municipal Systems Improvement Grant

R 940 000 was received during the 2015/16 financial year. R 340 000 was spent on uniform zoning regulations. R 600 000 was spent on capital expenses, namely Microsoft Volume Licensing.

#### ▲ Municipal Infrastructure Grant (MIG)

The original grant for 2015/16 was R 14 201 000. The unspent grant of 2014/2015 that amounted to R 1 348 000 were paid back to National Treasury. During the year the amount of R 13 894 511 were spend which left an unspent amount of R 306 558 at 30 June 2016.

▲ **Finance management Grant (Provincial Government)**

An amount of R 1 062 500 was awarded to the Municipality. These funds were spent on 3 projects namely: Provision of Internal Audit Services (R 262 500), Implementation of mSCOA Software to comply with GRAP and introduce SCOA Requirements in the BTO (R 300 000) and Compilation of Geographical Information System (GIS) (R 500 000). A Roll-over amount of R 51 942 from the 2014/15 financial year was also spent during 2015/16.

▲ **Municipal Performance Management Grant**

An amount of R 200 000 was awarded to the Municipality by Provincial Treasury. These funds were used for cascading down Performance Management to mid-level employees.

▲ **EXTENDED PUBLIC WORKS PROGRAMME (EPWP)**

R 1 070 000 was received and the funds were utilised to create temporary job opportunities for unemployed persons.

▲ **COMMUNITY DEVELOPMENT WORKER (CDW)**

R 36 000 was received and the funds were utilised on operational expenses of the CDW's.

▲ **Library Services Grant**

R 5 930 000 was received from Provincial Government and the funds were to deliver library services for 14 libraries in our area and the grant also included the salaries of temporary workers. R 605 000 was used for capital projects which included a book detector system, air conditioners, shelves, tiling of floors and fencing of Porterville Library.

▲ **Integrated National Electrification**

An amount of R 3 000 000 was received from the Department of Energy. These funds were utilised for Bulk Service upgrade to Monte Bertha and Albatros Development's 100 RDP Houses.

**ASSET MANAGEMENT**

Assets are managed and maintained by the Directorate under which they resort and provision is made under their respective operational budgets for maintenance over the life cycle of the asset. The Asset Unit within Financial Services is responsible for maintaining the asset register, annual asset counts, capturing of newly acquired assets on the asset register and the removal of obsolete or written off assets from the asset register. During the 2014/15 audit, the Auditor-General's opinion was as follow:

There was a 53% growth in the surplus in the municipality for the year from R 23.2 million to R 35.6 million mainly due to the increase in government grant and subsidies and service charges. In addition, the

municipality is in a net asset position due to the growth as in its assets exceed the growth in liabilities. The current impairment ratio of 0.0 % as a percentage of Property Plant Equipment and intangible assets impaired is an indication that assets were utilised effectively for service delivery.

The following table indicates the three largest assets acquired during 2015/16.

**TABLE 154: TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED DURING THE FINANCIAL YEAR**

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16	
<b>ASSET 1</b>	
Name	Lawn Mower
Description	Lawn Mower
Asset Type	Plant and Equipment
Asset Value	R 368 421.00
Capital Implications	Capital Budget
Future Purpose of Asset	Plant
Policies in Place to Manage Asset	Yes
<b>ASSET 2</b>	
Name	Truck
Description	Truck
Asset Type	Other Motor Vehciles
Asset Value	R 429 875.00
Capital Implications	Capital Budget
Future Purpose of Asset	Plant
Policies in Place to Manage Asset	Yes
<b>ASSET 3</b>	
Name	Generator
Description	Generator
Asset Type	Plant and Equipment
Asset Value	R 172 361.00
Capital Implications	Capital Budget
Future Purpose of Asset	Plant
Policies in Place to Manage Asset	Yes

## 5.2 FINANCIAL RATIOS AND INDICATORS

Municipalities make use of a number of operating ratios and indicators to enable them to benchmark their financial performance. The following are of particular importance:

### 5.2.1 CURRENT RATIO

The current ratio is calculated on the basis of current assets divided by current liabilities. The current ratio is a measure of the ability of the Municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the Municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a current ratio of 1. Anything

below 1 indicates a shortage in cash to meet creditor obligations. The Municipality's liquidity ratio showed a vast improvement from the previous financial years and can be attributed to the increase in cash and investments.

**TABLE 155: LIQUIDITY RATIO**

YEAR	MONETARY ASSETS	CURRENT LIABILITIES	RATIO
2010/2011	14,611,000	28,411,000	0.51
2011/2012	9,692,997	35,483,117	0.27
2012/2013	11,350,257	33,517,928	0.34
Restated 2012/2013	11,350,257	32,700,557	0.35
2013/2014	33,716,137	40,632,065	0.83
2014/2015	48,344,026	42,989,635	1.12
<b>2015/2016</b>	<b>65,659,519.00</b>	<b>44,514,623.00</b>	<b>1.48</b>

### 5.2.2 COST COVERAGE

The cost coverage ratio is the ratio of the available cash plus investments divided by monthly fixed operational expenditure. The ratio indicates the municipality's ability to meet at least its monthly fixed operational commitments from cash and short term investments without collecting any additional revenue during that month. The norm ranges between 1 to 3 months. It implies that the more cash reserves the municipality has available, the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services. The Municipality's cost coverage ratio showed an improvement from the previous financial year.

**TABLE 156: COST COVERAGE RATIO**

YEAR	AVAILABLE CASH + INVESTMENTS	MONTHLY FIXED OPERATIONAL EXPENDITURE	RATIO
2010/2011	14 611 000.00	10 832 000.00	1.35 times
2011/2012	9 640 000.00	12 966 150.00	0.75 times
2012/2013	11 023 419.00	7 099 125.00	1.55 times
Restated 2012/2013	11 350 257.00	5 620 549.00	2.02 times
2013/2014	33 716 137.00	6 203 233.00	5.44 times
2014/2015	48,344,026.00	7,602 632.00	6.35 times
<b>2015/2016</b>	<b>65 659 519.00</b>	<b>8 443 399.00</b>	<b>7.78 times</b>

### 5.2.3 SERVICE DEBTORS TO REVENUE

The service debtor to revenue ratio is the percentage outstanding debtors to annual revenue. The Municipality's outstanding service debtors to revenue showed a decline from the previous year.

**TABLE 157: OUTSTANDING SERVICE DEBTORS TO REVENUE RATIO**

YEAR	TOTAL OUTSTANDING SERVICE DEBTORS	ANNUAL REVENUE RECEIVED FOR SERVICES	RATIO
2010/2011	43,176,000.00	110,557,000.00	39.00%
2011/2012	48,365,000.00	125,871,000.00	38.43%
2012/2013	43,107,117.00	133,155,391.00	32.37%

Restated 2012/2013	47,820,340.00	136,957,344.00	34.9%
2013/2014	54,525,260.00	158,238,551.00	34.4%
2014/2015	45,011,360.00	126,882,623.00	35.47%
<b>2015/2016</b>	<b>43 511 824.00</b>	<b>138 273 460,00</b>	<b>31.47%</b>

#### 5.2.4 DEBT COVERAGE

Debt coverage is the ratio of the total operating revenue minus operating grants divided by debt service payments due within the financial year. The Municipality's debt coverage showed a decline from the previous financial year.

**TABLE 158: DEBT COVERAGE RATIO**

YEAR	TOTAL OPERATING REVENUE- OPERATING GRANTS	DEBT SERVICE PAYMENTS DUE WITHIN FINANCIAL YEAR	RATIO
2010/2011	123 773 000.00	6 028 000.00	20.54 times
2011/2012	136 397 000.00	5 047 000.00	27.03 times
2012/2013	142 842 725.00	8 107 248.00	17.62 times
Restated 2012/2013	160 360 103.00	3 384 128.00	47.39 times
2013/2014	199 540 085.00	6 011 520.00	33.20 times
2014/2015	197,507,819.00	10,347,236.00	19.08 times
<b>2015/2016</b>	<b>236 013 469,00</b>	<b>9 743 663,00</b>	<b>24.22 times</b>

#### 5.2.5 CREDITOR SYSTEM EFFICIENCY

Creditor's systems efficiency is based on the % of creditors paid within 30 days as required by Section 65 (e) of the Municipal Finance Management Act, 2003, ( Act 56 of 2003). The Municipality's creditor efficiency rate is 95%, and has remained constant over the last 3 years.

#### 5.2.6 CAPITAL CHARGES TO OPERATING EXPENDITURE

The Capital Charges to Operating Expenditure ratio is a percentage of interest and principal debt paid divided by operating expenditure. The Municipality's capital charges to expenditure have shown an increase from the previous year as a result of the new external loans raised.

**TABLE 159: CAPITAL CHARGES TO OPERATING EXPENDITURE RATIO**

YEAR	INTEREST + PRINCIPLE PAID	OPERATING EXPENDITURE	RATIO
2010/2011	11,862,000	164,890,000	7.20%
2011/2012	11,004,000	199,742,000	5.51%
2012/2013	8,769,614	187,928,818	5.00%
Restated 2012/2013	8,769,614	195,457,925	4.48%
2013/2014	10 193 989	209 358 544	4.87%
2014/2015	11 614 679	228,078,971	5.09%
<b>2015/2016</b>	<b>11 582 399,00</b>	<b>253 301 976,00</b>	<b>4,57%</b>

### 5.2.7 EMPLOYEE COSTS

Employee costs are calculated as a percentage of total revenue excluding capital revenue. The Municipality's employee cost ratio showed an improvement from the previous year.

**TABLE 161: EMPLOYEE COST RATIO**

YEAR	EMPLOYEE COSTS	OPERATING REVENUE	RATIO
2010/2011	64,723,000	147,122,000	44.00%
2011/2012	71,007,000	163,387,000	43.46%
2012/2013	73,609,221	180,162,203	40.85%
Restated 2012/2013	72,424,399	187,857,321	38.55%
2013/2014	78,362,940	232,452,313	37.71%
2014/2015	86,530,847	264,067,408	32.77%
<b>2015/2016</b>	<b>96,066,313.00</b>	<b>278,704,431.00</b>	<b>34.47</b>

### 5.2.8 REPAIRS AND MAINTENANCE

Repairs and Maintenance costs are calculated as a percentage of the Municipality's total revenue excluding capital revenue. It must be noted that employee and transport costs are not included in expenditure as the Municipality does not have a costing system. This ratio indicates whether sufficient provision is made, in respect of repairs and maintenance for property, plant and equipment. One of the Municipality's development priorities is to maintain our existing infrastructure in a good state of repair to prevent unnecessary capital outlay in the future. The Municipality's repairs and maintenance ratio showed a decline from the previous year.

**TABLE 161: REPAIRS AND MAINTENANCE RATIO**

YEAR	REPAIRS AND MAINTENANCE	OPERATING REVENUE	RATIO
2010/2011	4,548,000	147,122,000	3.00%
2011/2012	2,961,582	163,387,000	2.00%
2012/2013	4,837,736	180,162,203	2.68%
Restated 2012/2013	4,916,416	195,457,925	2.51%
2013/2014	4,239,207	232,452,313	1.82%
2014/2015	5,058,735	264,067,408	1.92%
<b>2015/2016</b>	<b>6,443,170.00</b>	<b>278,704,431.00</b>	<b>2.31%</b>

### 5.2.9 DEBT RECOVERY RATE

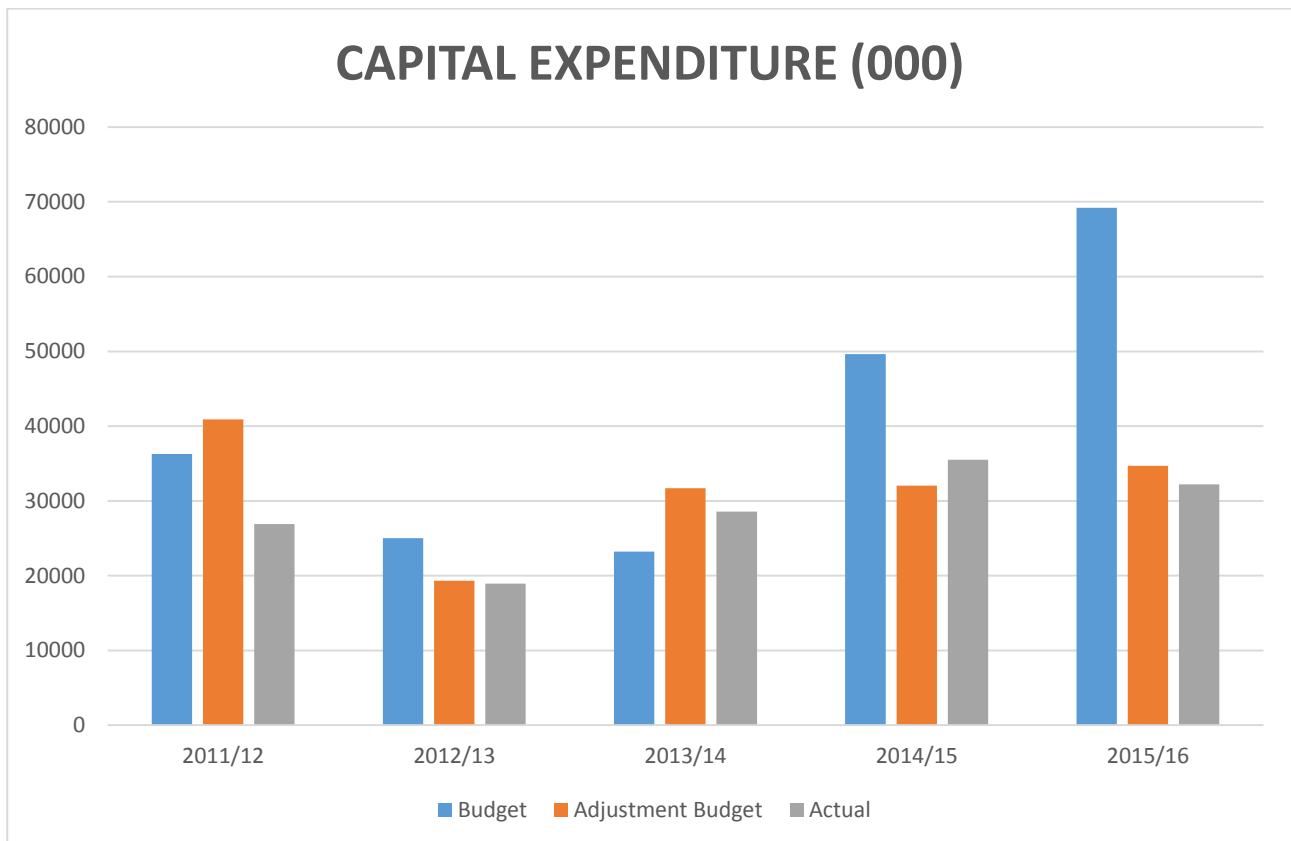
The Municipality's debt recovery rate for 2015/16 is 99.46% which is an increase from the previous year's 97.47%. The debt recovery rate is based on the last 12 months receipts divided by the last 12 months billing. Debt recovery is deemed a priority and the Municipality will be investigating alternative debt collection methods during 2016/17.

### 5.3 SPENDING AGAINST CAPITAL BUDGET

#### 5.3.1 CAPITAL EXPENDITURE

The total capital budget for 2015/16 was R 49 649 000. During the adjustment budget, this amount decreased to R 32 043 581. The decrease on the capital budget was attributable to the removal of the housing grant treated as agency service. The asset value increase for the year was R 34 247 463. Over expenditure was due to housing that should form part of the capital budget of the council. An asset donation of R 856 772 also received from Provincial Government.

FIGURE 32: TOTAL CAPITAL EXPENDITURE



The Municipality's capital programme is attached as APPENDIX 11

#### 5.3.2 SOURCES OF FINANCE

The Municipality's sources of capital finance are:

- ▲ Internally generated funds (Capital Replacement Reserve fund) (CRR);
- ▲ Loans, which will be elaborated on under paragraph 5.8;
- ▲ Municipal Infrastructure Grant Funding (MIG) which is used for infrastructure development projects;
- ▲ Department of Mineral and Energy (DME) funding; and
- ▲ Provincial Housing Grants (HDF).

## 5.4 CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.4.1 CASH FLOW

The Municipality's cash flow for the 2015/16 financial year were as follows

**TABLE 162: CASH FLOW OUTCOMES**

	Notes	Original Budget	Budget Adjustments	Final Budget	Actual Outcome	Actual Outcome vs Final Budget
		R	R	R	R	R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges		51 928 000	(814 000)	51 114 000	51 010 061	(103 939)
Service charges		137 568 203	10 676 343	148 244 546	139 376 722	(8 867 824)
Other revenue		12 644 889	(2 144 599)	10 500 290	9 701 781	(798 509)
Government		95 818 000	5 655 500	101 473 500	93 801 818	(7 671 682)
Interest		2 250 000	1 000 000	3 250 000	4 296 966	1 046 966
<b>Payments</b>						
Suppliers and Employees		(255 057 877)	26 876 153	(228 181 724)	(242 204 393)	(14 022 669)
Finance Charges		(10 892 892)	6 962 892	(3 930 000)	(5 798 289)	(1 868 289)
Transfers and Grants		(3 331 000)	-	(3 331 000)	(3 214 250)	116 750
		-				
<b>Net Cash from/(used) Operating Activities</b>	<b>43.2.8</b>	<b>30 927 323</b>	<b>48 212 289</b>	<b>79 139 612</b>	<b>46 970 416</b>	<b>(32 169 196)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE		-	-	-	105 263	105 263
Decrease/(Increase) in Other Non-Current Receivables		851 053	(1 001 602)	(150 549)	-	150 549
<b>Payments</b>						
Capital Assets		(30 750 050)	(14 173 748)	(44 923 798)	(32 221 246)	12 702 552
<b>Net Cash from/(used) Investing Activities</b>	<b>43.2.9</b>	<b>(29 898 997)</b>	<b>(15 175 350)</b>	<b>(45 074 347)</b>	<b>(32 115 983)</b>	<b>12 958 364</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing		6 130 000	-	6 130 000	6 130 000	-



	Notes	Original Budget	Budget Adjustments	Final Budget	Actual Outcome	Actual Outcome vs Final Budget
		R	R	R	R	R
Increase/(Decrease) in Consumer Deposits		135 792	(27 991)	107 801	276 434	168 633
<b>Payments</b>						
Repayment of Borrowing		(2 465 335)	(10 354 929)	(12 820 264)	(3 945 374)	8 874 890
<b>Net Cash from/(used) Financing Activities</b>	<b>43.2.10</b>	<b>3 800 457</b>	<b>(10 382 920)</b>	<b>(6 582 463)</b>	<b>2 461 060</b>	<b>9 043 523</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>4 828 783</b>	<b>22 654 019</b>	<b>27 482 802</b>	<b>17 315 493</b>	<b>(10 167 309)</b>
Cash and Cash Equivalents at the year begin:		37 798 629	4 828 783	42 627 412	48 344 026	5 716 614
Cash and Cash Equivalents at the year end:		42 627 412	27 482 802	70 110 214	65 659 519	(4 450 696)

#### 5.4.2 BORROWING AND INVESTMENTS

The Municipality did not take up any new external loans during the 2015/2016 financial year.

**TABLE 163: EXTERNAL DEBT CREATED, REPAID OR REDEEMED AND EXPECTED BORROWING**

**BERGRIVIER MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2016**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2015	Received during The period	Redeemed written Off during the period	Balance at 30 June 2016
<b>LONG-TERM LOANS</b>							
DBSA	15,00%	61001254	2018/06/30	690 772		(197 816)	492 956
DBSA	13,00%	61001020	2016/03/31	207 451		(207 452)	-
DBSA	9,98%	61000584	2016/12/31	557 579		(362 591)	194 988
DBSA	16,50%	61003131	2020/12/31	606 968		(74 808)	532 160
DBSA	14,00%	61001189	2017/09/30	443 100		(159 420)	283 680
DBSA	11,70%	61003268	2016/06/30	123 783		(123 783)	-
Nedbank	11,27%	05/7831032282	2023/06/12	3 413 456		(286 182)	3 127 274
DBSA	9,86%	61000757	2018/12/31	2 994 470		(755 110)	2 239 360
DBSA	12,41%	61001029	2030/06/30	16 024 179		(399 612)	15 624 567
DBSA	11,53%	61006811	2031/06/30	3 768 585		(88 434)	3 680 151
DBSA	11,59%	61006837	2036/06/30	8 674 686		(105 332)	8 569 354
DBSA	11,33%	61006975	2032/06/30	3 818 509		(79 766)	3 738 743
Standard Bank	11,95%	252933753	2024/06/30	6 439 044		(428 399)	6 010 645
Standard Bank	11,25%	252933737	2019/06/30	1 683 909		(354 137)	1 329 772
ABSA	9,99%	3044794458	2021/06/30		430 000		430 000
ABSA	10,57%	3044701437	2026/06/12		5 700 000		5 700 000
<b>Total Long-term Loans</b>				49 446 493	6 130 000	(3 622 843)	51 953 650
<b>ANNUITY LOANS</b>							
Sanlam							
DBSA							
DBSA							

DRAFT ANNUAL REPORT 2015/16 VOLUME I

DBSA						
<b>Total Annuity Loans</b>						
<b>HIRE PURCHASE</b>						
ABSA						
<b>Total Hire Purchases</b>						
<b>LEASE LIABILITY</b>						
Cellphones and Modems	Various		14 917	181 600	(97 519)	98 998
Telephone Systems	Various		225 012	-	(225 012)	-
<b>Total Lease Liabilities</b>			239 928	181 600	(322 531)	98 998
<b>TOTAL EXTERNAL LOANS</b>			49 686 421	6 311 600	(3 945 374)	52 052 648

### 5.4.3 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management (SCM) Unit in place. However the structure does not yet give effect to all six areas of SCM namely demand, acquisition, logistics, disposal and performance management. A SCM policy is in place, but a set of SCM delegations and sub-delegations still needs to be developed. The Municipality has a fully functional Bid Committee System in place and no Councillor is a member of any committee handling SCM processes. Three SCM officials have reached the required prescribed competency levels for their positions and one is still busy.

The following table indicates all long term Supply Chain Contracts

**TABLE 164: LONG TERM CONTRACTS**

SERVICE PROVIDER	DESCRIPTION OF SERVICES RENDERED BY THE SERVICE PROVIDER	START DATE OF CONTRACT	EXPIRY DATE OF CONTRACT	PROJECT MANAGER	CONTRACT VALUE
None					

### 5.4.4 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts.

The National Treasury, in association with other key stakeholders, has led the process of the development of accounting reforms in the South African Public Sector since 1998. There are also clear roles of responsibilities for the ASB (Accounting Standards Board), the National Treasury and the Auditor-General, which can be summarised as follows:

- ▲ The ASB sets the accounting standards;
- ▲ National Treasury assists in the implementation of the standards by, for example, developing the appropriate formats, making recommendations and regulating the approach to implementation, providing guidance and rendering support for implementation, including training; and
- ▲ The Auditor-General audits annual financial statements in line with the standards.

The accounting principles, concepts and disclosure requirements are included in the standards of Generally Recognised Accounting Practice (GRAP), also referred to as the accounting standards. The accounting standards give the following guidance to the preparers of Annual Financial Statements when dealing with specific topics. They explain:

- ▲ the accounting treatment of transactions, in other words the debit and credit entries, including when to recognise these entries;
- ▲ the accounting measurement of transactions; and
- ▲ the presentation and disclosure requirements of transactions in the entity's Annual Financial Statements.

In terms of paragraph 63 of the Framework for the Preparation and Presentation of Annual Financial Statements the application of GRAP normally results in financial statements that convey what is generally understood as a fair presentation of such information.

## **5.5 2015/16 ANNUAL FINANCIAL STATEMENTS**

The Annual Financial Statements of the Bergrivier Municipality for 2015/6 have been prepared in accordance with Municipal Finance Management Act 2003, (Act No 56 of 2003) (MFMA) and the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in Accordance with Section 122(3) of the said Act. The Annual Financial Statements which contain the report of the Auditor General are appended as Volume II.

# **BERGRIVIER**

**MUNICIPALITY**



**DRAFT ANNUAL REPORT 2015/2016**

**VOLUME 2**

**FINANCIAL STATEMENT**

**30 JUNE 2016**

# BERGRIVIER MUNICIPALITY

## Index

<i>Contents</i>	<i>Page</i>
General Information	1
Approval of the Financial Statements	2
Report of the Auditor General	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes In Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts - Statement of Financial Position	8
Statement of Comparison of Budget and Actual Amounts - Statement of Financial Performance	9
Statement of Comparison of Budget and Actual Amounts - Cash Flow Statement	10
Accounting Policies	11
Notes to the Financial Statements	50
<b>APPENDICES</b>	
A Schedule of External Loans	85
B Segmental Statement of Financial Performance - GFS Classifications	86
C Segmental Analysis of Property, Plant and Equipment - GFS	87
D Segmental Statement of Financial Performance - Municipal Votes	88
E Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	89
F National Treasury Appropriation Statement	90

# BERGRIVIER MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### GENERAL INFORMATION

#### NATURE OF BUSINESS

Bergrivier Municipality is a local municipality performing the functions as set out in the Constitution.

#### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

#### JURISDICTION

The Bergrivier Municipality includes the towns of Piketberg, Porterville, Velddrift, Aurora, Eendekuil, Redelinghuys Dwarskersbos, Goedverwacht en Wittewater.

#### MEMBERS OF THE MAYORAL COMMITTEE

	Current	Prior to Municipal Elections
Executive Mayor	EB Manuel	EB Manuel
Deputy Executive Mayor	SM Crafford	SM Crafford
Executive Councillor	RM van Rooy	RM van Rooy (terminated 3 June 2016)
Executive Councillor	M Wessels	A de Vries

#### MUNICIPAL MANAGER

Adv. H Linde

#### CHIEF FINANCIAL OFFICER

JA van Niekerk

#### REGISTERED OFFICE

P.O. Box 60  
PIKETBERG  
7320

#### AUDITORS

Auditor-General  
Private Bag X1  
Chempet  
7442

#### PRINCIPLE BANKERS

ABSA Bank

#### ATTORNEYS

De Villiers Van Zyl  
Swemmer & Levin  
Jacques Ehlers Prokureurs

#### RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Systems Amendment Act (Act 44 of 2003)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004)  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
Infrastructure Grants  
SALBC Leave Regulations  
Municipal Budget and Reporting Regulations



# BERGRIVIER MUNICIPALITY

## MEMBERS OF THE BERGRIVIER MUNICIPALITY

WARD	COUNCILLORS	PRIOR TO MUNICIPAL ELECTIONS
1	J Daniels	JA Raats
2	AJ Du Plooy	WJ Dirks
3	A De Vries	JC Botha
4	RM van Rooy	RM van Rooy (terminated 3 June 2016)
5	JJ Josephus	DJ Smith
6	A Small	CJ Snyders
7	SM Crafford	SM Crafford
Proportional	EB Manuel	EB Manuel
Proportional	MA Wessels	A de Vries
Proportional	SR Claassen	SR Claassen
Proportional	SIJ Smit	SIJ Smit
Proportional	J Swart	A Maarman
Proportional	SS Lesch	C Snyders

### APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 to 84 in terms of Section 126 (1) of the Municipal Finance Management Act (Act 56 of 2003) and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2017 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

  
\_\_\_\_\_  
Adv H Linde  
Municipal Manager

31 August 2016  
\_\_\_\_\_  
Date

# Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Bergrivier Municipality

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Bergrivier Municipality set out on pages 4 to 96, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Bergrivier Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

## Emphasis of matters

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

## Restatement of corresponding figures

8. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during the 2015-16 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2015.

## Material impairments

9. As disclosed in note 17 to the financial statements, the municipality has provided for the impairment of trade and other receivables from exchange transactions amounting to R5,4 million.
10. As disclosed in note 18 to the financial statements, the municipality has provided for the impairment of trade and other receivables from non-exchange transactions amounting to R18,4 million.

## Additional matters

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

## Unaudited supplementary schedules

12. The supplementary information set out on pages 85 to 96 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## Unaudited disclosure notes

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

## Report on other legal and regulatory requirements

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for

selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2016:
  - Objective 4: to communicate effectively and be responsible to the needs of the community on page 11
  - Objective 5: to provide and maintain bulk and service infrastructure that will address backlogs and provide for future development on pages 18 to 23
  - Objective 7: to develop, manage and regulate the built environment on page 15
  - Objective 9: to promote cultural and socio-economic development of our community on page 16
16. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify material findings on the usefulness and reliability of the reported performance information for the following objectives:
  - Objective 4: to communicate effectively and be responsible to the needs of the community
  - Objective 5: to provide and maintain bulk and service infrastructure that will address backlogs and provide for future development
  - Objective 7: to develop, manage and regulate the built environment
  - Objective 9: to promote cultural and socio economic development of our community

### **Additional matters**

19. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matters:

## Achievement of planned targets

20. Refer to the annual performance report on pages 7 to 25 for information on the achievement of the planned targets for the year.

## Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for objective 5: to provide and maintain bulk and service infrastructure that will address backlogs and provide for future development. As management subsequently corrected the misstatements, I did not identify material findings on the usefulness and reliability of the reported performance information.

## Unaudited supplementary information

22. The supplementary information set out on pages 1 to 10, 12 to 14, 17 and 24 to 33 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

## **Compliance with legislation**

23. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

## **Internal control**

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

*Auditor General*

Cape Town

30 November 2016



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**BERGRIVIER MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016**

	Notes	2016 R	Restated 2015 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>		<b>294 377 179</b>	<b>268 906 176</b>
Capital Replacement Reserve	2	15 230 500	12 172 050
Housing Development Fund	2	504 574	551 987
Accumulated Surplus/(Deficit)		278 642 105	256 182 139
<b>Non-Current Liabilities</b>		<b>147 682 123</b>	<b>139 993 032</b>
Long-term Liabilities	3	48 401 248	46 732 501
Non-current Provisions	4	57 040 942	55 933 814
Non-current Employee Benefits	5	42 239 933	37 326 717
<b>Current Liabilities</b>		<b>44 514 623</b>	<b>43 568 461</b>
Consumer Deposits	6	3 149 235	2 872 801
Current Employee Benefits	7	9 082 312	8 342 226
Payables from exchange transactions	8	27 507 525	26 890 921
Unspent Conditional Government Grants and Receipts	9	1 124 152	1 487 027
Taxes	10	-	1 021 566
Current Portion of Long-term Liabilities	3	3 651 399	2 953 920
<b>Total Net Assets and Liabilities</b>		<b>486 573 925</b>	<b>452 467 669</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>349 239 613</b>	<b>334 574 168</b>
Property, Plant and Equipment	11	331 937 917	319 100 478
Investment Property	12	12 860 805	12 860 805
Intangible Assets	13	2 043 519	1 175 123
Heritage Assets	14	454 012	454 012
Long-term Receivables	15	1 943 360	983 750
<b>Current Assets</b>		<b>137 334 312</b>	<b>117 893 501</b>
Inventory	16	3 059 295	2 807 211
Receivables from exchange transactions	17	38 148 665	40 502 314
Receivables from non-exchange transactions	18	28 137 577	24 752 312
Unpaid Conditional Government Grants and Receipts	9	-	80 770
Operating Lease Asset	19	75 601	81 069
Taxes	10	440 600	-
Current Portion of Long-term Receivables	15	1 813 055	1 325 799
Cash and Cash Equivalents	20	65 659 519	48 344 026
<b>Total Assets</b>		<b>486 573 925</b>	<b>452 467 669</b>

**BERGRIVIER MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 R	Restated 2015 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>122 129 307</b>	<b>121 872 209</b>
<b>Taxation Revenue</b>		<b>52 508 447</b>	<b>49 208 046</b>
Property Rates	21	52 508 447	49 208 046
<b>Transfer Revenue</b>		<b>62 350 534</b>	<b>66 559 590</b>
Government Grants and Subsidies	22	62 350 534	65 702 818
Contributed Property, Plant and Equipment	23	-	856 772
<b>Other Revenue</b>		<b>7 270 326</b>	<b>6 104 573</b>
Fines		7 001 397	6 104 573
Actuarial Gains	5	268 929	-
<b>Revenue from Exchange Transactions</b>		<b>156 575 124</b>	<b>142 319 764</b>
Service Charges	24	138 273 460	126 755 452
Rental of Facilities and Equipment	25	4 291 826	3 657 275
Interest Earned - external investments	26	4 296 966	3 232 674
Interest Earned - outstanding receivables	27	3 776 001	3 197 469
Licences and Permits		2 091 634	1 844 654
Income for Agency Services		2 199 847	2 013 969
Other Income	28	1 645 390	1 618 271
<b>Total Revenue</b>		<b>278 704 431</b>	<b>264 191 973</b>
<b>EXPENDITURE</b>			
Employee related costs	29	(96 066 313)	(86 530 847)
Remuneration of Councillors	30	(5 281 515)	(4 848 895)
Debt Impairment	31	(7 764 258)	(6 964 892)
Depreciation and Amortisation	32	(17 521 385)	(15 825 173)
Repairs and Maintenance		(6 443 170)	(5 058 735)
Actuarial Losses	5	(885 426)	(749 790)
Finance Costs	33	(11 582 399)	(11 614 680)
Bulk Purchases	34	(73 029 500)	(63 247 451)
Grants and Subsidies Paid	35	(3 214 250)	(3 090 500)
General Expenses	36	(31 513 760)	(30 808 801)
<b>Total Expenditure</b>		<b>(253 301 976)</b>	<b>(228 739 764)</b>
<b>Operating Surplus for the Year</b>		<b>25 402 455</b>	<b>35 452 209</b>
Gains/(Loss) on Sale of Assets	37	68 548	(84 595)
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>25 471 003</b>	<b>35 367 614</b>

**BERGRIVIER MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Capital Replacement Reserve R</b>	<b>Housing Development Fund R</b>	<b>Accumulated Surplus/ (Deficit) R</b>	<b>Total R</b>
<b>Balance at 1 July 2014</b>	<b>9 556 500</b>	<b>563 857</b>	<b>224 610 512</b>	<b>234 730 869</b>
Correction of error restatement - note 38.5	-	-	(1 192 306)	(1 192 306)
<b>Restated balance</b>	<b>9 556 500</b>	<b>563 857</b>	<b>223 418 206</b>	<b>233 538 563</b>
Net Surplus/(Deficit) for the year	-	-	35 367 614	35 367 614
Transfer to/from CRR	7 217 540	-	(7 217 540)	-
Property, Plant and Equipment purchased	(4 601 990)	-	4 601 990	-
Transfer to Housing Development Fund	-	(11 870)	11 870	-
<b>Balance at 30 June 2015</b>	<b>12 172 050</b>	<b>551 987</b>	<b>256 182 139</b>	<b>268 906 176</b>
Net Surplus/(Deficit) for the year	-	-	25 471 003	25 471 003
Transfer to/from CRR	10 215 487	-	(10 215 487)	-
Property, Plant and Equipment purchased	(7 157 037)	-	7 157 037	-
Transfer to Housing Development Fund	-	(47 413)	47 413	-
<b>Balance at 30 June 2016</b>	<b>15 230 500</b>	<b>504 574</b>	<b>278 642 105</b>	<b>294 377 179</b>



**BERGRIVIER MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 R	Restated 2015 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Taxation		51 010 061	46 429 962
Sale of goods and services		139 376 722	124 610 594
Grants		62 068 429	60 041 864
Investment Income		4 296 966	3 232 674
Other receipts		9 701 781	10 010 161
Cash payments			
Employee costs		(99 717 288)	(89 910 808)
Suppliers		(110 753 717)	(92 238 926)
Finance costs		(5 798 289)	(6 253 205)
Transfers and Grants		(3 214 250)	(3 090 500)
<b>Net Cash from Operating Activities</b>	<b>41</b>	<b>46 970 416</b>	<b>52 831 816</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(31 017 002)	(33 731 403)
Purchase of Intangible Assets		(1 204 244)	(599 314)
(Increase)/Decrease in Long-term Receivables		-	27 000
Proceeds on Disposal of Assets		105 263	-
<b>Net Cash from Investing Activities</b>		<b>(32 115 983)</b>	<b>(34 303 717)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New loans raised		6 130 000	-
Loans repaid		(3 945 374)	(4 094 034)
Increase/(Decrease) in Consumer Deposits		276 434	193 824
<b>Net Cash from Financing Activities</b>		<b>2 461 060</b>	<b>(3 900 210)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>17 315 493</b>	<b>14 627 889</b>
Cash and Cash Equivalents at the beginning of the year		48 344 026	33 716 137
Cash and Cash Equivalents at the end of the year	<b>42</b>	<b>65 659 519</b>	<b>48 344 026</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>17 315 493</b>	<b>14 627 889</b>

**BERGRIVIER MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016**

	Notes	Original Budget R	Budget Adjustments R	Final Budget R	Actual Outcome R	Actual Outcome vs Budget R
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash		22 627 412	10 923 141	33 550 553	60 032 264	26 481 711
Call Investment Deposits		20 000 000	16 559 660	36 559 660	5 627 255	(30 932 405)
Consumer Debtors		60 030 235	9 364 067	69 394 301	62 146 449	(7 247 852)
Other Debtors		2 056 937	1 716 126	3 773 062	4 655 994	882 932
Current Portion of long-term receivables		-	-	-	1 813 055	1 813 055
Inventory		1 027 710	2 035 652	3 063 362	3 059 295	(4 067)
<b>Total Current Assets</b>	<b>43.2.1</b>	<b>105 742 293</b>	<b>40 598 646</b>	<b>146 340 939</b>	<b>137 334 312</b>	<b>(9 006 628)</b>
<b>Non-Current Assets</b>						
Long-term receivables		1 702 107	150 549	1 852 656	1 943 360	90 704
Investment Property		13 728 760	(867 955)	12 860 805	12 860 805	-
Property, Plant and Equipment		339 124 269	(4 614 765)	334 509 504	332 391 929	(2 117 575)
Intangible Assets		3 639 129	(767 507)	2 871 623	2 043 519	(828 104)
<b>Total Non-Current Assets</b>	<b>43.2.2</b>	<b>358 194 265</b>	<b>(6 099 678)</b>	<b>352 094 588</b>	<b>349 239 613</b>	<b>(2 854 974)</b>
<b>TOTAL ASSETS</b>		<b>463 936 558</b>	<b>34 498 968</b>	<b>498 435 527</b>	<b>486 573 925</b>	<b>(11 861 602)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Borrowing		-	-	-	3 651 399	3 651 399
Consumer Deposits		2 964 793	107 801	3 072 594	3 149 235	76 641
Trade and Other Payables		36 352 439	12 074 295	48 426 734	28 631 677	(19 795 057)
Provisions		6 090 463	1 088 449	7 178 912	9 082 312	1 903 400
<b>Total Current Liabilities</b>	<b>43.2.3</b>	<b>45 407 695</b>	<b>13 270 545</b>	<b>58 678 240</b>	<b>44 514 623</b>	<b>(14 163 617)</b>
<b>Non-Current Liabilities</b>						
Borrowing		58 747 031	(6 690 264)	52 056 767	48 401 248	(3 655 519)
Provisions		69 448 576	32 000 908	101 449 484	99 280 875	(2 168 609)
<b>Total Non-Current Liabilities</b>	<b>43.2.4</b>	<b>128 195 607</b>	<b>25 310 644</b>	<b>153 506 251</b>	<b>147 682 123</b>	<b>(5 824 128)</b>
<b>TOTAL LIABILITIES</b>		<b>173 603 302</b>	<b>38 581 189</b>	<b>212 184 492</b>	<b>192 196 746</b>	<b>(19 987 746)</b>
<b>NET ASSETS</b>						
Accumulated Surplus/(Deficit)		279 624 425	(6 134 527)	273 489 898	278 642 105	5 152 207
Reserves		10 708 831	2 052 306	12 761 137	15 735 074	2 973 937
<b>TOTAL NET ASSETS</b>	<b>43.2.5</b>	<b>290 333 256</b>	<b>(4 082 221)</b>	<b>286 251 035</b>	<b>294 377 179</b>	<b>8 126 144</b>

**BERGRIVIER MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Original Budget R	Budget Adjustments R	Final Budget R	Actual Outcome R	Actual Outcome vs Final Budget R
<b>REVENUE</b>						
Property Rates		51 928 000	(814 000)	51 114 000	52 508 447	1 394 447
Service Charges - Electricity Revenue		89 576 000	1 200 000	90 776 000	86 484 265	(4 291 735)
Service Charges - Water Revenue		24 230 000	400 000	24 630 000	23 629 312	(1 000 688)
Service Charges - Sanitation Revenue		9 558 000	300 000	9 858 000	10 211 626	353 626
Service Charges - Refuse Revenue		15 948 000	670 000	16 618 000	17 072 032	454 032
Rental of Facilities and Equipment		3 697 000	-	3 697 000	4 323 309	626 309
Interest Earned - External Investments		2 250 000	1 000 000	3 250 000	4 296 966	1 046 966
Interest Earned - Outstanding Debtors		3 000 000	300 000	3 300 000	3 776 001	476 001
Fines		4 107 000	-	4 107 000	7 001 397	2 894 397
Licences and Permits		1 560 000	-	1 560 000	1 219 081	(340 919)
Agency Services		2 041 000	-	2 041 000	2 199 847	158 847
Transfers Recognised - Operational		40 517 000	40 664 272	81 181 272	42 232 852	(38 948 420)
Other Revenue		3 337 000	187 600	3 524 600	3 917 700	393 100
Gain on Disposal of PPE		-	-	-	68 548	68 548
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>43.2.6</b>	<b>251 749 000</b>	<b>43 907 872</b>	<b>295 656 872</b>	<b>258 941 383</b>	<b>(36 715 489)</b>
<b>EXPENDITURE</b>						
Employee Related Costs		97 727 000	(532 236)	97 194 764	96 066 313	(1 128 451)
Remuneration of Councillors		5 274 140	(700 720)	4 573 420	5 281 515	708 095
Debt Impairment		3 823 440	699 560	4 523 000	7 764 257	3 241 257
Depreciation and Asset Impairment		17 944 000	95 000	18 039 000	17 521 386	(517 614)
Finance Charges		10 892 892	826 714	11 719 606	11 582 399	(137 207)
Bulk Purchases		72 292 000	130 000	72 422 000	73 029 500	607 500
Transfers and Grants		3 331 000	-	3 331 000	3 214 250	(116 750)
Other Expenditure		46 945 000	41 968 800	88 913 800	38 842 355	(50 071 445)
<b>Total Expenditure</b>	<b>43.2.7</b>	<b>258 229 472</b>	<b>42 487 118</b>	<b>300 716 590</b>	<b>253 301 975</b>	<b>(47 414 615)</b>
<b>Surplus/(Deficit)</b>		<b>(6 480 472)</b>	<b>1 420 754</b>	<b>(5 059 718)</b>	<b>5 639 408</b>	<b>10 699 126</b>
Transfers Recognised - Capital		55 301 000	(34 624 956)	20 676 044	19 831 596	(844 448)
Contributions Recognised - Capital		-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>48 820 528</b>	<b>(33 204 202)</b>	<b>15 616 326</b>	<b>25 471 004</b>	<b>9 854 678</b>

**BERGRIVIER MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Original Budget R	Budget Adjustments R	Final Budget R	Actual Outcome R	Actual Outcome vs Final Budget R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges		51 928 000	(814 000)	51 114 000	51 010 061	(103 939)
Service charges		137 568 203	10 676 343	148 244 546	139 376 722	(8 867 824)
Other revenue		12 644 889	(2 144 599)	10 500 290	9 701 781	(798 509)
Government		95 818 000	5 655 500	101 473 500	62 068 429	(39 405 071)
Interest		2 250 000	1 000 000	3 250 000	4 296 966	1 046 966
<b>Payments</b>						
Suppliers and Employees		(255 057 877)	26 876 153	(228 181 724)	(210 471 004)	17 710 720
Finance Charges		(10 892 892)	6 962 892	(3 930 000)	(5 798 289)	(1 868 289)
Transfers and Grants		(3 331 000)	-	(3 331 000)	(3 214 250)	116 750
<b>Net Cash from/(used) Operating Activities</b>	<b>43.2.8</b>	<b>30 927 323</b>	<b>48 212 289</b>	<b>79 139 612</b>	<b>46 970 416</b>	<b>(32 169 196)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE		-	-	-	105 263	105 263
Decrease/(Increase) in Other Non-Current Receivables		851 053	(1 001 602)	(150 549)	-	150 549
<b>Payments</b>						
Capital Assets		(30 750 050)	(14 173 748)	(44 923 798)	(32 221 246)	12 702 552
<b>Net Cash from/(used) Investing Activities</b>	<b>43.2.9</b>	<b>(29 898 997)</b>	<b>(15 175 350)</b>	<b>(45 074 347)</b>	<b>(32 115 983)</b>	<b>12 958 364</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing		6 130 000	-	6 130 000	6 130 000	-
Increase/(Decrease) in Consumer Deposits		135 792	(27 991)	107 801	276 434	168 633
<b>Payments</b>						
Repayment of Borrowing		(2 465 335)	(10 354 929)	(12 820 264)	(3 945 374)	8 874 890
<b>Net Cash from/(used) Financing Activities</b>	<b>43.2.10</b>	<b>3 800 457</b>	<b>(10 382 920)</b>	<b>(6 582 463)</b>	<b>2 461 060</b>	<b>9 043 523</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>4 828 783</b>	<b>22 654 019</b>	<b>27 482 802</b>	<b>17 315 493</b>	<b>(10 167 309)</b>
Cash and Cash Equivalents at the year begin:		37 798 629	4 828 783	42 627 412	48 344 026	5 716 614
Cash and Cash Equivalents at the year end:		42 627 412	27 482 802	70 110 214	65 659 519	(4 450 696)

## **BERGRIVIER MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

---

#### **1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS**

##### **1.1. BASIS OF PREPARATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – March 2012) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

##### **1.2. PRESENTATION CURRENCY**

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.

##### **1.3. GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on a going concern basis.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

#### 1.5. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include errors.

#### 1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

#### 1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts are disclosed as separate additional financial statements, namely Statements of comparison of budget and actual amounts.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for material differences between the final budget amounts and actual amounts are included in the Notes to the Financial Statements.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following original GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
<b>GRAP 18 (Feb 2011)</b>	<p><b><u>Segment Reporting</u></b> The objective of this Standard is to establish principles for reporting financial information by segments.</p> <p>No significant impact is expected as information to a large extent is already included in the appendixes to the financial statements which do not form part of the audited financial statements.</p>	Unknown
<b>GRAP 20 (Jun 2011)</b>	<p><b><u>Related Party Disclosure</u></b> The objective of this Standard is to ensure that a Municipality's financial statements contains the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.</p> <p>The Municipality resolved to adopt the disclosure requirements as per GRAP 20. The information is therefore included in the financial statements.</p>	Unknown
<b>GRAP 32 (Aug 2013)</b>	<p><b><u>Service Concession Arrangements: Grantor</u></b> The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public entity.</p> <p>No significant impact expected as any such transactions or events are expected in the foreseeable future.</p>	Unknown
<b>GRAP 108 (Sept 2013)</b>	<p><b><u>Statutory Receivables</u></b> The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.</p> <p>The Municipality has resolved to adopt the principles as set out in GRAP 108 to formulate its own accounting policy.</p>	Unknown
<b>GRAP 109 (July 2015)</b>	<p><b><u>Accounting by Principles and Agents</u></b> The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

REFERENCE	TOPIC	EFFECTIVE DATE
IGRAP 17 (Aug 2013)	<p><b><u>Service Concession Arrangements where a grantor controls a significant residual interest in an Asset</u></b></p> <p>The Interpretation of the Standards is to provide guidance to the grantor where it has entered into a service concession arrangement, but only controls, through a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.</p> <p>No such transactions or events are expected in the foreseeable future.</p>	Unknown

The above-mentioned standards and interpretations will not have a significant impact on the Municipality once implemented.

The following revised GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 1 (May 2015)	Presentation of Financial Statements	1 April 2016
GRAP 16 (May 2015)	Investment Property	1 April 2016
GRAP 17 (May 2015)	Property, Plant and Equipment	1 April 2016
GRAP 31 (May 2015)	Intangible Assets	1 April 2016
GRAP 103 (May 2015)	Heritage Assets	1 April 2016

When the above-mentioned amended Standards of GRAP become effective, the effect will be insignificant. The amendments to the Standards of GRAP will mainly relate to additional disclosure requirements, the removal of encouraged disclosures and the clarification of accounting principles.

The Municipality further resolved not to early adopt Directive 12 - "The Selection of an Appropriate Reporting Framework by Public Entities" (effective 1 April 2018) as this Directive is not applicable to municipalities and will have no impact on the Municipality once it becomes effective.

#### 1.9. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.



## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

Housing selling schemes both complete and in progress as at 1 April 1998 were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

#### 1.10. RESERVES

##### 1.10.1. *Capital Replacement Reserve (CRR)*

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, funds are transferred from the accumulated surplus / (deficit) to the CRR. The cash funds in the CRR can only be utilized for the purpose of purchasing/ construction of items of property, plant and equipment and may not be used for the maintenance of these items. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

#### 1.11. LEASES

##### 1.11.1. *Municipality as Lessee*

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### **1.11.2. Municipality as Lessor**

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leases asset is diminished.

#### **1.12. BORROWING COST**

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

#### **1.13. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

#### 1.14. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately disclosed in the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

#### 1.15. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the municipality until it is utilised.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

#### 1.16. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

#### 1.17. EMPLOYEE BENEFITS

##### **(a) *Post-Retirement Medical Obligations***

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

##### **(b) *Long Service Awards***

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

#### **(c) Staff Leave**

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

#### **(d) Staff Bonuses**

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

#### **(e) Other Short-term Employee Benefits**

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1.18. PROPERTY, PLANT AND EQUIPMENT

##### 1.18.1. *Initial Recognition*

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measure at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

##### 1.18.2. *Subsequent Measurement – Cost Model*

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

#### 1.18.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives:

	<b>Years</b>		<b>Years</b>
<b><u>Infrastructure</u></b>		<b><u>Other</u></b>	
Roads, pavements and bridges	5-50	Buildings	5-50
Storm Water	5-50	Specialist vehicles	2-10
Electricity	5-50	Other vehicles	2-10
Water	3-100	Office equipment	5-30
Sanitation	5-100	Furniture and fittings	5-30
Waste Management	3-50	Watercraft	15
<b><u>Community</u></b>		<b><u>Other (Continue)</u></b>	
Sports fields and Stadia	5-30	Bins and containers	5
Housing	20-30	Specialised plant and	
Security	5	Equipment	5-30
Halls	20-30	Other plant and	
Libraries	20-30	Equipment	2-5
Parks and gardens	20-30	Emergency equipment	10
Other assets	15-20	Computer equipment	3
<b><u>Finance lease assets</u></b>			
Office equipment	3		
Other assets	5		
Cell phones	2		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.



## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### **1.18.4. De-recognition**

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### **1.18.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)**

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007. For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

### **1.19. INTANGIBLE ASSETS**

#### **1.19.1. Initial Recognition**

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

#### **1.19.2. Subsequent Measurement – Cost Model**

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

#### **1.19.3. Amortisation and Impairment**

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<b><u>Intangible Assets</u></b>	<b>Years</b>
Computer Software	5
Computer Software Licenses	5

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

#### **1.19.4. De-recognition**

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### **1.19.5. Application of deemed cost (Directive 7)**

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

### **1.20. INVESTMENT PROPERTY**

#### **1.20.1. Initial Recognition**

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use is also classified as investment property.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is measured at cost.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

#### **1.20.2. Subsequent Measurement – Cost Model**

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

#### **1.20.3. Depreciation and Impairment – Cost Model**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<b><u>Investment Property</u></b>	<b>Years</b>
Buildings	30

Investment property are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### **1.20.4. De-recognition**

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### **1.20.5. Application of deemed cost (Directive 7)**

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

### **1.21. HERITAGE ASSETS**

#### **1.21.1. Initial Recognition**

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

#### **1.21.2. Subsequent Measurement – Cost Model**

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

#### **1.21.3. Depreciation and Impairment**

Heritage assets are not depreciated.

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

#### **1.21.4. De-recognition**

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

#### **1.21.5. Application of deemed cost (Directive 7)**

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2011.

### **1.22. IMPAIRMENT OF NON-FINANCIAL ASSETS**

#### **1.22.1. Cash generating assets**

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- (a) External sources of information
  - During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
  - Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- (b) Internal sources of information
- Evidence is available of obsolescence or physical damage of an asset;
  - Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
  - Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

#### **1.22.2. Non-cash-generating assets**

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

##### (a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

##### (b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.



## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

#### **1.23. INVENTORIES**

##### **1.23.1. Initial Recognition**

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

##### **1.23.2. Subsequent Measurement**

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of telemetry readings and the calculated volume in the distribution network.

#### 1.24. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions). The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

##### 1.24.1. *Initial Recognition*

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

##### 1.24.2. *Subsequent Measurement*

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

##### 1.24.2.1. *Receivables*

Receivables are classified as financial assets at amortised cost, and are subsequently measured amortised cost using the effective interest rate method.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

#### **1.24.2.2. Payables and Annuity Loans**

Financial liabilities consist of trade and other payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1.24.2.3. *Cash and Cash Equivalents*

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

#### 1.24.3. *De-recognition*

##### 1.24.3.1. *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

#### **1.24.3.2. *Financial Liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

#### **1.24.4. *Offsetting of Financial Instruments***

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **1.25. STATUTORY RECEIVABLES**

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

#### **1.25.1. *Initial Recognition***

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition of an asset.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1.25.2. Subsequent Measurement

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to reflect any:

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

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

#### 1.25.3. Derecognition

The Municipality derecognises a statutory receivable when:

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

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1.26. REVENUE

##### 1.26.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of IGRAP 1, as there is no intention of collecting this revenue.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.



## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

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. This policy is in line with prescribed debt principle as enforced by the law.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge. The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably. When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition. If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

#### **1.26.2. Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

#### 1.27. RELATED PARTIES

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – “Related Party Disclosures”.

A related party is a person or an entity:

- with the ability to control or jointly control the other party,
- or exercise significant influence over the other party, or vice versa,
- or an entity that is subject to common control, or joint control.

The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person’s family is related to the Municipality if that person:
- has control or joint control over the Municipality.
  - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
  - is a member of the management of the Municipality or its controlling entity.
- (b) An entity is related to the Municipality if any of the following conditions apply:
- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
  - both entities are joint ventures of the same third party.
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as “Key Management”) includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- (a) all members of the governing body of the Municipality;
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

#### **1.28. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.29. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.30. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1.31. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities.

#### 1.32. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

##### ***Post-retirement medical obligations and Long service***

The cost of post-retirement medical obligations and long service are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 5 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

##### ***Impairment of Receivables***

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### ***Property, Plant and Equipment***

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.



## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### ***Intangible Assets***

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

#### ***Investment Property***

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

#### ***Provisions and Contingent Liabilities***

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### ***Provision for Landfill Sites***

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset is charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of time value of money.

#### ***Pre-paid electricity estimation***

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year end, which is still unused. The average pre-paid electricity sold per day during the year under review is used and the estimate is calculated using between 5 and 7 days' worth of unused electricity.

#### ***Componentisation of Infrastructure assets***

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

#### ***Revenue Recognition***

Accounting Policy 1.26.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.26.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed.

## BERGRIVIER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1.33. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

#### 1.34. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

#### 1.35. EVENTS AFTER REPORTING DATE

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

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

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
<b>2 NET ASSET RESERVES</b>		
RESERVES	15 735 074	12 724 037
Capital Replacement Reserve	15 230 500	12 172 050
Housing Development Fund	504 574	551 987
<b>Total Net Asset Reserve and Liabilities</b>	<b>15 735 074</b>	<b>12 724 037</b>

2.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the

2.2 Housing Development Fund.

### 3 LONG-TERM LIABILITIES

Annuity Loans - At amortised cost	51 953 649	49 446 493
Capitalised Lease Liability - At amortised cost	98 998	239 928
	<b>52 052 647</b>	<b>49 686 421</b>

**Less:** Current Portion transferred to Current Liabilities

Annuity Loans - At amortised cost	(3 555 221)	(2 658 521)
Capitalised Lease Liability - At amortised cost	(96 178)	(295 399)

**Total Long-term Liabilities - At amortised cost using the effective interest rate method**

	<b>48 401 248</b>	<b>46 732 501</b>
--	-------------------	-------------------

As previously reported

Correction of error restatement - note 38.1

Restated balance

46 387 535

344 966

46 732 501

3.1 The obligations under annuity loans are scheduled below:

**Minimum  
payments**

Amounts payable under annuity loans:

Payable within one year	8 953 664	9 412 236
Payable within two to five years	33 557 108	31 550 449
Payable after five years	59 754 515	60 100 798
	102 265 287	101 063 483
<b>Less:</b> Future finance obligations	(50 311 638)	(51 616 991)
<b>Present value of annuity loans obligations</b>	<b>51 953 649</b>	<b>49 446 493</b>

3.2 The obligations under finance leases are scheduled below:

**Minimum  
payments**

Amounts payable under finance leases:

Payable within one year	102 792	253 721
Payable within two to five years	2 906	354
Payable after five years	-	-
	105 697	254 075
<b>Less:</b> Future finance obligations	(6 700)	(14 147)
<b>Present value of finance lease obligations</b>	<b>98 998</b>	<b>239 928</b>

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Telkom SA Ltd	Telephone System	11%	0%	36 Months	30/06/2016
Auto Page Cellular	Cell Phones	Various	0%	24-28 Months	28/02/2018

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Leases are secured by property, plant and equipment - Note 12

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
<b>4 NON-CURRENT PROVISIONS</b>		
Provision for Rehabilitation of Landfill-sites	57 040 942	55 933 814
<b>Total Non-current Provisions</b>	<b>57 040 942</b>	<b>55 933 814</b>
<b>4.1 Landfill Sites</b>		
Balance 1 July	55 933 814	26 589 799
Contribution for the year	2 377 845	2 316 278
Change in Provision for Rehabilitation Cost - IGRAP 2 Adjustment	(1 138 910)	27 118 683
Expenditure for the year	(131 807)	(90 946)
<b>Total provision 30 June</b>	<b>57 040 942</b>	<b>55 933 814</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions	-	-
<b>Balance 30 June</b>	<b>57 040 942</b>	<b>55 933 814</b>

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Porterville	Piketberg	Aurora	Redelinghuys
Area (m <sup>2</sup> )	55 022	57 000	7 370	1 340
Preliminary and general (Rand)	2 343 758	2 609 717	388 002	146 110
Site Preparation (Rand)	134 355	139 185	17 996	3 272
Storm Water Control Measures (Rand)	2 091 985	2 682 554	481 785	432 654
Capping (Rand)	13 017 385	13 521 952	1 747 860	325 605
Leachate Management (Rand)	526 446	779 937	208 339	113 901
Fencing (Rand)	970 960	1 517 210	315 460	168 210
Other (Rand)	403 580	333 440	338 313	327 380
Contingencies (Rand)	1 908 489	2 125 055	315 944	118 975
Engineering (Rand)	1 574 503	1 753 171	260 654	98 155
Construction Monitoring (Rand)	940 010	986 448	430 773	491 413

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimate decommission date	2016 R	2015 R
Porterville	2025	35 004 937	35 924 980
Piketberg	2025	38 800 373	39 664 120
Aurora	2025	6 609 051	6 611 021
Redelinghuys	2025	3 265 080	3 178 714
		<b>83 679 441</b>	<b>85 378 835</b>

<b>5 NON-CURRENT EMPLOYEE BENEFITS</b>		
Provision for Post Retirement Health Care Benefits	38 586 722	33 821 235
Provision for Long Service Awards	5 071 550	4 981 620
<b>Total Provision</b>	<b>43 658 272</b>	<b>38 802 855</b>
<b>Less:</b> Current portion of Employee Benefits	(1 418 339)	(1 476 138)
Post Retirement Health Care Benefits	(1 080 348)	(916 896)
Long Service Awards	(337 991)	(559 242)
<b>Total Non-current Employee Benefits</b>	<b>42 239 933</b>	<b>37 326 717</b>
<b>Post Retirement Health Care Benefits</b>		
Balance 1 July	33 821 235	29 840 133
Contribution for the year	4 950 480	4 454 418
Expenditure for the year	(1 070 419)	(947 434)
Actuarial Loss/(Gain)	885 426	474 118
<b>Total provision 30 June</b>	<b>38 586 722</b>	<b>33 821 235</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 7	(1 080 348)	(916 896)
<b>Balance 30 June</b>	<b>37 506 374</b>	<b>32 904 339</b>

	2016 R	2015 R
<b><u>Long Service Awards</u></b>		
Balance 1 July	4 981 620	4 474 426
Contribution for the year	822 052	722 125
Expenditure for the year	(463 193)	(490 603)
Actuarial Loss/(Gain)	(268 929)	275 672
<b>Total provision 30 June</b>	<b>5 071 550</b>	<b>4 981 620</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 7	(337 991)	(559 242)
<b>Balance 30 June</b>	<b>4 733 559</b>	<b>4 422 378</b>

#### 5.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	171	169
In-service (employee) non-members	205	212
Continuation members (e.g. Retirees, widows, orphans)	28	28
<b>Total Members</b>	<b>404</b>	<b>409</b>

	2016 R	2015 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	19 070 202	17 257 080
In-service non-members	4 091 768	3 886 021
Continuation members	15 424 752	12 678 134
<b>Total Liability</b>	<b>38 586 722</b>	<b>33 821 235</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2014 R	2013 R	2012 R
In-service members	15 045 458	10 732 043	8 879 531.00
In-service non-members	3 250 734	2 383 705	1 972 242.00
Continuation members	11 543 941	10 524 477	9 516 055.00
<b>Total Liability</b>	<b>29 840 133</b>	<b>23 640 225</b>	<b>20 367 828.00</b>

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas  
Hosmed  
LA Health  
Key Health, and  
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R2 059 765, whereas the Interest Cost for the next year is estimated to be R3 477 061.

Key actuarial assumptions used:

	2016 %	2015 %
<b>i) Rate of interest</b>		
Discount rate	9.14%	9.06%
Health Care Cost Inflation Rate	8.22%	8.12%
Net Effective Discount Rate	0.85%	0.87%

#### ii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liability.

#### iii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

#### iv) Normal retirement age

The normal retirement age for employees of the municipality is 63 years.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	38 586 722	33 821 235
Fair value of plan assets	-	-
	<u>38 586 722</u>	<u>33 821 235</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
<b>Net liability/(asset)</b>	<b><u>38 586 722</u></b>	<b><u>33 821 235</u></b>

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year	33 821 235	29 840 133
Total expenses	3 880 061	3 506 984
Current service cost	1 926 749	1 753 521
Interest Cost	3 023 731	2 700 897
Benefits Paid	(1 070 419)	(947 434)
Actuarial (gains)/losses	885 426	474 118
Present value of fund obligation at the end of the year	<u>38 586 722</u>	<u>33 821 235</u>

**Reconciliation of fair value of plan assets:**

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

**Sensitivity Analysis on the Accrued Liability on 30 June 2016**

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	23.162	15.425	38.587

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% Change
Health care inflation	1%	28.468	17.174	45.642	18%
Health care inflation	-1%	19.002	13.939	32.941	-15%
Discount Rate	1%	19.065	13.962	33.027	-14%
Discount Rate	-1%	28.475	17.177	45.652	18%
Post-retirement mortality	-1 year	24.012	16.016	40.028	4%
Average retirement age	-1 year	25.483	15.425	40.908	6%
Continuation of membership at retirement	-10%	19.406	15.425	34.831	-10%

**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2016**

Assumption	Current Service Cost (Rm)	Interest Cost (R)	Total (R)
Central Assumptions - Estimated costs for 2016/17	2 059 800	3 477 100	5 536 900

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (Rm)	Interest Cost (R)	Total (R)	% Change
Health care inflation	1%	2 591 800	4 121 700	6 713 500	21%
Health care inflation	-1%	1 650 700	2 961 300	4 612 000	-17%
Discount rate	1%	1 672 100	3 294 200	4 966 300	-10%
Discount rate	-1%	2 568 700	3 671 200	6 239 900	13%
Post-retirement mortality	-1 year	2 135 300	3 608 800	5 744 100	4%
Average retirement age	-1 year	2 218 800	3 689 100	5 907 900	7%
Continuation of membership at retirement	-10%	1 714 000	3 133 900	4 847 900	-12%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	773 000	448 000
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2014 R	2013 R	2012 R
Liabilities: (Gain) / loss	2 123 000	840 000	377 000
Assets: Gain / (loss)	-	-	-

## 5.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 376 (2015 - 381) employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R463 904 whereas the Interest Cost for the next year is estimated to be R425 124.

Key actuarial assumptions used:	2016 %	2015 %
<b>i) Rate of interest</b>		
Discount rate	8.67%	8.13%
General Salary Inflation (long-term)	7.31%	7.12%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	1.26%	0.94%

	2016 R	2015 R
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	5 071 550	4 981 620
Fair value of plan assets	-	-
	<u>5 071 550</u>	<u>4 981 620</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
<b>Net liability/(asset)</b>	<u><b>5 071 550</b></u>	<u><b>4 981 620</b></u>

### Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	4 981 620	4 474 426
Total expenses	358 859	231 522
Current service cost	439 518	377 825
Interest Cost	382 534	344 300
Benefits Paid	(463 193)	(490 603)
Actuarial (gains)/losses	(268 929)	275 672
Present value of fund obligation at the end of the year	<u><b>5 071 550</b></u>	<u><b>4 981 620</b></u>

### Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

### Sensitivity Analysis on the Unfunded Accrued Liability on 30 June 2016

Assumption	Change	Liability (Rm)	% change
Central assumptions		5.072	
General salary inflation	1%	5.462	8%
General salary inflation	-1%	4.721	-7%
Discount Rate	1%	4.706	-7%
Discount Rate	-1%	5.487	8%
Average retirement age	-2 yrs	4.272	-16%
Average retirement age	2 yrs	5.740	13%
Withdrawal rates	-50%	5.999	18%



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

## Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2016

Assumption	Current Service Cost (Rm)	Interest Cost (R)	Total (R)
Central Assumptions - Estimated costs for 2016/17	463 900	425 100	889 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (Rm)	Interest Cost (R)	Total (R)	% change
General salary inflation	1%	508 000	458 900	966 900	9%
General salary inflation	-1%	425 000	394 800	819 800	-8%
Discount Rate	1%	427 600	438 900	866 500	-3%
Discount Rate	-1%	505 700	407 800	913 500	3%
Average retirement age	-2 year	404 200	355 900	760 100	-14%
Average retirement age	+2 year	521 200	483 000	1 004 200	13%
Withdrawal rates	-50%	611 400	505 500	1 116 900	26%
				<b>2016 R</b>	<b>2015 R</b>

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss	(128 533)	310 047
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2014 R	2013 R	2012 R
Liabilities: (Gain) / loss	79 054	26 306	48 764
Assets: Gain / (loss)	-	-	-
		<b>2016 R</b>	<b>2015 R</b>

## 5.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

**CAPE JOINT PENSION FUND**

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2015 revealed that the fund is in a sound financial position with a funding level of 153.1% (30 June 2014 - 101.7%).

Contributions paid recognised in the Statement of Financial Performance	591 180	507 787
---	---------	---------

**CAPE JOINT RETIREMENT FUND**

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2015 revealed that the fund is in a sound financial position with a funding level of 100% (30 June 2014 - 99.9%).

Contributions paid recognised in the Statement of Financial Performance	7 138 373	6 409 282
---	-----------	-----------

	2016 R	2015 R
<b><u>DEFINED CONTRIBUTION FUNDS</u></b>		
Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.		
Contributions paid recognised in the Statement of Financial Performance		
Municipal Councillors Pension Fund	230 638	228 718
SAMWU National Provident Fund	2 022 718	1 916 384
	<u>2 253 356</u>	<u>2 145 102</u>
<b>6 CONSUMER DEPOSITS</b>		
Water and Electricity	3 149 235	2 872 801
<b>Total Consumer Deposits</b>	<u>3 149 235</u>	<u>2 872 801</u>
<b>7 CURRENT EMPLOYEE BENEFITS</b>		
Staff Bonuses	2 513 358	2 403 836
Staff Leave	5 150 615	4 462 252
Current Portion of Non-Current Provisions	1 418 339	1 476 138
Current Portion of Post Retirement Benefits - note 5	1 080 348	916 896
Current Portion of Long-Service Provisions - note 5	337 991	559 242
<b>Total Provisions</b>	<u>9 082 312</u>	<u>8 342 226</u>
<b>7.1 Staff Bonuses</b>		
Balance at beginning of year	2 403 836	2 195 406
Contribution to current portion	4 424 560	4 143 676
Expenditure incurred	(4 315 038)	(3 935 246)
Balance at end of year	<u>2 513 358</u>	<u>2 403 836</u>
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
<b>7.2 Staff Leave</b>		
Balance at beginning of year	4 462 252	3 895 057
Contribution to current portion	1 180 507	880 451
Expenditure incurred	(492 144)	(313 256)
Balance at end of year	<u>5 150 615</u>	<u>4 462 252</u>
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
<b>8 PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade Payables	16 854 317	16 535 852
Interest Accrued	37 963	53 964
Payments received in advance	2 715 138	3 017 242
Retentions	462 916	1 824 825
Other Creditors	4 588 401	4 654 871
Deposits: Other	975 456	804 167
Department of Human Settlements	1 873 334	-
<b>Total Trade Payables</b>	<u>27 507 525</u>	<u>26 890 921</u>
As previously reported		27 193 141
Correction of error restatement - note 38.2		(251 734)
Correction of error restatement - note 38.4		(50 486)
Restated balance		<u>26 890 921</u>
Payables are being recognised net of any discounts.		
Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.		
The carrying value of trade and other payables approximates its fair value.		
All payables are unsecured.		
Sundry deposits include Hall, Builders and Housing Deposits.		

	2016 R	2015 R
<b>9 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS</b>		
Unspent Grants	1 124 152	1 487 027
National Government Grants	991 527	1 348 069
Provincial Government Grants	73 210	55 822
District Municipality	-	-
Other Sources	59 415	83 136
<b>Less:</b> Unpaid Grants	-	(80 770)
National Government Grants	-	-
Provincial Government Grants	-	(80 770)
District Municipality	-	-
Other Sources	-	-
<b>Total Conditional Grants and Receipts</b>	<b>1 124 152</b>	<b>1 406 257</b>

See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

#### 10 TAXES

<b>10.1</b> VAT output in suspense	(5 359 402)	(5 430 641)
<b>Less:</b> Contribution to provision for impairment of trade receivables from exchange transactions	664 785	511 092
<b>Total VAT Payable</b>	<b>(4 694 617)</b>	<b>(4 919 549)</b>
<b>10.2</b> VAT Receivable	3 111 446	2 522 477
VAT input in suspense	2 023 771	1 375 506
<b>Total VAT Receivable</b>	<b>5 135 217</b>	<b>3 897 983</b>
<b>10.3 Net VAT (Payable)/Receivable</b>	<b>440 600</b>	<b>(1 021 566)</b>
As previously reported		(140 522)
Correction of error restatement - note 38.3		(881 044)
Restated balance		(1 021 566)

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

## 11 PROPERTY, PLANT AND EQUIPMENT

## 11.1 30 JUNE 2016

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of error	Additions	Under Construction	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
<b>Infrastructure</b>														
Roads, Pavements & Bridges	68 067 967	-	3 097 257	-	-	-	71 165 224	20 864 100	-	2 341 847	-	-	23 205 947	47 959 277
Electricity Transmission & Reticulator	39 993 072	-	2 131 965	2 611 788	-	-	44 736 826	10 083 492	-	1 074 184	-	-	11 157 676	33 579 150
Water Dams & Reservoirs	46 397 641	-	5 018 495	7 096 200	-	(7 205)	58 505 131	14 107 392	-	1 540 618	-	(60)	15 647 950	42 857 180
Sewerage Purification	81 159 170	-	2 779 315	550 000	-	-	84 488 485	11 426 664	-	2 629 716	-	-	14 056 380	70 432 105
Landfill Sites	52 412 728	-	92 947	-	-	(1 138 910)	51 366 766	18 753 497	-	3 184 327	-	-	21 937 824	29 428 942
Other	1 180 585	-	372 722	-	-	-	1 553 307	371 494	-	59 227	-	-	430 721	1 122 586
	289 211 163	-	13 492 702	10 257 988	-	(1 146 115)	311 815 738	75 606 639	-	10 829 920	-	(60)	86 436 499	225 379 239
<b>Community Assets</b>														
Parks & Gardens	604 918	-	19 184	-	-	-	624 102	294 166	-	27 511	-	-	321 677	302 425
Sportfields & Stadia	8 203 245	-	607 122	1 758 330	-	-	10 568 697	2 721 334	-	295 659	-	-	3 016 993	7 551 704
Community Halls	1 479 318	-	-	-	-	-	1 479 318	626 585	-	49 309	-	-	675 894	803 424
Libraries	4 664 753	-	321 243	-	-	-	4 985 996	1 277 890	-	126 313	-	-	1 404 203	3 581 793
Recreational Facilities	14 549 705	-	35 874	-	-	-	14 585 579	4 505 949	-	465 419	-	-	4 971 368	9 614 212
Clinics	700 000	-	-	-	-	-	700 000	124 445	-	15 555	-	-	140 000	560 000
Museums & Art Galleries	1 575 630	-	-	-	-	-	1 575 630	479 814	-	44 192	-	-	524 006	1 051 624
Other	973 398	-	509 419	-	-	-	1 482 817	169 998	-	43 917	-	-	213 915	1 268 902
	32 750 967	-	1 492 843	1 758 330	-	-	36 002 140	10 200 181	-	1 067 875	-	-	11 268 056	24 734 084
<b>Other Assets</b>														
General Vehicles	10 472 392	-	454 875	-	-	-	10 927 267	7 148 017	-	802 059	-	-	7 950 076	2 977 191
Specialised Vehicles	5 035 353	-	-	-	-	-	5 035 353	2 365 433	-	490 949	-	-	2 856 382	2 178 971
Plant & Equipment	11 897 650	-	1 669 663	-	-	-	13 567 313	6 452 943	-	1 204 872	-	-	7 657 815	5 909 498
Furniture and Other Office Equipment	9 844 617	-	1 299 369	-	-	(45 924)	11 098 061	5 302 477	-	1 030 004	-	(17 354)	6 315 127	4 782 934
Civic Land and Buildings	24 260 445	-	61 868	-	-	-	24 322 313	4 677 961	-	742 522	-	-	5 420 483	18 901 830
Other Land and Buildings	50 556 236	-	167 609	171 207	-	(1 000)	50 894 052	4 900 851	-	436 363	-	-	5 337 214	45 556 838
Other	3 099 095	-	190 548	-	-	-	3 289 643	1 588 717	-	277 283	-	-	1 866 000	1 423 643
Leases	778 737	-	181 600	-	-	(170 343)	789 994	562 958	-	303 689	-	(170 343)	696 304	93 690
	115 944 525	-	4 025 532	171 207	-	(217 268)	119 923 997	32 999 357	-	5 287 742	-	(187 697)	38 099 402	81 824 594
<b>Total</b>	437 906 655	-	19 011 077	12 187 526	-	(1 363 382)	467 741 875	118 806 177	-	17 185 537	-	(187 757)	135 803 957	331 937 917

## 11.2 30 JUNE 2015

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of error	Additions	Under Construction	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
<b>Infrastructure</b>														
Roads, Pavements & Bridges	59 761 622	-	2 756 833	5 549 512	-	-	68 067 967	18 490 377	-	2 373 723	-	-	20 864 100	47 203 867
Electricity Transmission & Reticulation	36 627 417	-	1 141 774	2 223 881	-	-	39 993 072	9 033 226	-	1 050 266	-	-	10 083 492	29 909 580
Water Dams & Reservoirs	44 804 608	-	1 593 033	-	-	-	46 397 641	12 665 780	-	1 441 612	-	-	14 107 392	32 290 249
Sewerage Purification	67 518 770	-	1 895 612	11 861 916	-	(117 128)	81 159 170	9 707 076	-	1 752 121	-	(32 533)	11 426 664	69 732 506
Landfill Sites	25 294 045	-	-	-	-	27 118 683	52 412 728	15 416 219	-	3 337 278	-	-	18 753 497	33 659 231
Other	1 160 672	-	19 913	-	-	-	1 180 585	306 655	-	64 839	-	-	371 494	809 091
	235 167 134	-	7 407 165	19 635 309	-	27 001 555	289 211 163	65 619 333	-	10 019 839	-	(32 533)	75 606 639	213 604 524
<b>Community Assets</b>														
Parks & Gardens	604 918	-	-	-	-	-	604 918	267 193	-	26 973	-	-	294 166	310 752
Sportfields & Stadia	7 184 064	-	49 200	969 981	-	-	8 203 245	2 427 304	-	294 030	-	-	2 721 334	5 481 911
Community Halls	1 479 318	-	-	-	-	-	1 479 318	577 274	-	49 311	-	-	626 585	852 733
Libraries	4 664 753	-	-	-	-	-	4 664 753	1 152 820	-	125 070	-	-	1 277 890	3 386 863
Recreational Facilities	14 465 580	-	84 125	-	-	-	14 549 705	4 049 011	-	456 938	-	-	4 505 949	10 043 756
Clinics	700 000	-	-	-	-	-	700 000	106 494	-	17 951	-	-	124 445	575 555
Museums & Art Galleries	1 575 630	-	-	-	-	-	1 575 630	435 621	-	44 193	-	-	479 814	1 095 816
Other	805 798	-	167 600	-	-	-	973 398	137 825	-	32 173	-	-	169 998	803 400
	31 480 061	-	300 925	969 981	-	-	32 750 967	9 153 542	-	1 046 639	-	-	10 200 181	22 550 786
<b>Other Assets</b>														
General Vehicles	9 856 343	-	616 049	-	-	-	10 472 392	6 368 689	-	779 328	-	-	7 148 017	3 324 375
Specialised Vehicles	5 035 353	-	-	-	-	-	5 035 353	1 864 309	-	501 124	-	-	2 365 433	2 669 920
Plant & Equipment	9 311 447	-	2 586 203	-	-	-	11 897 650	5 533 844	-	919 099	-	-	6 452 943	5 444 707
Furniture and Other Office Equipment	8 105 293	-	1 739 324	-	-	-	9 844 617	4 666 231	-	636 246	-	-	5 302 477	4 542 140
Civic Land and Buildings	24 260 445	-	-	-	-	-	24 260 445	3 931 244	-	746 717	-	-	4 677 961	19 582 484
Other Land and Buildings	49 879 406	-	752 129	-	(75 299)	-	50 556 236	4 450 405	-	450 446	-	-	4 900 851	45 655 385
Other	2 518 005	-	581 090	-	-	-	3 099 095	1 368 796	-	219 921	-	-	1 588 717	1 510 378
Leases	805 787	-	1 549	-	-	(28 599)	778 737	316 063	-	275 494	-	(28 599)	562 958	215 779
	109 772 079	-	6 276 344	-	(75 299)	(28 599)	115 944 525	28 499 581	-	4 528 375	-	(28 599)	32 999 357	82 945 168
<b>Total</b>	376 419 274	-	13 984 434	20 605 290	(75 299)	26 972 956	437 906 655	103 272 456	-	15 594 853	-	(61 132)	118 806 177	319 100 478

	2016 R	2015 R
<b>11.3 Secured Property, Plant and Equipment</b>		
Leased Property, Plant and Equipment of R 93 689 is secured for leases as set out in Note 3.		
<b>12 INVESTMENT PROPERTY</b>		
<b>Net Carrying amount at 1 July</b>	<b>12 860 805</b>	<b>12 868 760</b>
Cost	12 860 805	12 868 760
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Acquisitions	-	-
Transfer to Inventory	-	(7 955)
Depreciation for the year	-	-
Impairment loss	-	-
<b>Net Carrying amount at 30 June</b>	<b>12 860 805</b>	<b>12 860 805</b>
Cost	12 860 805	12 860 805
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Revenue derived from the rental of investment property	134 047	148 933
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
<b>13 INTANGIBLE ASSETS</b>		
<b>Net Carrying amount at 1 July</b>	<b>1 175 123</b>	<b>806 129</b>
Cost	2 223 232	1 623 916
Accumulated Amortisation	(1 048 109)	(817 787)
Accumulated Impairment Loss	-	-
Acquisitions	1 204 244	599 314
Amortisation	(335 848)	(230 320)
<b>Net Carrying amount at 30 June</b>	<b>2 043 519</b>	<b>1 175 123</b>
Cost	3 427 476	2 223 232
Accumulated Amortisation	(1 383 957)	(1 048 109)
Accumulated Impairment Loss	-	-
No intangible asset were assed having an indefinite useful life.		
There are no internally generated intangible assets at reporting date.		
There are no intangible assets whose title is restricted.		
There age no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		
<b>14 HERITAGE ASSETS</b>		
<b>Net Carrying amount at 1 July</b>	<b>454 012</b>	<b>454 012</b>
Cost	454 012	454 012
Accumulated Impairment Loss	-	-
Acquisitions	-	-
Disposals	-	-
<b>Net Carrying amount at 30 June</b>	<b>454 012</b>	<b>454 012</b>
Cost	454 012	454 012
Accumulated Impairment Loss	-	-
There are no Heritage Assets pledged as security for liabilities		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
<b>15 LONG-TERM RECEIVABLES</b>		
Receivables with repay arrangements - At amortised cost	3 486 387	2 039 521
Housing Loans - At amortised cost	270 028	270 028
	<u>3 756 415</u>	<u>2 309 549</u>
<b>Less:</b> Current portion transferred to current receivables	(1 813 055)	(1 325 799)
Receivables with repay arrangements - At amortised cost	(1 656 055)	(1 168 799)
Housing Loans - At amortised cost	(157 000)	(157 000)
<b>Total Long Term Receivables</b>	<u><u>1 943 360</u></u>	<u><u>983 750</u></u>

Debtors with a total outstanding balance of R3 486 387 (2015 R2 039 521) have arranged to settle their account over an re-negotiated period. Total payments to the value of R1 830 332 (2015 - R870 722) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

	2016 R	2015 R
<b>16 INVENTORY</b>		
Fuel - At cost	202 491	196 661
Water - At purification cost	91 127	80 551
Spare Parts - At cost	2 682 422	2 243 305
Unsold Properties held for resale - At cost	83 254	83 254
Housing - Top Structure	-	203 440
<b>Total Inventory</b>	<u><u>3 059 295</u></u>	<u><u>2 807 211</u></u>

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

Inventory recognise as an expense during the year:

Fuel - At cost	2 738 775	2 825 782
Water - At purification cost	10 933 224	9 854 878
Spare Parts - At cost	3 502 804	1 329 604
	<u><u>17 174 803</u></u>	<u><u>14 010 264</u></u>

No inventory assets were pledged as security for liabilities.

	2016 R	2015 R
<b>17 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Electricity	11 305 182	11 339 334
Water	9 324 108	9 093 075
Housing Rentals	28 646	31 276
Refuse	10 890 531	10 431 218
Sewerage	7 386 479	7 125 208
Other Arrears	4 576 878	6 476 803
<b>Total: Receivables from exchange transactions (before provision)</b>	<u><u>43 511 824</u></u>	<u><u>44 496 914</u></u>
<b>Less:</b> Provision for Debt Impairment	(5 363 159)	(3 994 600)
<b>Total: Receivables from exchange transactions (after provision)</b>	<u><u>38 148 665</u></u>	<u><u>40 502 314</u></u>
As previously reported		41 016 760
Correction of error restatement - note 38.3		(514 446)
Restated balance		<u><u>40 502 314</u></u>

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

	2016 R	2015 R
<b><u>(Electricity): Ageing</u></b>		
Current (0 - 30 days)	6 177 418	5 655 069
31 - 60 Days	712 577	1 491 141
61 - 90 Days	408 208	409 287
+ 90 Days	4 006 979	3 783 837
<b>Total</b>	<b>11 305 182</b>	<b>11 339 334</b>
<b><u>(Water): Ageing</u></b>		
Current (0 - 30 days)	2 357 399	1 896 172
31 - 60 Days	787 433	926 252
61 - 90 Days	536 052	528 606
+ 90 Days	5 643 224	5 742 045
<b>Total</b>	<b>9 324 108</b>	<b>9 093 075</b>
<b><u>(Housing): Ageing</u></b>		
Current (0 - 30 days)	3 532	18 549
31 - 60 Days	1 897	473
61 - 90 Days	1 352	1 753
+ 90 Days	21 865	10 501
<b>Total</b>	<b>28 646</b>	<b>31 276</b>
<b><u>(Refuse): Ageing</u></b>		
Current (0 - 30 days)	1 602 112	1 447 603
31 - 60 Days	795 187	763 107
61 - 90 Days	539 119	510 188
+ 90 Days	7 954 113	7 710 320
<b>Total</b>	<b>10 890 531</b>	<b>10 431 218</b>
<b><u>(Sewerage): Ageing</u></b>		
Current (0 - 30 days)	945 225	862 250
31 - 60 Days	500 149	488 199
61 - 90 Days	346 566	330 858
+ 90 Days	5 594 539	5 443 901
<b>Total</b>	<b>7 386 479</b>	<b>7 125 208</b>
<b><u>(Other): Ageing</u></b>		
Current (0 - 30 days)	314 597	805 350
31 - 60 Days	(21 176)	65 811
61 - 90 Days	42 583	(52 608)
+ 90 Days	4 240 874	5 658 250
<b>Total</b>	<b>4 576 878</b>	<b>6 476 803</b>
<b><u>(Total): Ageing</u></b>		
Current (0 - 30 days)	11 400 283	10 684 993
31 - 60 Days	2 776 067	3 734 983
61 - 90 Days	1 873 880	1 728 084
+ 90 Days	27 461 594	28 348 854
<b>Total</b>	<b>43 511 824</b>	<b>44 496 914</b>



	2016 R	2015 R
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	3 994 600	5 694 237
Contribution to provision	3 579 522	2 552 078
Bad Debts written off against provision	(2 210 963)	(4 251 715)
Balance at end of year	<u>5 363 159</u>	<u>3 994 600</u>

The total amount of the provision consist of:

Services	5 166 276	3 532 880
Other Debtors	196 883	461 720
<b>Total Provision for Debt Impairment on Receivables from exchange transactions</b>	<u>5 363 159</u>	<u>3 994 600</u>

**Ageing of amounts past due but not impaired:**

1 month past due	2 776 067	3 734 983
2+ months past due	23 972 315	26 082 338
	<u>26 748 382</u>	<u>29 817 321</u>

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

**18 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

Taxes - Rates	29 741 293	28 488 553
Fines	13 319 615	7 518 640
Other Receivables	3 451 464	3 027 131
	<u>46 512 372</u>	<u>39 034 324</u>
<b>Less:</b> Provision for Debt Impairment	(18 374 795)	(14 282 012)
<b>Total Receivables from non-exchange transactions</b>	<u>28 137 577</u>	<u>24 752 312</u>
As previously reported		25 042 609
Correction of error restatement - note 38.4		(290 297)
Restated balance		<u>24 752 312</u>

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

**(Rates): Ageing**

Current (0 - 30 days)	6 320 767	3 989 206
31 - 60 Days	3 478 568	2 185 249
61 - 90 Days	972 159	1 688 704
+ 90 Days	18 969 799	20 625 394
<b>Total</b>	<u>29 741 293</u>	<u>28 488 553</u>

**Reconciliation of Provision for Debt Impairment**

Balance at beginning of year	14 282 012	10 635 338
Contribution to provision	6 191 950	4 224 614
Bad Debts written off against provision	(245 646)	(660 630)
Reversal of provision	(1 853 521)	-
Change in Estimate of Traffic Fines	-	82 690
Balance at end of year	<u>18 374 795</u>	<u>14 282 012</u>

The total amount of this provision consist of:

Taxes	5 743 509	7 842 676
Fines	12 631 286	6 439 336
<b>Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions</b>	<u>18 374 795</u>	<u>14 282 012</u>

	2016 R	2015 R
<b><u>Ageing of amounts past due but not impaired:</u></b>		
1 month past due	3 478 568	2 185 249
2+ months past due	14 198 449	14 471 422
	<b>17 677 017</b>	<b>16 656 671</b>

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

## 19 OPERATING LEASE ARRANGEMENTS

### 19.1 The Municipality as Lessor

Operating Lease Asset	75 601	81 069
<b><u>Reconciliation</u></b>		
Balance at the beginning of the year	81 069	79 199
Movement during the year	(5 468)	1 870
Balance at the end of the year	<b>75 601</b>	<b>81 069</b>

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, the future minimum lease payments receivable are as follows:

Up to 1 Year	682 989	240 256
1 to 5 Years	1 442 068	333 095
More than 5 Years	-	45 962
<b>Total Operating Lease Arrangements</b>	<b>2 125 057</b>	<b>619 313</b>

This future minimum lease payments are determined from contracts of which the future payments are determinable and does not include lease payment which have undetermined conditions.

## 20 CASH AND CASH EQUIVALENTS

Current Accounts	60 024 814	11 770 296
Call Investments Deposits	5 627 255	36 559 660
Cash Floats	7 450	14 070
<b>Total Cash and Cash Equivalents - Assets</b>	<b>65 659 519</b>	<b>48 344 026</b>

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

The municipality has the following bank accounts:

### Current Accounts

ABSA Bank Limited - Account Number 11 8056 0153 (Primary Bank Account):	59 996 637	11 763 646
ABSA Bank Limited - Account Number 9125 109 603 (Traffic Account):	28 177	6 650
	<b>60 024 814</b>	<b>11 770 296</b>

### Call Investment Deposits

ABSA Bank Limited - Account Number 9296 511 113 (Cash Account):	5 627 255	5 287 891
Nedbank - Account Number 03/7881004312/000024 (32 Day Deposit):	-	5 324 870
Investec - Account Number 459271 - 450 (Fixed Deposit):	-	5 314 706
Investec - Account Number 459271 - 452 (Fixed Deposit):	-	5 160 137
Standard Bank - Account Number 428790690 (Fixed Deposit):	-	5 152 925
Nedbank - Account Number 03/7881004312/000023 (6 Months Deposit):	-	5 160 595
ABSA - Account Number 20 -7489 - 1704 (Fixed Deposit):	-	5 158 536
	<b>5 627 255</b>	<b>36 559 660</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
Details of current accounts are as follow:		
<b>ABSA Bank Limited - Account Number 11 8056 0153 (Primary Bank Account):</b>		
Cash book balance at beginning of year	11 763 646	18 690 152
Cash book balance at end of year	59 996 637	11 763 646
Bank statement balance at beginning of year	10 871 548	18 021 019
Bank statement balance at end of year	60 434 220	10 871 548
<b>ABSA Bank Limited - Account Number 9125 109 603 (Traffic Account):</b>		
Cash book balance at beginning of year	6 650	1 600
Cash book balance at end of year	28 177	6 650
Bank statement balance at beginning of year	6 650	1 600
Bank statement balance at end of year	28 177	6 650
Details of call investment accounts are as follow:		
<b>ABSA Bank Limited - Account Number 9296 511 113 (Cash Account):</b>		
Cash book balance at beginning of year	5 287 891	5 003 630
Cash book balance at end of year	5 627 255	5 287 891
Bank statement balance at beginning of year	5 287 892	5 003 630
Bank statement balance at end of year	5 627 255	5 287 892
<b>Nedbank - Account Number 03/7881004312/000024 (32 Day Deposit):</b>		
Cash book balance at beginning of year	5 324 870	5 004 110
Cash book balance at end of year	-	5 324 870
Bank statement balance at beginning of year	5 324 870	5 004 110
Bank statement balance at end of year	-	5 324 870
<b>Investec - Account Number 459271 - 450 (Fixed Deposit):</b>		
Cash book balance at beginning of year	5 314 706	5 004 075
Cash book balance at end of year	-	5 314 706
Bank statement balance at beginning of year	5 314 706	5 004 075
Bank statement balance at end of year	-	5 314 706
<b>Investec - Account Number 459271 - 452 (Fixed Deposit):</b>		
Cash book balance at beginning of year	5 160 137	-
Cash book balance at end of year	-	5 160 137
Bank statement balance at beginning of year	5 160 137	-
Bank statement balance at end of year	-	5 160 137
<b>Standard Bank - Account Number 428790690 (Fixed Deposit):</b>		
Cash book balance at beginning of year	5 152 925	-
Cash book balance at end of year	-	5 152 925
Bank statement balance at beginning of year	5 152 925	-
Bank statement balance at end of year	-	5 152 925
<b>Nedbank - Account Number 03/7881004312/000023 (6 Months Deposit):</b>		
Cash book balance at beginning of year	5 160 595	-
Cash book balance at end of year	-	5 160 595
Bank statement balance at beginning of year	5 160 595	-
Bank statement balance at end of year	-	5 160 595
<b>ABSA - Account Number 20 -7489 - 1704 (Fixed Deposit):</b>		
Cash book balance at beginning of year	5 158 536	-
Cash book balance at end of year	-	5 158 536
Bank statement balance at beginning of year	5 158 536	-
Bank statement balance at end of year	-	5 158 536

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
<b>21 PROPERTY RATES</b>		
<u>Actual</u>		
<b>Rateable Land and Buildings</b>	55 861 163	52 225 636
<b>Less: Rebates</b>	(3 352 716)	(3 017 590)
<b>Total Assessment Rates</b>	<b>52 508 447</b>	<b>49 208 046</b>
<u>Valuations - 1 July 2015</u>		
<b>Rateable Land and Buildings</b>	8 227 313 200	8 174 200 200
Residential Property	3 923 437 000	3 903 616 000
Commercial Property	571 468 000	569 828 000
Industrial Property	235 186 000	235 186 000
Public Benefits Organisations	239 372 000	207 822 000
Agricultural Purposes	3 174 604 200	3 173 904 200
State - National/ Provincial Services	4 670 000	4 670 000
Municipal Property	78 576 000	79 174 000
<b>Total Assessment Rates</b>	<b>8 227 313 200</b>	<b>8 174 200 200</b>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

**Basic Rate**

Residential	0.974c/R	0.919c/R
Commercial/Industrial	1.072c/R	1.011c/R
Agricultural	0.244c/R	0.230c/R

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - R5 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

**22 GOVERNMENT GRANTS AND SUBSIDIES**Unconditional

Equitable Share	30 454 000	27 489 000
-----------------	------------	------------

Conditional

Grants and Donations	31 896 534	38 213 818
----------------------	------------	------------

**Total Government Grants and Subsidies**

<b>62 350 534</b>	<b>65 702 818</b>
-------------------	-------------------

Government Grants and Subsidies - Operating

42 690 962	41 174 034
------------	------------

Government Grants and Subsidies - Capital

19 659 572	24 528 784
------------	------------

**Total Government Grants and Subsidies**

<b>62 350 534</b>	<b>65 702 818</b>
-------------------	-------------------

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

Equitable share	30 454 000	27 489 000
Administration	600 000	617 435
Council	189 290	420 000
Strategic Services	236 000	291 750
Financial Administration	2 301 942	1 966 310
Housing	3 880	7 532 152
Human Resources	408 258	192 929
Library	5 930 000	5 854 000
Planning and Development	340 000	150 000
Roads and Stormwater	1 223 888	1 217 493
Sewerage	2 843 430	3 433 789
Sportgrounds & Swimming Pools	1 763 688	969 981
Water	13 741 127	13 067 979
Electricity	2 315 031	2 500 000
<b>Total Government Grants and Subsidies</b>	<b>62 350 534</b>	<b>65 702 818</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
<b>22.1 <u>Equitable Share</u></b>		
Opening balance	-	-
Grants received	30 454 000	27 489 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(30 454 000)	(27 489 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

<b>22.2 <u>Finance Management Grant (FMG)</u></b>		
Opening balance	-	-
Grants received	1 450 000	1 450 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 000 000)	(1 150 000)
Conditions met - Capital	(450 000)	(300 000)
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

<b>22.3 <u>Municipal Systems Improvement Grant (MSIG)</u></b>		
Opening balance	-	-
Grants received	940 000	934 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(340 000)	(334 000)
Conditions met - Capital	(600 000)	(600 000)
Conditions still to be met	-	-

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

<b>22.4 <u>Municipal Infrastructure Grant (MIG)</u></b>		
Opening balance	1 348 069	4 855 817
Grants received	14 201 000	13 764 000
Interest received	-	-
Repaid to National Revenue Fund	(1 348 000)	-
Conditions met - Operating	(2 111 376)	(2 121 092)
Conditions met - Capital	(11 783 135)	(15 150 656)
Conditions still to be met	306 558	1 348 069

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

<b>22.5 <u>Expanded Public Works Programme</u></b>		
Opening balance	-	-
Grants received	1 070 000	1 147 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 070 000)	(1 147 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The grant was used for job creation.

	2016 R	2015 R
<b>22.6 <u>Integrated National Electrification</u></b>		
Opening balance	-	-
Grants received	3 000 000	2 100 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(2 315 031)	(2 100 000)
Conditions still to be met	<u>684 969</u>	<u>-</u>

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

<b>22.7 <u>ACIP</u></b>		
Opening balance	-	-
Grants received	4 453 734	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(547 328)	-
Conditions met - Capital	(3 906 406)	-
Conditions still to be met	<u>-</u>	<u>-</u>

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

<b>22.8 <u>Housing</u></b>		
Opening balance	(80 770)	1 948 453
Grants received	80 770	5 502 330
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(1 982 040)
Conditions met - Capital	-	(5 549 513)
Conditions still to be met	<u>-</u>	<u>(80 770)</u>

The Housing grant was utilised for the development of erven and the erection of top structures.

<b>22.9 <u>CDW Contribution</u></b>		
Opening balance	-	-
Grants received	36 000	34 976
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(36 000)	(34 976)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>

The CDW Contribution was used to finance the activities of Community Development Workers.

<b>22.10 <u>Housing Consuming Education</u></b>		
Opening balance	3 880	4 479
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(3 880)	(599)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>3 880</u>

The Housing Consuming Education Grant was used for public awareness programs.

<b>22.11 <u>Finance Management Grant (Provincial)</u></b>		
Opening balance	51 942	216 311
Grants received	1 062 500	820 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 041 232)	(984 369)
Conditions met - Capital	-	-
Conditions still to be met	<u>73 210</u>	<u>51 942</u>

The Finance Management Grant was used for upgrading of financial system, reviewing of budget related policies, supply chain databases cleansing, risk management and internal audit services.

	2016 R	2015 R
<b>22.12 <u>Proclaimed Roads</u></b>		
Opening balance	-	-
Grants received	82 339	70 493
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(82 339)	(70 493)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The grant was used for maintenance of provincial roads.

<b>22.13 <u>Municipal Infrastructure Support Grant</u></b>		
Opening balance	-	-
Grants received	-	600 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(600 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The grant was used for installing of flood lights at Redelinghuys sport grounds.

<b>22.14 <u>Municipal Performance Management Allocation</u></b>		
Opening balance	-	-
Grants received	200 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(200 000)	-
Conditions met - Capital	-	-
Conditions still to be met	-	-

The grant was used for transport to Nelson Mandela memorial service in Cape Town.

<b>22.15 <u>Library Services</u></b>		
Opening balance	-	-
Grants received	5 930 000	5 854 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(5 325 000)	(5 025 385)
Conditions met - Capital	(605 000)	(828 615)
Conditions still to be met	-	-

The grant was used for appointment of library staff and operating costs.

<b>22.16 <u>West Coast DM - LED</u></b>		
Opening balance	-	42 151
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(42 151)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The grant was used for Local Economic Development facilitation.

<b>22.17 <u>Cerebos Ltd</u></b>		
Opening balance	83 136	-
Grants received	35 000	83 136
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(71 549)	-
Conditions met - Capital	-	-
Conditions still to be met	46 587	83 136

This grant is for the developing of a sport field at Piketberg.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
<b>22.18 Chieta</b>		
Opening balance	-	-
Grants received	135 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(122 172)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>12 828</u>	<u>-</u>
This grant is for the training and development of municipal officials		
<b>22.19 LG SETA</b>		
Opening balance	-	-
Grants received	286 086	192 929
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(286 086)	(192 929)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
This grant is for the training and development of municipal officials		
<b>22.20 Total Grants</b>		
Opening balance	1 406 257	7 067 211
Grants received	63 416 429	60 041 864
Interest received	-	-
Repaid to National Revenue Fund	(1 348 000)	-
Conditions met - Operating	(42 690 962)	(41 174 034)
Conditions met - Capital	(19 659 572)	(24 528 784)
Conditions still to be met/(Grant expenditure to be recovered)	<u>1 124 152</u>	<u>1 406 257</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	1 124 152	1 487 027
Unpaid Conditional Government Grants and Receipts	-	(80 770)
<b>Total</b>	<u><b>1 124 152</b></u>	<u><b>1 406 257</b></u>
<b>23 CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT</b>		
Department of Environmental Affairs	-	55 549
Enviro Acsys Consulting	-	350 000
Department of Cultural Affairs and Sport: Western Cape	-	451 223
<b>Total Contributed Property, Plant and Equipment</b>	<u>-</u>	<u><b>856 772</b></u>
<b>24 SERVICE CHARGES</b>		
<b>Electricity</b>	<b>86 751 811</b>	<b>78 513 853</b>
Service Charges	87 461 599	79 074 721
<b>Less:</b> Income Forgone	(709 788)	(560 868)
<b>Water</b>	<b>23 887 517</b>	<b>22 389 193</b>
Service Charges	25 283 278	23 707 480
<b>Less:</b> Income Forgone	(1 395 761)	(1 318 287)
<b>Refuse Removal</b>	<b>17 396 320</b>	<b>16 213 688</b>
Service Charges	20 717 770	19 331 247
<b>Less:</b> Income Forgone	(3 321 450)	(3 117 559)
<b>Sewerage and Sanitation Charges</b>	<b>10 237 812</b>	<b>9 638 718</b>
Service Charges	12 470 763	11 706 590
<b>Less:</b> Income Forgone	(2 232 951)	(2 067 872)
<b>Total Service Charges</b>	<u><b>138 273 460</b></u>	<u><b>126 755 452</b></u>
As previously reported		126 882 623
Correction of error restatement - note 38.3		(127 171)
Restated balance		<u><u>126 755 452</u></u>

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.



	2016 R	2015 R
<b>25 RENTAL OF FACILITIES AND EQUIPMENT</b>		
Buildings	249 638	314 246
Commonage	134 047	147 368
Caravan Parks	3 908 141	3 195 661
<b>Total Rental of Facilities and Equipment</b>	<b>4 291 826</b>	<b>3 657 275</b>
<b>26 INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank	4 296 966	3 232 674
<b>Total Interest Earned - External Investments</b>	<b>4 296 966</b>	<b>3 232 674</b>
<b>27 INTEREST EARNED - OUTSTANDING RECEIVABLES</b>		
Receivables	3 776 001	3 197 469
<b>Total Interest Earned - Outstanding Receivables</b>	<b>3 776 001</b>	<b>3 197 469</b>
<b>28 OTHER INCOME</b>		
Admin Fees	7 924	11 835
Cemetery	300 704	263 672
Land Sales	35 088	26 316
Photocopies	57 027	47 119
Private Works	1 384	4 296
Sale of Refuse Bags	3 051	3 193
Sundry Income	1 207 912	1 241 874
Surplus Cash	816	1 384
Swimming Pools	31 484	18 582
<b>Total Other Income</b>	<b>1 645 390</b>	<b>1 618 271</b>
As previously reported		1 366 537
Correction of error restatement - note 38.2		251 734
Restated balance		1 618 271
<b>29 EMPLOYEE RELATED COSTS</b>		
Employee Related Costs - Salaries and Wages	63 554 303	57 842 681
Employee Related Costs - Contributions to UIF and Pensions	11 112 339	10 208 699
Employee Related Costs - Contributions to Medical Aids	4 260 630	3 967 230
Motor Vehicle and Other Benefits and Allowances	3 808 912	3 508 850
Housing Benefits and Allowances	1 350 870	493 660
Overtime Payments	4 007 925	3 354 254
Bonuses	4 424 560	4 143 676
Provision for leave	1 180 507	880 451
Contribution to provision - Long Service Awards - note 5	439 518	377 825
Contribution to provision - Post Retirement Medical - note 5	1 926 749	1 753 521
	96 066 313	86 530 847
<b>Less:</b> Employee Costs allocated elsewhere	-	-
<b>Total Employee Related Costs</b>	<b>96 066 313</b>	<b>86 530 847</b>
<b>KEY MANAGEMENT PERSONNEL</b>		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<b>Remuneration of the Municipal Manager - Adv H Linde</b>		
Annual Remuneration	1 076 176	985 562
Travelling Allowance	90 000	108 118
Contributions to UIF, Medical and Pension Funds	230 740	229 831
<b>Total</b>	<b>1 396 916</b>	<b>1 323 511</b>
<b>Remuneration of the Chief Financial Officer - Mr JA van Niekerk</b>		
Annual Remuneration	648 568	607 277
Travelling Allowance	98 962	115 990
Contributions to UIF, Medical and Pension Funds	151 382	166 850
Housing Subsidy	127 471	90 921
Service Bonus	50 491	50 512
Long Service Award	52 094	-
<b>Total</b>	<b>1 128 968</b>	<b>1 031 550</b>

	2016 R	2015 R
<b>Remuneration of Director : Corporate Services - Mr JWA Kotzee</b>		
Annual Remuneration	633 162	643 774
Travelling Allowance	96 000	102 430
Contributions to UIF, Medical and Pension Funds	164 616	197 863
Housing Subsidy	171 026	59 954
Service Bonus	-	36 000
<b>Total</b>	<b>1 064 805</b>	<b>1 040 021</b>

<b>Remuneration of Director : Technical Services - Mr H Krohn</b>		
Annual Remuneration	647 502	612 357
Travelling Allowance	96 000	94 878
Contributions to UIF, Medical and Pension Funds	166 184	168 633
Housing Subsidy	132 828	102 000
Service Bonus	40 000	50 964
<b>Total</b>	<b>1 082 513</b>	<b>1 028 832</b>

**30 REMUNERATION OF COUNCILLORS**

JA Raats	643 523	591 250
WJ Dirks	249 349	226 249
JC Botha	284 594	227 296
RM van Rooy	544 730	555 474
DJ Smith	249 349	227 296
CJ Snyders	274 194	227 296
SM Crafford	627 278	591 249
EB Manuel	806 179	736 379
A de Vries	595 295	557 712
SR Claassen	249 349	226 249
SIJ Smit	255 327	226 249
A Maarman	249 349	230 296
C Snyders	252 998	225 900
<b>Total Councillors' Remuneration</b>	<b>5 281 515</b>	<b>4 848 895</b>

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	479 329	216 802	20 868	89 180	806 179
Deputy-Mayor	395 485	151 603	20 868	59 323	627 278
Speaker	380 459	167 848	20 868	74 349	643 523
Executive Committee Members	912 847	136 201	39 997	50 981	1 140 026
Councillors	1 428 974	355 318	166 944	113 273	2 064 508
<b>Total Councillors' Remuneration</b>	<b>3 597 094</b>	<b>1 027 771</b>	<b>269 545</b>	<b>387 104</b>	<b>5 281 515</b>

**In-kind Benefits**

The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.

	2016 R	2015 R
<b>31 DEBT IMPAIRMENT</b>		
Receivables from exchange transactions - note 17	3 579 522	2 552 078
Receivables from non-exchange transactions - note 18	4 338 429	4 224 614
	7 917 951	6 776 692
<b>Less:</b> VAT Portion on Debt Impairment	(153 693)	188 200
<b>Total Debt Impairment</b>	<b>7 764 258</b>	<b>6 964 892</b>
As previously reported		6 543 914
Correction of error restatement - note 38.3		420 978
Restated balance		6 964 892

**32 DEPRECIATION AND AMORTISATION**

Property, plant and equipment	17 185 537	15 594 853
Intangible assets	335 848	230 320
<b>Total Depreciation and Amortisation</b>	<b>17 521 385</b>	<b>15 825 173</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2016 R	2015 R
<b>33 FINANCE COSTS</b>		
Long-term Liabilities	5 798 289	6 253 205
Non-current Provisions	2 377 845	2 316 278
Non-current Employee Benefits - Provision for Post Retirement Health Care Benefits	3 023 731	2 700 897
Non-current Employee Benefits - Provision for Long Service Awards	382 534	344 300
<b>Total Finance Costs</b>	<b>11 582 399</b>	<b>11 614 680</b>
<b>34 BULK PURCHASES</b>		
Electricity	67 608 960	58 397 870
Water	5 420 540	4 849 581
<b>Total Bulk Purchases</b>	<b>73 029 500</b>	<b>63 247 451</b>
As previously reported		61 595 633
Correction of error restatement - note 38.6		1 651 818
Restated balance		<b>63 247 451</b>
<b>35 GRANTS AND SUBSIDIES PAID</b>		
Grants-in-aid and Donations	3 214 250	3 090 500
<b>Total Grants and Subsidies</b>	<b>3 214 250</b>	<b>3 090 500</b>
As previously reported		4 742 318
Correction of error restatement - note 38.6		(1 651 818)
Restated balance		<b>3 090 500</b>
<b>36 GENERAL EXPENSES</b>		
Advertisement	737 436	699 471
Audit Fees	2 476 535	2 671 622
Bank Charges	495 072	431 990
Books	38 134	2 462
Cemetery	1 025	-
Chemicals	636 761	595 178
Entertainment	286 107	281 581
Fuel	2 760 103	2 825 782
Impact Studies	471 692	421 885
Insurance	1 204 495	942 100
Legal Fees	(27 302)	170 872
Licensing	587 331	455 153
Lost Books	9 579	8 128
Materials	1 399 311	1 371 344
Membership Fees	1 053 837	1 131 337
Planning and Development	61 182	185 585
Postage	586 617	413 400
Printing	256 043	234 700
Professional Fees	10 786 704	9 414 326
Projects	71 432	43 965
Protective Clothing	446 420	376 245
RDP Housing Construction Fees	203 440	1 778 600
Refuse Bags	723 007	881 049
Rent Buildings	66 000	32 400
Rent Equipment	111 312	92 099
Sport Fields	173 520	115 108
Stationary	796 304	678 743
Sundries	1 094 495	885 621
Telephone Costs	1 277 403	1 274 571
Training	1 318 771	1 097 394
Travel and Entertainment	1 001 654	1 065 638
Trees	22 086	3 479
Unions	106 913	48 489
Valuations	6 711	78 584
Fertilizer	19 635	11 565
Ward Committee	253 995	88 335
<b>Total General Expenses</b>	<b>31 513 760</b>	<b>30 808 801</b>
As previously reported		30 568 990
Correction of error restatement - note 38.4		239 811
Restated balance		<b>30 808 801</b>

	2016 R	2015 R
<b>37 GAIN/(LOSS) ON SALE OF ASSETS</b>		
Proceeds from disposal	105 263	-
Carrying value of Property, Plant and Equipment	(36 715)	(84 595)
<b>Total Gain/ (Loss) on Sale of Assets</b>	<b>68 548</b>	<b>(84 595)</b>
		<b>2015 R</b>
<b>38 CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
<b>38.1 Long-Term Liabilities</b>		
Some of the annuity loan's outstanding balances as on year-end did not agree to the bank confirmation received from the respective banking institutions. The reason for the variances were due to additional loans taken up in the past not allocated to the loan account.		
The net effect of the above-mentioned errors were as follow:		
- Long-term Liabilities - note 3	Understated	344 966
- Accumulated Surplus - note 38.5	Overstated	(344 966)
<b>38.2 Payables from exchange transactions</b>		
As per the accounting policy, all unclaimed unknown receipts are recognised as income after a period of 36 month. During 2014/15 the municipality neglected to recognise the unclaimed unknown receipts pertaining to 2011/12.		
The net effect of the above-mentioned errors were as follow:		
- Payables from exchange transactions - note 8	Overstated	(251 734)
- Other Income - note 28	Understated	251 734
<b>38.3 Taxes</b>		
The VAT portion pertaining to the Provision for Debt Impairment was incorrectly calculated in the prior year. The VAT portion was calculated based on the contribution for the year, but should have been calculated on the portion pertaining to the closing balance order to take into account any write-offs.		
The net effect of the above-mentioned errors were as follow:		
- Taxes - note 10	Overstated	(881 044)
- Debt Impairment - note 31	Understated	420 978
- Accumulated Surplus - note 38.5	Overstated	(460 066)
<b>38.4 Receivables from Exchange Transactions</b>		
It was noted that internal charges raised are only being cleared in the following month, therefore receivables as on 30 June are being overstated by internal charges.		
The net effect of the above-mentioned errors were as follow:		
- Receivables from exchange transactions - note 17	Overstated	(514 446)
- Service Charges - note 24	Overstated	(127 171)
- Accumulated Surplus - note 38.5	Overstated	(387 275)
<b>38.5 Receivables from non-exchange transactions</b>		
Expenditure and discount pertaining to 2014/15 was incorrectly recognised as a prepaid expense in the Statement of Financial Position, rather than being recognised in the Statement of Financial Performance.		
The net effect of the above-mentioned errors were as follow:		
- Payables from exchange transactions - note 8	Overstated	(50 486)
- Receivables from non-exchange transactions - note 18	Overstated	(290 297)
- General Expenses note 36	Understated	239 811

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

	2015 R
<b>38.6 Accumulated Surplus</b>	
Long-term Liabilities - note 38.1	(344 966)
Taxes - note 38.3	(460 066)
Receivables from Exchange Transactions - note 38.3	(387 275)
Total	<u>(1 192 306)</u>

**38.7 Misallocation in Statement of Financial Performance**

The Accounting Standards Board (ASB) issued a guideline for to the treatment of free basic services relating to indigents. The guideline states that no revenue should be raised and the expenditure relating to the indigent support should still be disclosed as per the nature of the expenditure. However, the Municipality incorrectly reallocated water and electricity expenditure relating to indigent support from Bulk Purchases to Grants and Subsidies Paid.

The net effect of the above-mentioned errors were as follow:

- Bulk Purchases - note 34	Understated	1 651 818
- Grants and Subsidies Paid - note 35	Overstated	(1 651 818)

	2016 R	2015 R
<b>39 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Net Surplus/(Deficit) for the year	25 471 003	35 367 614
Adjusted for:		
Non-cash revenue included in Net Surplus	(263 461)	(775 952)
Contributed Property, Plant and Equipment	-	(856 772)
Actuarial Gains	(268 929)	-
Rental of Facilities and Equipment - decrease in operating lease asset	5 468	(1 870)
Change in Estimate of Traffic Fines	-	82 690
Non-cash expenditure included in Net Surplus	39 857 965	36 141 398
Employee Related Costs - Contributions towards	7 971 334	7 155 473
Post Retirement Health Care Benefits	1 926 749	1 753 521
Long Service Awards	439 518	377 825
Bonuses	4 424 560	4 143 676
Staff Leave	1 180 507	880 451
Debt Impairment	7 764 258	6 964 892
Depreciation and Amortisation	17 521 385	15 825 173
Actuarial Losses	885 426	749 790
Finance Charges	5 784 110	5 361 475
Post Retirement Health Care Benefits	3 023 731	2 700 897
Long Service Awards	382 534	344 300
Provision for Rehabilitation of Landfill-sites	2 377 845	2 316 278
Gains/(Loss) on Sale of Assets	(68 548)	84 595
Cash expenditure not included in Net Surplus	(6 472 601)	(5 777 485)
Provision for Rehabilitation of Landfill Sites	(131 807)	(90 946)
Post Retirement Health Care Benefits	(1 070 419)	(947 434)
Long Service Awards	(463 193)	(490 603)
Bonuses	(4 315 038)	(3 935 246)
Staff Leave	(492 144)	(313 256)
Operating Surplus before changes in working capital	58 592 906	64 955 575
Movement in working capital	(11 622 491)	(12 123 759)
Receivables from Exchange Transactions	(1 225 873)	(6 835 518)
Receivables from Non-Exchange Transactions	(7 723 694)	(8 771 255)
Inventory	(252 084)	(526 852)
Long-term Receivables	(1 446 866)	1 493 191
Payables from exchange transactions	616 604	7 493 859
Conditional Government Grants	(282 105)	(5 660 954)
Taxes	(1 308 473)	683 770
Cash Flow from Operating Activities	<u>46 970 416</u>	<u>52 831 816</u>

**40 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statement comprise the following:

Current Accounts - note 20	60 024 814	11 770 296
Call Investments Deposits - note 20	5 627 255	36 559 660
Cash Floats - note 20	7 450	14 070
<b>Total cash and cash equivalents</b>	<u>65 659 519</u>	<u>48 344 026</u>

	2016 R	2015 R
<b>41 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - note 40	65 659 519	48 344 026
<b>Less:</b>	(2 525 425)	(2 039 014)
Unspent Committed Conditional Grants - note 9	(1 124 152)	(1 487 027)
Unspent Borrowings - note 42	(896 699)	-
Cash Portion of Housing Development Fund - note 2	(504 574)	(551 987)
Net cash resources available for internal distribution	63 134 094	46 305 012
Allocated to:		
Capital Replacement Reserve - note 2	(15 230 500)	(12 172 050)
<b>Resources available for working capital requirements</b>	<b>47 903 594</b>	<b>34 132 962</b>

	2016 R	2015 R
<b>42 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - note 3	52 052 647	49 686 421
Used to finance property, plant and equipment - at cost	(51 155 948)	(49 686 421)
Unspent Borrowings	896 699	-
Cash set aside for the repayment of long-term liabilities	-	-
<b>Cash invested to finance property, plant and equipment from borrowings</b>	<b>896 699</b>	<b>-</b>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

#### 43 BUDGET INFORMATION

##### 43.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.

##### 43.2 Explanation of material variances: Final Budget and Actual Amounts

Material variances are considered to be any variance greater than R2 500 000.

##### Statement of Financial Position

##### 43.2.1 Current Assets

###### Cash

*The Cash available at year-end was more than anticipated due to most Call Investment Deposits which matured during June 2016.*

###### Call Investment Deposits

*The Call Investment Deposits were less than anticipated due to most Call Investment Deposits which matured during June 2016.*

###### Consumer Debtors

*Consumer Debtors were less than budgeted for due to higher collections than anticipated and the reversal of internal charges.*

##### 43.2.2 Non-Current Assets

There were not material variances on Non-Current Assets.

##### 43.2.3 Current Liabilities

###### Borrowing

*The short-term portion was not budgeted for.*

###### Trade and Other Payables

*Incorrect assumptions were used when budgeted for trade and other payables.*

	2016 R	2015 R
<b>43.2.4 Non-Current Liabilities</b>		
<u>Borrowing</u>		
<i>The short-term portion was not budgeted for and therefore included in the non-current portion.</i>		
<b>43.2.5 Net Assets</b>		
<u>Accumulated Surplus/(Deficit)</u>		
<i>Net result of all variances relating to the Statement of Financial Performance as well as the correction of prior year errors.</i>		
<b>Statement of Financial Performance</b>		
<b>43.2.6 Revenue</b>		
<u>Service Charges - Electricity Revenue</u>		
<i>Electricity revenue was less than budgeted for as the budget include internal charges which are reversed at year-end in order to comply with GRAP.</i>		
<u>Fines</u>		
<i>Fines was more than budgeted for due to the appointment of a new service provider.</i>		
<u>Transfers Recognised - Operational</u>		
<i>The difference in transfers recognised is due to the funding received from the Department of Human Settlements which was included in the budget, but not included in the actual outcome. The grant received has been accounted for in terms of the agency principle as per GRAP 109.</i>		
<b>43.2.7 Expenditure</b>		
<u>Debt Impairment</u>		
<i>Debt Impairment was more than budgeted for due to the additional fines issued which was impaired.</i>		
<u>Other Expenditure</u>		
<i>Other Expenditure was less than budgeted for due to the following reason:</i>		
- <i>Not all operating grants projects were implemented.</i>		
- <i>Internal charges was reversed at year-end in order to comply with GRAP.</i>		
- <i>General savings on day-to-day operations.</i>		
- <i>Expenditure relating to funding received from Department of Human Settlements was included in the budget, but not included in the actual outcome. The grant received has been accounted for in terms of the agency principle as per GRAP 109.</i>		
<b>Cash Flow Statement</b>		
<b>43.2.8 Net Cash from Operating Activities</b>		
<u>Service charges</u>		
<i>Service charges were less than budgeted for due to the reversal of internal charges in order to comply with GRAP.</i>		
<u>Government</u>		
<i>No all grant projects were implemented and therefore not all funding received.</i>		
<u>Suppliers and Employees</u>		
<i>Actual is more than budgeted for due to incorrect assumptions used when budgeted for trade and other payables.</i>		
<b>43.2.9 Net Cash from Investing Activities</b>		
<u>Capital Assets</u>		
<i>Actual is less than budgeted for due to incorrect capital expenditure amount used during budget of cash flow.</i>		
<b>43.2.10 Net Cash from Financing Activities</b>		
<u>Repayment of Borrowing</u>		
<i>Actual is less than budgeted for due to incorrect repayment schedule used in determining the redemption of borrowings.</i>		

	2016 R	2015 R
<b>44 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>44.1 Unauthorised expenditure</b>		
Reconciliation of unauthorised expenditure:		
Opening balance	3 705 846	5 327 388
Unauthorised expenditure current year - operational	2 438 153	227 510
Unauthorised expenditure current year - capital	-	3 478 336
Approved by Council	(3 705 846)	(5 327 388)
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	<u>2 438 153</u>	<u>3 705 846</u>

Unauthorised expenditure can be summarised as follow:

	2016 (Actual) R	2016 (Final Budget) R	2016 (Unauthorised) R	2015 (Unauthorised) R
<b>Unauthorised expenditure - Operating</b>				
Vote 1 - Municipal Manager	16 090 498	18 405 666	-	-
Vote 2 - Finance	15 900 446	18 361 363	-	-
Vote 3 - Corporate Services	47 446 937	45 008 784	2 438 153	227 510
Vote 4 - Technical Services	173 864 092	218 940 777	-	-
Total	<u>253 301 974</u>	<u>300 716 590</u>	<u>2 438 153</u>	<u>227 510</u>

Unauthorised expenditure is a non-cash item which relates to the provision for debt impairment of traffic fines issued.

**Unauthorised expenditure - Capital**

	2016 (Actual) R	2016 (Final Budget) R	2016 (Unauthorised) R	2015 (Unauthorised) R
Vote 1 - Municipal Manager	48 014	84 050	-	-
Vote 2 - Finance	728 661	830 000	-	-
Vote 3 - Corporate Services	4 699 292	4 799 430	-	689 375
Vote 4 - Technical Services	26 745 281	28 977 034	-	2 788 961
Total	<u>32 221 247</u>	<u>34 690 514</u>	<u>-</u>	<u>3 478 336</u>

	2016 R	2015 R				
<b>44.2 Fruitless and wasteful expenditure</b>						
Reconciliation of fruitless and wasteful expenditure:						
Opening balance	1 600	-				
Fruitless and wasteful expenditure current year	-	1 773				
Condoned or written off by Council	(1 600)	-				
Recovered during the year	-	(173)				
Fruitless and wasteful expenditure awaiting condonement	<u>-</u>	<u>1 600</u>				
Fruitless and wasteful expenditure can be summarised as follow:						
<table border="1" style="width: 100%;"><thead><tr><th>Incident</th><th>Disciplinary steps/criminal proceedings</th></tr></thead><tbody><tr><td>Interest paid to SARS</td><td>To be investigated</td></tr></tbody></table>	Incident	Disciplinary steps/criminal proceedings	Interest paid to SARS	To be investigated	<u>-</u>	<u>1 600</u>
Incident	Disciplinary steps/criminal proceedings					
Interest paid to SARS	To be investigated					
	<u>-</u>	<u>1 600</u>				

	2016 R	2015 R
<b>44.3 Irregular expenditure</b>		
Reconciliation of irregular expenditure:		
Opening balance	691 068	-
Irregular expenditure current year	2 856 631	691 068
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Condonement supported by council	(691 068)	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting further action	<u>2 856 631</u>	<u>691 068</u>

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2016 R	2015 R
Incorrect awarding of tender (Section 5(1)(a) of Preferential Procurement Regulation)	None	-	7 849
Awards not advertised for 14 days on website (Section 22 of SCM Regulations)	None	-	683 219
Transaction entered into with a supplier whose director/principal shareholder is in the service of the state (Section 44 of SCM Regulation)	None	26 747	-
Tenders awarded where the quorum of Bid Adjudication Committee was 60% instead of 80% (Section 33(1)(e) of SCM Policy)	None	1 169 551	-
Advertised at 80/20 preference point system, but total tender price of all tenders received exceeded R 1 000 000 and should have been cancelled and re-advertised at 90/10 preference point system (Section 8(1)(a) of the preferential procurement policy framework act)	None	1 660 333	-
		<u>2 856 631</u>	<u>691 068</u>



	2016 R	2015 R			
<b>45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>					
<b>45.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)</b>					
Opening balance	-	-			
Council subscriptions	977 301	893 972			
Amount paid - current year	(977 301)	(893 972)			
Amount paid - previous years	-	-			
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
<b>45.2 Audit fees - [MFMA 125 (1)(c)]</b>					
Opening balance	-	5 316			
Current year audit fee	2 891 318	3 106 098			
External Audit - Auditor-General Audit Committee	2 823 250 68 068	3 045 650 60 448			
Amount paid - current year	(2 887 489)	(3 106 097)			
Amount paid - previous year	-	(5 317)			
<b>Balance unpaid (included in creditors)</b>	<b>3 829</b>	<b>-</b>			
<b>45.3 VAT - [MFMA 125 (1)(c)]</b>					
Opening balance	2 522 477	4 039 783			
Amounts received - current year	(768 951)	(3 828 730)			
Amounts claimed - current year	(3 570 556)	(1 993 815)			
Amount paid - current year	4 928 476	4 305 239			
<b>Closing balance</b>	<b>3 111 446</b>	<b>2 522 477</b>			
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.					
<b>45.4 PAYE and UIF - [MFMA 125 (1)(c)]</b>					
Opening balance	-	-			
Current year payroll deductions	11 432 548	9 926 908			
Amount paid - current year	(11 432 548)	(9 926 908)			
Amount paid - previous year	-	-			
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
	<b>2016 R</b>	<b>2015 R</b>			
<b>45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</b>					
Opening balance	-	-			
Current year payroll deductions and Council Contributions	23 354 153	21 331 429			
Amount paid - current year	(23 354 153)	(21 331 429)			
Amount paid - previous year	-	-			
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
<b>45.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</b>					
No Councillors had arrear accounts outstanding for more than 90 days during the year.					
<b>45.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005</b>					
Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)					
		<b>Type of Deviation</b>			
	<b>Amount</b>	<b>Single Supplier</b>			
		<b>Minor Offense</b>			
		<b>Impractical/Impossible</b>			
		<b>Emergency</b>			
July	793 988	8	10	6	4
August	573 103	2	5	2	6
September	132 792	1	7	3	2
October	149 840	1	6	4	3
November	324 972	2	13	6	2
December	772 711	5	8	8	4
January	280 657	3	7	5	1
February	88 471	-	2	1	4
March	374 034	2	12	7	3
April	574 930	2	13	6	2
May	765 522	8	20	3	5
June	9 345 193	6	25	6	1
	<b>14 176 214</b>	<b>40</b>	<b>128</b>	<b>57</b>	<b>37</b>

	2016 R	2015 R
<b>45.8 Material losses</b>		
<b>Electricity distribution losses</b>		
Units purchased (Kwh)	78 186 094	76 855 739
Units lost during distribution (Kwh)	7 916 370	8 069 840
Percentage lost during distribution	10.13%	10.50%
Distribution loss (Rand Value)	6 670 136	6 046 328
<b>Water distribution losses</b>		
Units purchased (kl)	2 627 992	2 515 197
Units lost during distribution (kl)	276 761	223 365
Percentage lost during distribution	10.53%	8.88%
Distribution loss (Rand Value)	1 286 939	960 470

**46 CAPITAL COMMITMENTS****Commitments in respect of capital expenditure:**

Approved and contracted for:

Infrastructure	4 107 386	5 468 824
Intangible Assets	3 368 503	5 468 824
	738 883	-

Approved and not contracted for:

	-	-
--	---	---

**Total**

<b>4 107 386</b>	<b>5 468 824</b>
------------------	------------------

This expenditure will be financed from:

External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	4 107 386	5 468 824
Own Resources	-	-
District Council Grants	-	-

**Total**

<b>4 107 386</b>	<b>5 468 824</b>
------------------	------------------

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).

**47 FINANCIAL RISK MANAGEMENT**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

**(a) Foreign Exchange Currency Risk**

The municipality does not engage in foreign currency transactions.

**(b) Price Risk**

The municipality is not exposed to price risk.

**(c) Interest Rate Risk**

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

1% (2015: 1%) Increase in interest rates	656 521	483 300
0% (2015: 1%) Decrease in interest rates	-	(483 300)

	2016 R	2015 R
<b>(d) Credit Risk</b>		
Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.		
Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.		
Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.		
The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.		
All rates and services are payable within 30 days from invoice date. Refer to note 17 and 18 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 15 for balances included in receivables that were re-negotiated for the period under review.		
No receivables are pledged as security for financial liabilities.		
Due to short term nature of trade and other receivables the carrying value disclosed in note 17 and 18 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.		
The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.		
The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA Bank Limited). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.		
The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.		
Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.		
Financial assets exposed to credit risk at year end are as follows:		
Long-term Receivables	3 756 415	2 309 549
Receivables from exchange transactions	43 511 824	44 496 914
Receivables from non-exchange transactions	46 512 372	39 034 324
Cash and Cash Equivalents	65 652 069	48 329 956
	159 432 680	134 170 743

**(e) Liquidity Risk**

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
<b>2016</b>				
Long-term Liabilities	9 056 456	33 560 013	59 754 515	102 370 985
Payables from Exchange Transactions	22 919 053	-	-	22 919 053
	<u>31 975 509</u>	<u>33 560 013</u>	<u>59 754 515</u>	<u>125 290 038</u>
<b>2015</b>				
Long-term Liabilities	9 665 957	31 550 803	60 100 798	101 317 558
Payables from Exchange Transactions	23 873 679	-	-	23 873 679
	<u>33 539 636</u>	<u>31 550 803</u>	<u>60 100 798</u>	<u>125 191 237</u>

**2016**  
**R****2015**  
**R****48 FINANCIAL INSTRUMENTS**

The Municipality recognised the following financial instruments at amortised cost:

**48.1 Financial Assets****Long-term Receivables**

Receivables with repay arrangements	3 486 387	2 039 521
Housing Loans	270 028	270 028

**Receivables from Exchange Transactions**

Electricity	11 305 182	11 339 334
Water	9 324 108	9 093 075
Housing Rentals	28 646	31 276
Refuse	10 890 531	10 431 218
Sewerage	7 386 479	7 125 208
Other Arrears	4 576 878	6 476 803

**Cash and Cash Equivalents**

Bank Balances	60 024 814	11 770 296
Call Deposits	5 627 255	36 559 660

**Total Financial Assets****112 920 308**      **95 136 419****48.2 Financial Liabilities****Long-term Liabilities**

Annuity Loans	51 953 649	49 446 493
Capitalised Lease Liability	98 998	239 928

**Trade and Other Payables**

Trade Payables	16 854 317	16 535 852
Interest Accrued	37 963	53 964
Retentions	462 916	1 824 825
Other Creditors	4 588 401	4 654 871
Deposits: Other	975 456	804 167

**Total Financial Liabilities****74 971 700**      **73 560 100**

	2016 R	2015 R
<b>49 STATUTORY RECEIVABLES</b>		
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
<b>Taxes</b>		
VAT Receivable	5 135 217	3 897 983
<b>Receivables from Non-Exchange Transactions</b>	43 060 908	36 007 193
Rates	29 741 293	28 488 553
Fines	13 319 615	7 518 640
<b>Total Statutory Receivables</b>	<b>48 196 125</b>	<b>39 905 176</b>

**50 EVENTS AFTER THE REPORTING DATE**

The municipality had no significant events after reporting date.

**51 IN-KIND DONATIONS AND ASSISTANCE**

The municipality did not receive any in-kind donations or assistance during the year under review.

**52 PRIVATE PUBLIC PARTNERSHIPS**

Council has not entered into any private public partnerships during the financial year.

**53 CONTINGENT LIABILITY**

The municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

**54 RELATED PARTIES**

Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

**54.1 Related Party Transactions**

	Rates	Service Charges	Other	Outstanding Balance
<b>Year ended 30 June 2016</b>				
<b>Councillors</b>				
SR Claassen	974	4 296	-	439
SM Crafford	-	4 509	267	485
WJ Dirks	3 993	6 080	13	778
EB Manuel	2 143	17 540	92	2 199
JA Raats	12 467	28 460	18	3 461
SIJ Smit	3 896	47 548	372	5 918
AJ De Vries	7 159	2 198	893	1 109
CJ Snyders	-	4 759	6	361
	<b>30 632</b>	<b>115 390</b>	<b>1 661</b>	<b>14 752</b>
<b>Municipal Manager and Section 57 Employees</b>				
Adv H Linde	-	7 874	-	408
JA van Niekerk	10 519	13 039	2 583	1 238
JWA Kotzee	1 071	9 054	-	797
H Krohn	-	31 217	-	-
	<b>11 591</b>	<b>61 184</b>	<b>2 583</b>	<b>2 442</b>

Year ended 30 June 2015	Rates	Service Charges	Other	Outstanding Balance
<b>Councillors</b>				
SR Claassen	919	4 054	87	414
SM Crafford	-	8 457	15	697
A de Vries	-	-	-	-
WJ Dirks	3 768	6 504	-	805
EB Manuel	2 022	17 042	23	3 282
JA Raats	11 763	27 057	-	3 700
A Maarman	-	-	-	-
SIJ Smit	3 676	34 633	264	6 013
	<b>22 148</b>	<b>97 747</b>	<b>389</b>	<b>14 911</b>
<b>Municipal Manager and Section 57 Employees</b>				
Adv H Linde	-	8 660	-	514
JA van Niekerk	9 925	11 432	-	1 732
JWA Kotzee	169	4 230	-	718
H Krohn	-	26 487	(1 110)	2 454
	<b>10 094</b>	<b>50 809</b>	<b>(1 110)</b>	<b>5 418</b>

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

#### 54.2 Compensation of key management personnel

The compensation of management personnel is set out in note 29 and 30.

#### 54.3 Other related party transactions

The following purchases were made during the year where Management have an interest:

<u>Councillor/Management</u>	<u>Entity</u>	2016 R	2015 R
H Linde	C Linde (Training)	-	5 946
		-	<b>5 946</b>

#### 54.4 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

The following awards were made where immediate family members are in the service of the State:

<u>Supplier</u>	<u>Person involved</u>	<u>Family member who is in the service of the state</u>	2016 R	2015 R
AON	Ndiwanyo Manyanga	Farther (Dep of Education) and mother (Dep of Transport)	2 097 735	-
			<b>2 097 735</b>	-

#### 55 FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

##### Financial Indicators

The current ratio increased to 3,08:1 from 2,70:1 in the prior year.

The municipality have budgeted for a surplus of R15 616 325 for the 2015/2016 financial year and surpluses of R19 267 743 and R36 634 036 for the 2016/2017 and 2017/2018 years respectively.

The average debtors collection rate increased from 95,47% to 97,86%.

Cash and Cash Equivalentents have increased during the year.

**APPENDIX A**  
**BERGRIVIER MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2016**

<b>EXTERNAL LOANS</b>	<b>Rate</b>	<b>Loan Number</b>	<b>Redeemable</b>	<b>Balance at 30 June 2015</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at 30 June 2016</b>
<b>LONG-TERM LOANS</b>							
DBSA	15.00%	61001254	2018/06/30	690 772	-	(197 816)	492 956
DBSA	13.00%	61001020	2016/03/31	207 451	-	(207 452)	-
DBSA	9.98%	61000584	2016/12/31	557 579	-	(362 591)	194 988
DBSA	16.50%	61003131	2020/12/31	606 968	-	(74 808)	532 160
DBSA	14.00%	61001189	2017/09/30	443 100	-	(159 420)	283 680
DBSA	11.70%	61003268	2016/06/30	123 783	-	(123 783)	-
Nedbank	11.27%	05/7831032282	2023/06/12	3 413 456	-	(286 182)	3 127 274
DBSA	9.86%	61000757	2018/12/31	2 994 470	-	(755 110)	2 239 360
DBSA	12.41%	61001029	2030/06/30	16 024 179	-	(399 612)	15 624 567
DBSA	11.53%	61006811	2031/06/30	3 768 585	-	(88 434)	3 680 151
DBSA	11.59%	61006837	2036/06/30	8 674 686	-	(105 332)	8 569 354
DBSA	11.33%	61006975	2032/06/30	3 818 509	-	(79 766)	3 738 743
Standard Bank	11.95%	252933753	2024/06/30	6 439 044	-	(428 399)	6 010 645
Standard Bank	11.25%	252933737	2019/06/30	1 683 909	-	(354 137)	1 329 772
ABSA	9.99%	3044794458	2021/06/30	-	430 000	-	430 000
ABSA	10.57%	3044701437	2026/06/12	-	5 700 000	-	5 700 000
<b>Total Long-term Loans</b>				<b>49 446 493</b>	<b>6 130 000</b>	<b>(3 622 843)</b>	<b>51 953 650</b>
<b>LEASE LIABILITY</b>							
Cellphones and Modems		Various		14 917	181 600	(97 519)	98 998
Telephone Systems		Various		225 012	-	(225 012)	-
<b>Total Lease Liabilities</b>				<b>239 928</b>	<b>181 600</b>	<b>(322 531)</b>	<b>98 998</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>49 686 421</b>	<b>6 311 600</b>	<b>(3 945 374)</b>	<b>52 052 648</b>

**APPENDIX B**  
**BERGRIVIER MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R		2016 Actual Income R	2016 Actual Expenditure R	2016 Surplus/ (Deficit) R
15 529 828	(15 881 228)	(351 401)	Executive and Council	18 787 537	(16 090 498)	2 697 038
60 612 184	(9 011 761)	51 600 423	Budget and Treasury Office	63 184 622	(15 900 446)	47 284 176
1 294 229	(23 504 128)	(22 209 899)	Corporate Services	1 714 177	(24 311 144)	(22 596 967)
931 632	(3 457 993)	(2 526 361)	Planning and Development	1 286 227	(4 208 369)	(2 922 142)
-	-	-	Health	-	-	-
6 563 783	(6 813 678)	(249 895)	Community and Social Services	6 341 223	(6 643 572)	(302 349)
7 573 252	(2 824 300)	4 748 952	Housing	47 954	(1 278 483)	(1 230 529)
6 099 120	(11 782 367)	(5 683 247)	Public Safety	6 990 280	(15 217 845)	(8 227 566)
4 883 438	(10 772 171)	(5 888 733)	Sport and Recreation	5 942 000	(12 685 029)	(6 743 029)
-	-	-	Environmental Protection	-	-	-
20 491 122	(17 474 058)	3 017 063	Waste Management	21 909 136	(20 112 938)	1 796 198
15 937 507	(7 018 325)	8 919 182	Waste Water Management	16 033 243	(8 198 419)	7 834 823
4 464 323	(23 992 052)	(19 527 729)	Road Transport	4 720 814	(24 417 738)	(19 696 924)
37 475 020	(16 304 359)	21 170 662	Water	39 907 184	(18 043 855)	21 863 329
82 336 533	(79 987 935)	2 348 598	Electricity	91 908 583	(86 193 637)	5 714 946
264 191 971	(228 824 355)	35 367 616	Sub Total	278 772 978	(253 301 974)	25 471 005
-	-	-	Less Inter-Departmental Charges	-	-	-
264 191 971	(228 824 355)	35 367 616	<b>Total</b>	278 772 978	(253 301 974)	25 471 005



**APPENDIX C  
BERGRIVIER MUNICIPALITY**

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30 JUNE 2016  
GENERAL FINANCE STATISTICS CLASSIFICATION**

	Cost/Revaluation						Accumulated Depreciation					Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals/ Impairment	Closing Balance	
Executive and council	983 117	-	65 143	-	-	1 048 260	559 087	-	90 819	-	649 905	398 355
Budget and treasury office	6 880 683	-	3 397 159	1 929 537	(40 810)	12 166 570	3 813 340	-	851 743	(16 324)	4 648 759	7 517 811
Corporate Services	778 737	-	181 600	-	(170 343)	789 994	562 958	-	303 689	(170 343)	696 304	93 690
Planning and Development	226 051	-	275 062	-	-	501 112	125 271	-	31 738	-	157 009	344 104
Community and social services	114 113 147	-	1 354 514	-	(6 114)	115 461 547	17 401 375	-	2 426 288	(1 030)	19 826 634	95 634 913
Housing	177 195	-	-	-	-	177 195	24 977	-	19 360	-	44 337	132 857
Public Safety	3 847 586	-	352 128	-	-	4 199 714	1 921 689	-	429 905	-	2 351 594	1 848 120
Sport and recreation	12 340 493	-	29 896	-	-	12 370 389	5 115 228	-	509 196	-	5 624 424	6 745 965
Waste Management	59 192 789	-	563 976	-	(1 138 910)	58 617 855	21 992 329	-	3 712 342	-	25 704 671	32 913 183
Waste Water Management	69 727 277	-	2 740 692	550 000	-	73 017 969	11 650 260	-	2 668 316	-	14 318 577	58 699 392
Road Transport	80 299 213	-	3 643 047	-	-	83 942 260	28 541 919	-	3 335 156	-	31 877 074	52 065 186
Water	58 947 460	-	5 259 115	7 096 200	(7 205)	71 295 570	14 497 335	-	1 593 921	(60)	16 091 196	55 204 375
Electricity	45 930 954	-	1 383 144	3 581 633	-	50 895 731	13 648 515	-	1 548 912	-	15 197 427	35 698 304
	453 444 701	-	19 245 476	13 157 371	(1 363 382)	484 484 165	119 854 282	-	17 521 386	(187 757)	137 187 911	347 296 254

**APPENDIX D**  
**BERGRIVIER MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**  
**MUNICIPAL VOTES CLASSIFICATIONS**

2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R		2016 Actual Income R	2016 Actual Expenditure R	2016 Surplus/ (Deficit) R
15 238 077	(11 653 457)	3 584 620	<b>Municipal Manager</b>	18 131 537	(10 896 833)	7 234 704
291 750	(4 227 771)	(3 936 020)	Council	656 000	(5 193 665)	(4 537 665)
			Strategic Services			
60 612 184	(9 011 761)	51 600 423	<b>Director: Finance</b>	63 184 622	(15 900 446)	47 284 176
			Financial Administration			
626 609	(6 170 619)	(5 544 010)	<b>Director: Corporate Services</b>	604 800	(5 062 244)	(4 457 444)
-	(297 422)	(297 422)	Administration	-	(409 289)	(409 289)
-	(866 478)	(866 478)	Community Services	-	(1 110 915)	(1 110 915)
3 894 875	(4 028 534)	(133 659)	Fire	4 146 829	(5 102 212)	(955 384)
192 929	(9 903 156)	(9 710 228)	Holiday Resorts	677 187	(11 729 868)	(11 052 681)
6 289 250	(5 923 371)	365 879	Human Resources	6 029 283	(5 826 701)	202 582
427 139	(2 247 493)	(1 820 354)	Library	508 983	(2 750 749)	(2 241 766)
6 099 120	(10 915 889)	(4 816 769)	Planning and Development	6 990 280	(14 106 930)	(7 116 650)
3 216 665	(1 303 079)	1 913 587	Traffic	3 358 372	(1 348 028)	2 010 344
			Vehicle Licencing			
504 493	(1 210 500)	(706 006)	<b>Director: Technical Services</b>	777 243	(1 457 620)	(680 376)
274 533	(592 885)	(318 352)	Building Control	311 940	(407 582)	(95 641)
-	(4 852 658)	(4 852 658)	Cemetery	-	(5 579 129)	(5 579 129)
474 691	(7 430 353)	(6 955 662)	Community Parks	432 190	(7 519 031)	(7 086 842)
82 336 533	(79 775 941)	2 560 592	Council Properties & Buildings	91 908 583	(85 889 895)	6 018 687
-	(211 994)	(211 994)	Electricity	-	(303 741)	(303 741)
7 573 252	(2 824 300)	4 748 952	Electricity Streetlights	47 954	(1 278 483)	(1 230 529)
20 491 122	(17 474 058)	3 017 063	Housing	21 909 136	(20 112 938)	1 796 198
1 247 658	(22 688 973)	(21 441 315)	Refuse Removal and Dumping	1 362 443	(23 069 710)	(21 707 267)
15 937 507	(4 649 486)	11 288 021	Roads and Stormwater	16 033 243	(7 495 779)	8 537 464
988 563	(1 890 978)	(902 415)	Sewerage	1 795 172	(2 003 688)	(208 517)
-	(2 368 839)	(2 368 839)	Sportgrounds & Swimming Pools	-	(702 641)	(702 641)
37 475 020	(16 304 359)	21 170 662	Stormwater Management	39 907 184	(18 043 855)	21 863 329
			Water			
264 191 971	(228 824 355)	35 367 616	<b>Sub Total</b>	278 772 978	(253 301 974)	25 471 005
-	-	-	Less Inter-Departmental Charges	-	-	-
264 191 971	(228 824 355)	35 367 616	<b>Total</b>	278 772 978	(253 301 974)	25 471 005

**APPENDIX E**  
**BERGRIVIER MUNICIPALITY**  
**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 30 June 2015	Correction of Error	Restated Balance 30 June 2015	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2016	Unspent 30 June 2016 (Creditor)	Unpaid 30 June 2016 (Debtor)
<b>National Government Grants</b>											
Equitable Share	-	-	-	30 454 000	-	-	(30 454 000)	-	-	-	-
Finance Management Grant (FMG)	-	-	-	1 450 000	-	-	(1 000 000)	(450 000)	-	-	-
Municipal Systems Improvement Grant (MSIG)	-	-	-	940 000	-	-	(340 000)	(600 000)	-	-	-
Municipal Infrastructure Grant (MIG)	1 348 069	-	1 348 069	14 201 000	-	(1 348 000)	(2 111 376)	(11 783 135)	306 558	306 558	-
Expanded Public Works Programme	-	-	-	1 070 000	-	-	(1 070 000)	-	-	-	-
Integrated National Electrification	-	-	-	3 000 000	-	-	-	(2 315 031)	684 969	684 969	-
ACIP	-	-	-	4 453 734	-	-	(547 328)	(3 906 406)	-	-	-
<b>Total National Government Grants</b>	<b>1 348 069</b>	<b>-</b>	<b>1 348 069</b>	<b>55 568 734</b>	<b>-</b>	<b>(1 348 000)</b>	<b>(35 522 704)</b>	<b>(19 054 572)</b>	<b>991 527</b>	<b>991 527</b>	<b>-</b>
<b>Provincial Government Grants</b>											
Housing	(80 770)	-	(80 770)	80 770	-	-	-	-	-	-	-
CDW Contribution	-	-	-	36 000	-	-	(36 000)	-	-	-	-
Housing Consuming Education	3 880	-	3 880	-	-	-	(3 880)	-	-	-	-
Finance Management Grant (Provincial)	51 942	-	51 942	1 062 500	-	-	(1 041 232)	-	73 210	73 210	-
Proclaimed Roads	-	-	-	82 339	-	-	(82 339)	-	-	-	-
Municipal Infrastructure Support Grant	-	-	-	-	-	-	-	-	-	-	-
Municipal Performance Management Allocator	-	-	-	200 000	-	-	(200 000)	-	-	-	-
Library Services	-	-	-	5 930 000	-	-	(5 325 000)	(605 000)	-	-	-
<b>Total Provincial Government Grants</b>	<b>(24 948)</b>	<b>-</b>	<b>(24 948)</b>	<b>7 391 609</b>	<b>-</b>	<b>-</b>	<b>(6 688 451)</b>	<b>(605 000)</b>	<b>73 210</b>	<b>73 210</b>	<b>-</b>
<b>District Municipality</b>											
West Coast DM - LED	-	-	-	-	-	-	-	-	-	-	-
<b>Total District Municipality Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Grant Providers</b>											
Cerebos Ltd	83 136	-	83 136	35 000	-	-	(71 549)	-	46 587	46 587	-
Chieta	-	-	-	135 000	-	-	(122 172)	-	12 828	12 828	-
LG Seta	-	-	-	286 086	-	-	(286 086)	-	-	-	-
<b>Total Other Grant Providers</b>	<b>83 136</b>	<b>-</b>	<b>83 136</b>	<b>456 086</b>	<b>-</b>	<b>-</b>	<b>(479 807)</b>	<b>-</b>	<b>59 415</b>	<b>59 415</b>	<b>-</b>
<b>Total Grants</b>	<b>1 406 257</b>	<b>-</b>	<b>1 406 257</b>	<b>63 416 429</b>	<b>-</b>	<b>(1 348 000)</b>	<b>(42 690 962)</b>	<b>(19 659 572)</b>	<b>1 124 152</b>	<b>1 124 152</b>	<b>-</b>

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

**APPENDIX F**  
**BERGRIVIER MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016**

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
<b>Financial Performance</b>						
Property rates	51 928 000	(814 000)	51 114 000	52 508 447	1 394 447	49 129 586
Service charges	139 312 000	2 570 000	141 882 000	137 397 235	(4 484 765)	126 068 500
Investment revenue	2 250 000	1 000 000	3 250 000	4 296 966	1 046 966	3 232 674
Transfers recognised - operational	40 517 000	40 664 272	81 181 272	42 232 852	(38 948 420)	40 981 105
Other own revenue	17 742 000	487 600	18 229 600	22 505 883	4 276 283	19 394 549
<b>Total Operating Revenue</b>	<b>251 749 000</b>	<b>43 907 872</b>	<b>295 656 872</b>	<b>258 941 383</b>	<b>(36 715 489)</b>	<b>238 806 414</b>
Employee costs	97 727 000	(532 236)	97 194 764	96 066 313	(1 128 451)	86 530 847
Remuneration of councillors	5 274 140	(700 720)	4 573 420	5 281 515	708 095	4 848 895
Debt impairment	3 823 440	699 560	4 523 000	7 764 257	3 241 257	6 964 892
Depreciation and asset impairment	17 944 000	95 000	18 039 000	17 521 386	(517 614)	15 825 174
Finance charges	10 892 892	826 714	11 719 606	11 582 399	(137 207)	11 614 679
Materials and bulk purchases	72 292 000	130 000	72 422 000	73 029 500	607 500	63 247 451
Transfers and grants	3 331 000	-	3 331 000	3 214 250	(116 750)	3 090 500
Other expenditure	46 945 000	41 968 800	88 913 800	38 842 355	(50 071 445)	36 701 917
<b>Total Expenditure</b>	<b>258 229 472</b>	<b>42 487 118</b>	<b>300 716 590</b>	<b>253 301 975</b>	<b>(47 414 615)</b>	<b>228 824 355</b>
<b>Surplus/(Deficit)</b>	<b>(6 480 472)</b>	<b>1 420 754</b>	<b>(5 059 718)</b>	<b>5 639 408</b>	<b>10 699 126</b>	<b>9 982 059</b>
Transfers recognised - capital	55 301 000	(34 624 956)	20 676 044	19 831 596	(844 448)	24 528 783
Contributions Recognised - Capital	-	-	-	-	-	856 772
<b>Surplus/(Deficit) for the year</b>	<b>48 820 528</b>	<b>(33 204 202)</b>	<b>15 616 326</b>	<b>25 471 004</b>	<b>9 854 678</b>	<b>35 367 614</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	<b>69 200 050</b>	<b>(34 509 536)</b>	<b>34 690 514</b>	<b>32 221 247</b>	<b>(2 469 267)</b>	<b>35 187 490</b>
Transfers recognised - capital	55 301 000	(34 708 772)	20 592 228	19 759 360	(832 868)	24 478 715
Public contributions & donations	-	83 136	83 136	71 549	(11 587)	-
Borrowing	6 130 000	-	6 130 000	5 233 301	(896 699)	5 250 013
Internally generated funds	7 769 050	116 100	7 885 150	7 157 037	(728 113)	5 458 762
<b>Total sources of capital funds</b>	<b>69 200 050</b>	<b>(34 509 536)</b>	<b>34 690 514</b>	<b>32 221 247</b>	<b>(2 469 267)</b>	<b>35 187 490</b>
<b>Cash flows</b>						
Net cash from (used) operating	30 927 323	48 212 289	79 139 612	46 970 416	(32 169 196)	52 831 816
Net cash from (used) investing	(29 898 997)	(15 175 350)	(45 074 347)	(32 115 983)	12 958 364	(34 303 717)
Net cash from (used) financing	3 800 457	(10 382 920)	(6 582 463)	2 461 060	9 043 523	(3 900 210)
Net Cash Movement for the year	4 828 783	22 654 019	27 482 802	17 315 493	(10 167 309)	14 627 889
Cash/cash equivalents at beginning of year	37 798 629	4 828 783	42 627 412	48 344 026	5 716 614	33 716 137
<b>Cash/cash equivalents at the year end</b>	<b>42 627 412</b>	<b>27 482 802</b>	<b>70 110 214</b>	<b>65 659 519</b>	<b>(4 450 696)</b>	<b>48 344 026</b>

**APPENDIX F**  
**BERGRIVIER MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016**

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
<b>REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>REVENUE</b>						
<b>Governance and administration</b>						
Executive and council	18 408 000	462 500	18 870 500	18 787 537	(82 963)	15 529 828
Budget and treasury office	59 164 000	1 286 000	60 450 000	63 184 622	2 734 622	60 612 184
Corporate services	1 313 000	383 600	1 696 600	1 714 177	17 577	1 294 229
<b>Community and public safety</b>						
Community and social services	6 243 000	-	6 243 000	6 341 223	98 223	6 563 783
Sport and recreation	5 359 330	(2 000)	5 357 330	5 942 000	584 670	4 883 438
Public safety	4 140 000	-	4 140 000	6 990 280	2 850 280	6 099 120
Housing	38 587 000	-	38 587 000	47 954	(38 539 046)	7 573 252
<b>Economic and environmental services</b>						
Planning and development	1 102 000	-	1 102 000	1 286 227	184 227	931 632
Road transport	4 826 000	79 816	4 905 816	4 720 814	(185 002)	4 464 323
<b>Trading services</b>						
Electricity	95 519 000	1 364 000	96 883 000	91 908 583	(4 974 417)	82 336 533
Water	39 029 670	2 096 000	41 125 670	39 907 184	(1 218 486)	37 475 020
Waste water management	12 515 000	3 143 000	15 658 000	16 033 243	375 243	15 937 507
Waste management	20 844 000	470 000	21 314 000	21 909 136	595 136	20 491 122
<b>Total Revenue - Standard</b>	<b>307 050 000</b>	<b>9 282 916</b>	<b>316 332 916</b>	<b>278 772 980</b>	<b>(37 559 936)</b>	<b>264 191 971</b>
<b>EXPENDITURE</b>						
<b>Governance and administration</b>						
Executive and council	18 448 140	(42 474)	18 405 666	16 090 498	(2 315 168)	15 881 228
Budget and treasury office	17 583 329	778 034	18 361 363	15 900 446	(2 460 917)	9 011 761
Corporate services	25 110 000	(293 271)	24 816 729	24 311 144	(505 585)	23 504 128
<b>Community and public safety</b>						
Community and social services	6 567 000	412 757	6 979 757	6 643 572	(336 185)	6 813 678
Sport and recreation	13 232 000	596 274	13 828 274	12 685 029	(1 143 245)	10 772 171
Public safety	11 606 111	174 872	11 780 983	15 217 845	3 436 862	11 782 367
Housing	1 494 000	38 229 886	39 723 886	1 278 483	(38 445 403)	2 824 300
<b>Economic and environmental services</b>						
Planning and development	4 412 000	43 394	4 455 394	4 208 369	(247 025)	3 457 993
Road transport	24 981 500	(881 021)	24 100 479	24 417 738	317 259	23 992 052
<b>Trading services</b>						
Electricity	87 341 500	(543 160)	86 798 340	86 193 637	(604 703)	79 987 935
Water	19 075 000	(85 601)	18 989 399	18 043 855	(945 544)	16 304 359
Waste water management	10 219 000	1 270 739	11 489 739	8 198 419	(3 291 320)	7 018 325
Waste management	18 159 892	2 826 689	20 986 581	20 112 938	(873 643)	17 474 058
<b>Total Expenditure - Standard</b>	<b>258 229 472</b>	<b>42 487 118</b>	<b>300 716 590</b>	<b>253 301 973</b>	<b>(47 414 617)</b>	<b>228 824 355</b>
<b>Surplus/(Deficit) for the year</b>	<b>48 820 528</b>	<b>(33 204 202)</b>	<b>15 616 326</b>	<b>25 471 007</b>	<b>9 854 681</b>	<b>35 367 616</b>

**APPENDIX F**  
**BERGRIVIER MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016**

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
<b>REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)</b>						
<b>REVENUE</b>						
Vote 1 - Municipal Manager	18 408 000	462 500	18 870 500	18 787 537	(82 963)	15 529 828
Vote 2 - Finance	59 164 000	1 286 000	60 450 000	63 184 622	2 734 622	60 612 184
Vote 3 - Corporate Services	18 849 000	373 600	19 222 600	22 315 734	3 093 134	20 746 588
Vote 4 - Technical Services	210 629 000	7 160 816	217 789 816	174 485 086	(43 304 730)	167 303 372
<b>Total Revenue by Vote</b>	<b>307 050 000</b>	<b>9 282 916</b>	<b>316 332 916</b>	<b>278 772 979</b>	<b>(37 559 937)</b>	<b>264 191 972</b>
<b>EXPENDITURE</b>						
Vote 1 - Municipal Manager	18 448 140	(42 474)	18 405 666	16 090 498	(2 315 168)	15 881 228
Vote 2 - Finance	17 583 329	778 034	18 361 363	15 900 446	(2 460 917)	9 011 761
Vote 3 - Corporate Services	43 717 111	1 291 673	45 008 784	47 446 937	2 438 153	41 656 042
Vote 4 - Technical Services	178 480 892	40 459 885	218 940 777	173 864 092	(45 076 685)	162 275 324
<b>Total Expenditure by Vote</b>	<b>258 229 472</b>	<b>42 487 118</b>	<b>300 716 590</b>	<b>253 301 973</b>	<b>(47 414 617)</b>	<b>228 824 355</b>
<b>Surplus/(Deficit) for the year</b>	<b>48 820 528</b>	<b>(33 204 202)</b>	<b>15 616 326</b>	<b>25 471 006</b>	<b>9 854 680</b>	<b>35 367 617</b>

**APPENDIX F**  
**BERGRIVIER MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016**

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATEMENT 2015 R
<b>REVENUE AND EXPENDITURE</b>						
<b>REVENUE BY SOURCE</b>						
Property rates	51 928 000	(814 000)	51 114 000	52 508 447	1 394 447	49 129 586
Service charges - electricity revenue	89 576 000	1 200 000	90 776 000	86 484 265	(4 291 735)	78 300 158
Service charges - water revenue	24 230 000	400 000	24 630 000	23 629 312	(1 000 688)	22 227 683
Service charges - sanitation revenue	9 558 000	300 000	9 858 000	10 211 626	353 626	9 632 225
Service charges - refuse revenue	15 948 000	670 000	16 618 000	17 072 032	454 032	15 908 434
Rental of facilities and equipment	3 697 000	-	3 697 000	4 323 309	626 309	3 675 857
Interest earned - external investments	2 250 000	1 000 000	3 250 000	4 296 966	1 046 966	3 232 674
Interest earned - outstanding debtors	3 000 000	300 000	3 300 000	3 776 001	476 001	3 197 469
Fines	4 107 000	-	4 107 000	7 001 397	2 894 397	6 104 573
Licences and permits	1 560 000	-	1 560 000	1 219 081	(340 919)	1 265 778
Agency services	2 041 000	-	2 041 000	2 199 847	158 847	2 013 969
Transfers recognised - operational	40 517 000	40 664 272	81 181 272	42 232 852	(38 948 420)	40 981 105
Other revenue	3 337 000	187 600	3 524 600	3 917 700	393 100	3 136 903
Gain on disposal of PPE	-	-	-	68 548	68 548	-
<b>Total Revenue (excl capital transfers)</b>	<b>251 749 000</b>	<b>43 907 872</b>	<b>295 656 872</b>	<b>258 941 383</b>	<b>(36 715 489)</b>	<b>238 806 414</b>
<b>EXPENDITURE BY TYPE</b>						
Employee related costs	97 727 000	(532 236)	97 194 764	96 066 313	(1 128 451)	86 530 847
Remuneration of councillors	5 274 140	(700 720)	4 573 420	5 281 515	708 095	4 848 895
Debt impairment	3 823 440	699 560	4 523 000	7 764 257	3 241 257	6 964 892
Depreciation and asset impairment	17 944 000	95 000	18 039 000	17 521 386	(517 614)	15 825 174
Finance charges	10 892 892	826 714	11 719 606	11 582 399	(137 207)	11 614 679
Bulk purchases	72 292 000	130 000	72 422 000	73 029 500	607 500	63 247 451
Transfers and grants	3 331 000	-	3 331 000	3 214 250	(116 750)	3 090 500
Other expenditure	46 945 000	41 968 800	88 913 800	38 842 355	(50 071 445)	36 617 322
Loss on disposal of PPE	-	-	-	-	-	84 595
<b>Total Expenditure</b>	<b>258 229 472</b>	<b>42 487 118</b>	<b>300 716 590</b>	<b>253 301 975</b>	<b>(47 414 615)</b>	<b>228 824 355</b>
<b>Surplus/(Deficit)</b>	<b>(6 480 472)</b>	<b>1 420 754</b>	<b>(5 059 718)</b>	<b>5 639 408</b>	<b>10 699 126</b>	<b>9 982 059</b>
Transfers recognised - capital	55 301 000	(34 624 956)	20 676 044	19 831 596	(844 448)	24 528 783
Contributions Recognised - Capital	-	-	-	-	-	856 772
<b>Surplus/(Deficit) for the year</b>	<b>48 820 528</b>	<b>(33 204 202)</b>	<b>15 616 326</b>	<b>25 471 004</b>	<b>9 854 678</b>	<b>35 367 614</b>

**APPENDIX F**  
**BERGRIVIER MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016**

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
<b>CAPITAL EXPENDITURE</b>						
<b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b>						
<b>Multi-year expenditure</b>						
Vote 1 - Municipal Manager	-	-	-	-	-	-
Vote 2 - Finance	550 000	-	550 000	549 990	(10)	-
Vote 3 - Corporate Services	-	-	-	-	-	-
Vote 4 - Technical Services	43 701 470	(33 591 094)	10 110 376	9 811 197	(299 179)	1 312 697
<b>Total Multi-year expenditure</b>	<b>44 251 470</b>	<b>(33 591 094)</b>	<b>10 660 376</b>	<b>10 361 187</b>	<b>(299 189)</b>	<b>1 312 697</b>
<b>Single-year expenditure</b>						
Vote 1 - Municipal Manager	84 050	-	84 050	48 014	(36 037)	91 820
Vote 2 - Finance	280 000	-	280 000	178 671	(101 329)	120 122
Vote 3 - Corporate Services	4 683 330	116 100	4 799 430	4 699 292	(100 138)	4 404 598
Vote 4 - Technical Services	19 901 200	(1 034 542)	18 866 658	16 934 084	(1 932 574)	29 258 253
<b>Total Single-year expenditure</b>	<b>24 948 580</b>	<b>(918 442)</b>	<b>24 030 138</b>	<b>21 860 060</b>	<b>(2 170 078)</b>	<b>33 874 793</b>
<b>Total Capital Expenditure by Vote</b>	<b>69 200 050</b>	<b>(34 509 536)</b>	<b>34 690 514</b>	<b>32 221 247</b>	<b>(2 469 267)</b>	<b>35 187 490</b>
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	84 050	-	84 050	48 014	(36 037)	91 820
Budget and treasury office	830 000	-	830 000	728 661	(101 339)	120 122
Corporate services	2 229 000	(463 500)	1 765 500	1 656 822	(108 678)	1 380 311
<b>Community and public safety</b>						
Community and social services	719 000	32 300	751 300	746 271	(5 029)	1 266 991
Sport and recreation	2 687 330	711 600	3 398 930	3 104 144	(294 786)	1 992 064
Public safety	1 020 000	(660 000)	360 000	419 795	59 795	496 465
Housing	38 550 000	(38 550 000)	-	-	-	5 680 597
<b>Economic and environmental services</b>						
Planning and Development	50 000	-	50 000	3 788	(46 212)	3 190
Road transport	4 380 000	(28 742)	4 351 258	3 705 484	(645 774)	3 597 153
<b>Trading services</b>						
Electricity	5 690 000	5 000	5 695 000	4 930 310	(764 690)	4 116 762
Water	10 877 670	1 989 246	12 866 916	12 588 501	(278 415)	13 737 549
Waste water management	1 446 000	2 479 560	3 925 560	3 821 789	(103 771)	2 123 274
Waste management	637 000	(25 000)	612 000	467 669	(144 331)	581 192
<b>Total Capital Expenditure - Standard</b>	<b>69 200 050</b>	<b>(34 509 536)</b>	<b>34 690 514</b>	<b>32 221 247</b>	<b>(2 469 267)</b>	<b>35 187 490</b>



**APPENDIX F**  
**BERGRIVIER MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016**

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
<b>CAPITAL EXPENDITURE (CONTINUED)</b>						
<b>FUNDING SOURCES</b>						
National Government	16 146 000	3 841 228	19 987 228	19 154 370	(832 858)	23 650 564
Provincial Government	39 155 000	(38 550 000)	605 000	604 990	(10)	828 152
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>55 301 000</b>	<b>(34 708 772)</b>	<b>20 592 228</b>	<b>19 759 360</b>	<b>(832 868)</b>	<b>24 478 715</b>
Public contributions & donations	-	83 136	83 136	71 549	(11 587)	-
Borrowing	6 130 000	-	6 130 000	5 233 301	(896 699)	5 250 013
Internally generated funds	7 769 050	116 100	7 885 150	7 157 037	(728 113)	5 458 762
<b>Total Capital Funding</b>	<b>69 200 050</b>	<b>(34 509 536)</b>	<b>34 690 514</b>	<b>32 221 247</b>	<b>(2 469 267)</b>	<b>35 187 490</b>

**APPENDIX F**  
**BERGRIVIER MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016**

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
<b>CASH FLOWS</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges	51 928 000	(814 000)	51 114 000	51 010 061	(103 939)	46 429 962
Service charges	137 568 203	10 676 343	148 244 546	139 376 722	(8 867 824)	124 610 594
Other revenue	12 644 889	(2 144 599)	10 500 290	9 701 781	(798 509)	10 010 161
Government - operating	40 517 000	30 130 988	70 647 988	42 408 857	(28 239 131)	35 513 081
Government - capital	55 301 000	(24 475 488)	30 825 512	19 659 572	(11 165 940)	24 528 783
Interest	2 250 000	1 000 000	3 250 000	4 296 966	1 046 966	3 232 674
<b>Payments</b>						
Suppliers and employees	(255 057 877)	26 876 153	(228 181 724)	(210 471 004)	17 710 720	(182 149 734)
Finance charges	(10 892 892)	6 962 892	(3 930 000)	(5 798 289)	(1 868 289)	(6 253 205)
Transfers and grants	(3 331 000)	-	(3 331 000)	(3 214 250)	116 750	(3 090 500)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>30 927 323</b>	<b>48 212 289</b>	<b>79 139 612</b>	<b>46 970 416</b>	<b>(32 169 196)</b>	<b>52 831 816</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	-	-	105 263	105 263	-
Decrease (increase) other non-current receivables	851 053	(1 001 602)	(150 549)	-	150 549	27 000
<b>Payments</b>						
Capital assets	(30 750 050)	(14 173 748)	(44 923 798)	(32 221 246)	12 702 552	(34 330 717)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(29 898 997)</b>	<b>(15 175 350)</b>	<b>(45 074 347)</b>	<b>(32 115 983)</b>	<b>12 958 364</b>	<b>(34 303 717)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing	6 130 000	-	6 130 000	6 130 000	-	-
Increase (decrease) in consumer deposits	135 792	(27 991)	107 801	276 434	168 633	193 824
<b>Payments</b>						
Repayment of borrowing	(2 465 335)	(10 354 929)	(12 820 264)	(3 945 374)	8 874 890	(4 094 034)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>3 800 457</b>	<b>(10 382 920)</b>	<b>(6 582 463)</b>	<b>2 461 060</b>	<b>9 043 523</b>	<b>(3 900 210)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>4 828 783</b>	<b>22 654 019</b>	<b>27 482 802</b>	<b>17 315 493</b>	<b>(10 167 309)</b>	<b>14 627 889</b>
Cash/cash equivalents at the year begin	37 798 629	4 828 783	42 627 412	48 344 026	5 716 614	33 716 137
Cash/cash equivalents at the year end:	42 627 412	27 482 802	70 110 214	65 659 519	(4 450 695)	48 344 026