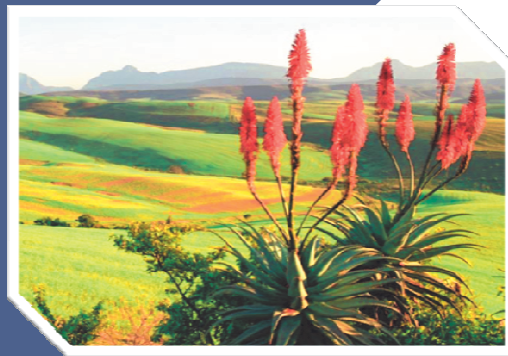


# Annual Report 2016/17

In terms of section 121 of the Municipal Finance  
Management Act (Act 56 of 2003)



## Overberg



District Municipality  
Distriksmunisipaliteit  
Umasipala Wesithili

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CONTENTS

**VOLUME I**

<b>CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY</b>	<b>5</b>
<b>COMPONENT A: MAYOR’S FOREWORD</b>	<b>5</b>
<b>COMPONENT B: EXECUTIVE SUMMARY</b>	<b>7</b>
1.1 MUNICIPAL MANAGER’S OVERVIEW	7
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	8
1.3 SERVICE DELIVERY OVERVIEW	10
1.4 FINANCIAL HEALTH OVERVIEW	10
1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW	12
1.6 AUDITOR-GENERAL REPORT	12
1.7 STATUTORY ANNUAL REPORT PROCESS	13
<b>CHAPTER 2 – GOVERNANCE</b>	<b>14</b>
<b>COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE</b>	<b>14</b>
2.1 POLITICAL GOVERNANCE	14
2.2 ADMINISTRATIVE GOVERNANCE	16
<b>COMPONENT B: INTERGOVERNMENTAL RELATIONS</b>	<b>17</b>
2.3 INTERGOVERNMENTAL RELATIONS	17
<b>COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION</b>	<b>18</b>
2.4 PUBLIC MEETINGS	18
2.5 IDP PARTICIPATION AND ALIGNMENT	20
<b>COMPONENT D: CORPORATE GOVERNANCE</b>	<b>20</b>
2.6 RISK MANAGEMENT	20
2.7 ANTI-CORRUPTION AND FRAUD	23
2.8 SUPPLY CHAIN MANAGEMENT	23
2.9 BY-LAWS	24
2.10 WEBSITES	24
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	24
<b>CHAPTER 3 – SERVICE DELIVERY</b>	<b>25</b>
<b>COMPONENT A: BASIC SERVICES</b>	<b>25</b>
3.1 SOLID WASTE	25
<b>COMPONENT B: ROAD TRANSPORT</b>	<b>28</b>
3.2 ROADS	28
3.3 TRANSPORT	31
<b>COMPONENT C: PLANNING AND DEVELOPMENT</b>	<b>32</b>
3.4 PLANNING	32
3.5 LOCAL ECONOMIC DEVELOPMENT	34
<b>COMPONENT D: COMMUNITY AND SOCIAL SERVICES</b>	<b>39</b>
<b>COMPONENT E: ENVIRONMENTAL PROTECTION</b>	<b>39</b>
3.6 POLLUTION CONTROL	39
3.7 ENVIRONMENTAL MANAGEMENT	40
<b>COMPONENT F: HEALTH</b>	<b>42</b>
3.8 MUNICIPAL HEALTH SERVICES (HEALTH INSPECTION)	42
<b>COMPONENT G: SECURITY AND SAFETY</b>	<b>45</b>
3.9 FIRE SERVICES	46
3.10 DISASTER MANAGEMENT	48
<b>COMPONENT H: SPORT AND RECREATION</b>	<b>49</b>
3.11 RESORTS	50



## CONTENT

<b>COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES</b>	<b>54</b>
3.12 EXECUTIVE AND COUNCIL	54
3.13 FINANCIAL SERVICES	57
3.14 HUMAN RESOURCES	61
3.15 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	64
3.16 SUPPORT SERVICES, PROPERTY, RISK MANAGEMENT AND PROCUREMENT SERVICES	64
<b>COMPONENT J: ORGANISATIONAL PERFORMANCE SCORE CARD</b>	<b>71</b>
<b>COMPONENT K: PERFORMANCE ASSESSMENT OF SERVICE PROVIDERS</b>	<b>78</b>
<b>CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE</b>	<b>82</b>
<b>COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL</b>	<b>82</b>
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	82
<b>COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE</b>	<b>84</b>
4.2 POLICIES	84
4.3 INJURIES, SICKNESS AND SUSPENSIONS	85
4.4 PERFORMANCE REWARDS	86
<b>COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE</b>	<b>86</b>
4.5 SKILLS DEVELOPMENT AND TRAINING	87
<b>COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE</b>	<b>89</b>
4.6 EMPLOYEE EXPENDITURE	89
<b>CHAPTER 5 – FINANCIAL PERFORMANCE</b>	<b>91</b>
<b>COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE</b>	<b>91</b>
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	92
5.2 GRANTS	93
5.3 ASSET MANAGEMENT	94
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	95
<b>COMPONENT B: SPENDING AGAINST CAPITAL BUDGET</b>	<b>97</b>
5.5 CAPITAL EXPENDITURE	97
5.6 SOURCES OF FINANCE	98
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	98
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	98
<b>COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS</b>	<b>99</b>
5.9 CASH FLOW	99
5.10 BORROWING AND INVESTMENTS	100
5.11 PUBLIC PRIVATE PARTNERSHIPS	101
<b>COMPONENT D: OTHER FINANCIAL MATTERS</b>	<b>101</b>
5.12 SUPPLY CHAIN MANAGEMENT	101
5.13 GRAP COMPLIANCE	101
<b>CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS</b>	<b>102</b>
<b>COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2015/2016</b>	<b>102</b>
6.1 AUDITOR-GENERAL REPORTS 2015/2016	102
<b>COMPONENT B: AUDITOR-GENERAL OPINION 2016/2017</b>	<b>103</b>
6.2 AUDITOR-GENERAL REPORT 2016/2017	103
<b>GLOSSARY &amp; ACRONYMS</b>	<b>104</b>
<b>APPENDICES</b>	<b>107</b>
<b>APPENDIX A–COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE</b>	<b>107</b>
<b>APPENDIX B –COMMITTEE AND COMMITTEE PURPOSES</b>	<b>109</b>
<b>APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE</b>	<b>110</b>
<b>APPENDIX D –REPORT OF AUDIT AND PERFORMANCE AUDIT COMMITTEE</b>	<b>111</b>
<b>APPENDIX E –RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE 2016/2017</b>	<b>117</b>
<b>APPENDIX F –LONG-TERM CONTRACTS</b>	<b>118</b>



## CONTENT

<b>APPENDIX G –DISCLOSURES OF FINANCIAL INTERESTS</b>	<b>119</b>
<b>APPENDIX H- REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE</b>	<b>120</b>
<b>APPENDIX H (I) – REVENUE COLLECTION PERFORMANCE BY VOTE</b>	<b>120</b>
<b>APPENDIX H (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE</b>	<b>120</b>
<b>APPENDIX I – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG</b>	<b>121</b>
<b>APPENDIX J – CAPITAL PROGRAMME BY PROJECT 2016/2017</b>	<b>122</b>
<b>APPENDIX K – AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS AND PERFORMANCE REPORT 2016/2017</b>	<b>123</b>
<b>APPENDIX L – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71</b>	<b>130</b>
<b>APPENDIX M – FUNCTIONS OF MUNICIPALITY / ENTITY</b>	<b>130</b>
<b>APPENDIX N – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT</b>	<b>130</b>
<b>VOLUME II: ANNUAL FINANCIAL STATEMENTS 2016/2017</b>	



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

#### COMPONENT A: MAYOR’S FOREWORD



It is my privilege to present the 2016/2017 Annual Report for the Overberg District Municipality.

Despite the impact of the current economic climate, the municipality managed to perform towards the fulfilment of its vision and mission statement.

#### **Vision**

*Totally committed to serve the Overberg*

#### **Mission**

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

The new Council of the Overberg District Municipality was constituted on 30 August 2016 and adopted the previous Council’s Integrated Development Plan Review for 2016/2017 which concluded the previous five year cycle.

#### **Policy Development**

The strategic objectives identified and formulated were aligned with the Government objectives, National Outcomes, National Development Plan and with the Western Cape Provincial Strategic plan. The five year objectives are:

- To ensure the health and safety of all in the Overberg through the provision of efficient **basic services and infrastructure** in terms of disaster management, municipal health and environmental management.
- To promote **local economic development** by supporting initiatives in the District for the development of a sustainable district economy.
- To ensure **municipal transformation and institutional development** by creating a staff structure that would adhere to the principles of employment equity and promote skills development.
- To attain and maintain **financial viability** and sustainability by executing accounting services in accordance with National policy and guidelines.
- To ensure **good governance practices** by providing a democratic and pro-active accountable government and ensuring **community participation** through existing Integrated Development Plan (IDP) structures.

The adopted Performance Management System monitors the implementation of the strategic objectives and budget. Continuous monitoring of performance was necessary and corrective measures were implemented where needed. Council is satisfied that it has fulfilled its responsibilities in accordance with its strategic objectives and legislative mandate during the reporting period and that the system of delegations, approved by council, contributes to role clarity and the effective and efficient exercising of authority and responsibilities.

#### **Key Service Delivery Improvements**

In exercising proper and sound financial discipline, the municipality remains optimistic to attain and maintain financial viability and sustainability in the long-term. The municipality was able to deliver outstanding services to the community in an accountable, economical, effective, efficient and equitable manner. The municipality maintained an unqualified audit (“Clean Audit”) for the 3<sup>rd</sup> consecutive year. It is also the 3<sup>rd</sup> year that all the Local Municipalities within the boundaries of the Overberg District Municipality received clean audits.

Some of the key achievements during the year included: The signing of the Durban Commitment: Local Governments for Biodiversity – by signing the Durban Commitment the ODM became part of a larger group of local governments worldwide that acknowledge their responsibility to ensure the well-being of its communities by the protection, sustainable utilisation and managing of our natural resources. It was once again a privilege to participate in the Western Cape Greenest Municipality competition and receive 2<sup>nd</sup> place in the district municipality category. A 24 hour shift was implemented at one fire station and three fire fighting vehicles were procured which will enhance service delivery. As the municipality is mainly dependant on government grants, the municipality participated in a District Funding Research Initiative to influence the calculation of equitable share which is categorised as the highest risk of the municipality.



## CHAPTER 1

### ***Public Participation***

Public Participation is of utmost importance to our District and therefore we created an open opportunity for our clients, the four B-municipalities, and other stakeholders through various platforms. An information session was also held whereby Grade 11 and 12 learners of Bredasdorp schools were encouraged to comment on the Draft IDP and the importance of participating in municipal matters and the role of Ward Committees.

### ***Future Actions***

It is the intent to further enhance decision-making platforms to create an environment for robust economic development. The implementation and monitoring of programmes are identified in the next five year IDP cycle.

### ***Conclusion***

I would like to express my appreciation and thanks to the Executive Mayoral Committee and all the Councillors for their contribution and commitment towards realising the vision and making a difference in the lives of all in the Overberg. I would also like to thank the Management team and Staff members for their support during the year. Without your commitment and loyalty, these achievements would not have been possible.

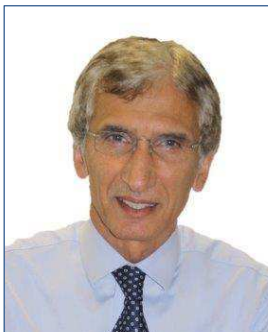
**Ald A E Franken**  
**Executive Mayor**





### COMPONENT B: EXECUTIVE SUMMARY

#### 1.1 MUNICIPAL MANAGER'S OVERVIEW



This report provides an overview of the final year of the 3<sup>rd</sup> Generation Integrated Development Plan (IDP) (2016/2017), as adopted by the newly elected Council.

The report reflects on the performance and progress made by the Overberg District Municipality in fulfilling its strategic objectives and priorities, as aligned with the IDP, Budget, as well as Provincial and National strategic direction. As the Municipal Manager/Accounting Officer, I can confidently state that the municipality achieved all of its pre-determined objectives as set out in the 3<sup>rd</sup> Generation IDP.

This report contains highlights of the programmes and projects that were successfully delivered by the Overberg District Municipality in order to enhance service delivery to the community and all stakeholders.

Considerable effort was made to improve the efficiency and effectiveness of service delivery to the stakeholders. The municipality continues to focus on efforts to strengthen governance structures through the review of policies, procedures and systems. An organisational review was conducted to improve functionality and alignment with the municipality's strategy and strategic objectives.

Although the municipality managed to improve its financial sustainability, it continues to experience financial constraints, but succeeded in closing this year with a cash surplus. This is mainly as a result of spending controls as well as sound financial discipline and the implementation of cost containment measures. The total revenue received for the 2016/2017 financial year was R159 million, with a total operating budget of R157 million. The municipality is largely dependent on government grants and support, which is calculated at 81,46% of the total revenue of the municipality.

The Overberg District Municipality succeeded, for a third consecutive year, in being awarded an unqualified (clean) audit report without any findings, from the Auditor-General. A clean audit action plan was implemented to rectify shortcomings. The administration endeavours to significantly improve the control environment and minimise non-compliance with legislation and policies, as well as the management of performance information to ensure accountability. To this effect, the municipality once again performed well in terms of its Performance Management and Service Delivery and Budget Implementation Plan (SDBIP), emphasizing that it is results-driven.

The shared services for risk management continues to promote good governance with sound intergovernmental relations and co-operative interaction between the Overberg District Municipality as the host, and the four Local Municipalities, namely Overstrand, Theewaterskloof, Cape Agulhas and Swellendam. The possibility to extend the shared services model to include Information Communication Technology (ICT) and Legal Services is under consideration.

The Risk Management Committee, under the leadership of the Municipal Manager, meets quarterly and reports to Council and the Audit and Performance Audit Committee regularly. During this financial year, formal risk assessments of all departments have been completed and measured to mitigate all risks of the municipality. Action plans have been developed to monitor and manage the risks.

The management team functioned exceptionally well, notwithstanding that there has been a vacancy of Director: Community Services, which will be filled during the 2017/2018 financial year.

I would therefore like to thank all for having contributed to making 2016/2017 a success. I would like to record my sincere appreciation for the political leadership from the Executive Mayor, the Deputy Executive Mayor, the Executive Mayoral Committee, the Speaker, Councillors, the Audit and Performance Audit Committee, staff and all stakeholders for their support and positive commitment.

**D P Beretti**  
**Municipal Manager**

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





1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Overberg District Municipality (ODM) is classified as a ‘Category C’ municipality and functions within a legislative framework. The municipality is situated in the south of the Western Cape and borders the Indian and Atlantic Oceans to the south, and Cape Town, Cape Winelands and Eden to the west, north and east respectively, with its head office in Bredasdorp. The region comprises an area of over 12 241 km<sup>2</sup> with demarcated wards, totalling a population of 286,786<sup>1</sup>.

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



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



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



**Cape Agulhas Municipality** with its headquarters in Bredasdorp includes Arniston (Waenhuiskrans), Struisbaai, L’Agulhas, Suiderstrand, Napier and Elim. Agricultural activities include wheat production, stock farming and small fishing communities. The area is also known as a holiday destination with the southernmost point of Africa at L’Agulhas.



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

**Basic Services**

As a District Municipality, the ODM has no households as the functions of water, sanitation, electricity, refuse and housing, etc. are delivered by the local municipalities. The municipality maintains 491 km asphalt and 3231 km gravel roads as an agency function for the Provincial Department of Transport and Public Works in the Overberg area. The ODM performs the nine functions of the Municipal Health Act, 2003, in the district, which has a direct impact on the residents of the area. The municipality also fulfil its responsibility in terms of legislative requirements to deliver Fire and Disaster Management & Environmental Management services.

**Population**

According to the 2016 Community Survey, the Overberg District has a population of 286,786. The total number of people living in the Overberg district increased by approximately 11% from 2011 to 2016, according to official data from Statistics South Africa.

According to Census 2011, there were 77 196 **households** within the Overberg district. As per the 2016 Community Survey estimates, this number increased to 91 835 which equates to 19% growth off the 2011 base. Households are defined as all structures in both formal and informal areas.

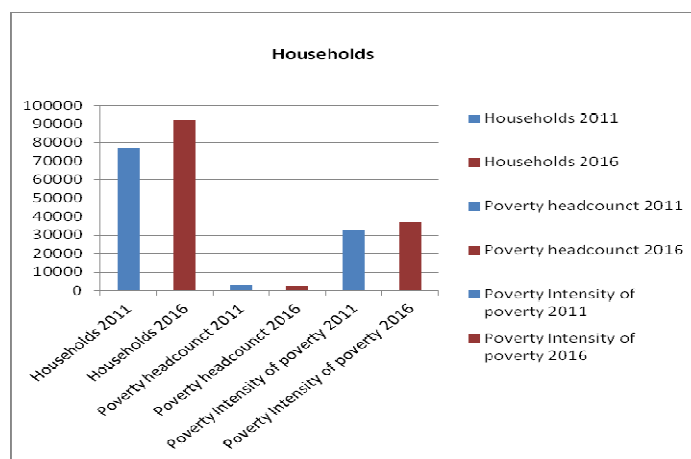


<sup>1</sup> Community Survey 2016



Person indicators													'000
2011						Persons age 20 years+ who have completed grade 12	2016						Persons age 20 years+ who have completed grade 12
Total Population			Youth (15-34 years)				Total Population			Youth (15-34 years)			
Male	Female	Total	Male	Female	Total		Male	Female	Total	Male	Female	Total	
129	129	258	45	42	88	59	143	143	287	48	47	94	70

Source: Community Survey 2016 – Provinces at a Glance



Source: Stats SA Community Survey 2016 – Provinces at a Glance

Poverty headcount shows the proportion of households that are considered to be “multidimensional poor” in the area. Intensity of Poverty is the average proportion of indicators in which multidimensional poor households are deprived.

Overview of Local Municipalities in the District
Further information regarding the Socio Economic States, Settlement Type, Household, Population, etc., can be obtained from the annual reports of the following Local Municipalities in the District.
<ul style="list-style-type: none"> <li>Theewaterskloof</li> <li>Overstrand</li> <li>Cape Agulhas</li> <li>Swellendam</li> </ul>

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



### 1.3 SERVICE DELIVERY OVERVIEW

#### SERVICE DELIVERY INTRODUCTION

Services in the Overberg District are primarily rendered by the local municipalities and are responsible for electricity, water, sanitation and waste collection of the households in their respective areas. For information on basic service delivery, see the annual reports of the Local Municipalities in the district.

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

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

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

The municipality continuously promotes sustainable development by means of commenting on various development applications regarding environmental issues such as biodiversity conservation, coastal management and solid waste management.

#### *Electricity*

Eskom is the main supplier of electricity in the Overberg District area and sells electricity to the four Local Municipalities and direct supplying of electricity in the rural areas. The Municipality recognises the use of renewable energy as a means to generate electricity to supplement Eskom's needs to increase natural energy. A wind farm has been established in the Theewaterskloof Municipal area.

#### *Water*

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

The proportion of households with access to basic services should be obtained from each local municipality.

### 1.4 – FINANCIAL HEALTH OVERVIEW

#### FINANCIAL OVERVIEW

Although the municipality is still experiencing financial challenges and resource constraints, all reports in terms of the Municipal Finance Management Act have been submitted, all creditors were paid and the financial statements was completed on time. During the period the Auditor-General agree that the municipality is a going concern – this was achieved by means of sound financial control and discipline. The sound financial control and discipline mainly contributed to the following:

- The municipality obtained an Unqualified (Clean) Audit opinion for the 3<sup>rd</sup> consecutive year; and
- According to Businesstech, the municipality is part of the Top 9 best financial performing municipalities in South Africa (excluding metro's).

All statutory submissions were tabled to the Finance Portfolio Committee, MPAC (Municipal Public Accounts Committee) and Council within legislative timeframes. It must be highlighted that the municipality is operating a very successful and interactive Finance Portfolio Committee with open sessions to jointly seek solutions and best practices. All existing finance- and budget related policies were reviewed and the following policies added to the list, namely Infrastructure Procurement and Delivery Management Policy and Preferential Procurement Policy.

Overberg District Municipality successfully migrated to the new Municipal Standard Chart of Accounts (mSCOA) with effect 1 July 2017. Amongst other the Central Supplier Database (CSD) module was tested at Overberg District Municipality.



## CHAPTER 1

Financially the municipality is still challenged due to financial constraints and still cannot appoint staff as per the guiding norms and standards – it must however be highlighted that the municipality is still able to provide an effective & efficient financial service. The following two (2) strategic risks can directly be linked to the current financial constraints, namely Calculation of Equitable Share and Lack of Revenue Source.

Due to a Western Cape District Municipalities Funding Research Initiative (DFRI), the National Government funding base by means of the Division of Revenue Act, 2017, was increased to 11% (2017/2018), 23% (2018/2019) and unfortunately the increase falls back to 3% in 2019/2020. It needs to be highlighted that the Fiscal Committee is not fulfilling the Constitutional instruction in terms of Section 214(2)(d), namely “The Act refers to in subsection (1) may be enacted only after the provincial governments, organised local government and the Financial and Fiscal Commission been consulted, and any recommendations of the Commission have been consulted and any recommendations of the Commission have been considered, and must take into account: (d) the need to ensure that provinces and municipalities are able to provide and perform functions allocated to them”.

A VAT review was undertaken by one of the municipality’s service providers and the proceeds of this review will be utilised to enhance service delivery.

Financial Overview - 2016/17			
R' 000			
Details	Original budget	Adjustment Budget	Actual
<b>Income</b>			
Grants	126 161	131 010	129 864
Taxes, Levies and tariffs	12 784	13 856	14 058
Other	15 567	12 320	15 492
Sub Total	154 511	157 186	159 414
<b>Less Expenditure</b>	158 458	165 968	161 971
Net Total*	(3 947)	(8 782)	(2 557)
<i>* Note: surplus/(deficit)</i>			

Operating Ratios	
Detail	%
Employee Cost	51.07
Repairs & Maintenance	42.65
Finance Charges & Depreciation	6.81

### COMMENT ON OPERATING RATIOS

Employee cost represents 51.07% of total expenditure. This is above the accepted norm of 35%, however certain core functions of the municipality are labour intensive, which has a huge influence on employee costs.

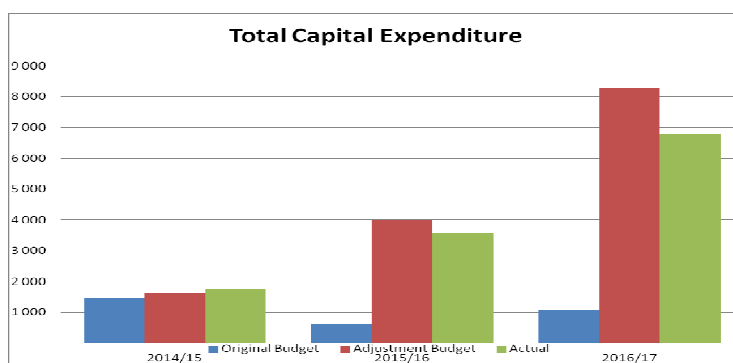
The biggest portion of repairs and maintenance was spent on the Roads function. The Roads function is performed on behalf of the Western Cape Government. If the Roads function is left out of this calculation it means that not enough was spent on repairs and maintenance of the municipality’s own assets and therefore not meeting the norm of 15%.

Finance cost represents 6.81% of total expenditure, which is within the acceptable norm.

Total Capital Expenditure: 2014/2015 to 2016/2017			
R'000			
Detail	2014/2015	2015/2016	2016/2017
Original Budget	1 457	629	1 097
Adjustment Budget	1 639	3 989	7 664
Actual	1 745	3 576	6 782



## CHAPTER 1



### COMMENT ON CAPITAL EXPENDITURE

Only 88% of the Capital Budget was spent during the year under review. The main reasons for the under spending relates to the following:

The procurement of a building for fire services (Caledon area), which did not realise. The purchasing of fire fighting vehicles as the municipality only received the funds late in the financial year. These vehicles will be delivered in the 2017/2018 financial year, as well as other movable assets which will be finalised in the 2017/2018 financial year.

## 1.5 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality's organisational structure consists of the Office of the Municipal Manager, Management Services and Community Services. The Municipal Manager, as the head of the administration, was assisted by the Director Management Services/CFO while the position of Director Community services remains vacant.

During the year the Municipality reviewed the organisational structure to ensure alignment with the 4<sup>th</sup> Generation Integrated Development Plan (IDP), approved by Council on 5 December 2016. The different functionalities of the Overberg District Municipality were incorporated within 4 divisions, namely the Office of the Municipal Manager, Directorate Finance, Corporate Services and Community Services. The organisational structure will be implemented in phases. The first phase was approved by municipal manager with effective date 1 July 2017.

## 1.6 AUDITOR-GENERAL REPORT

### AUDITOR-GENERAL REPORT 2016/2017

The Overberg District Municipality received, for the third consecutive year, an unqualified audit outcome from the Auditor-General. The achievements were accomplished by good leadership, oversight functions from Council, the Municipal Public Accounts Committee (MPAC) and the Audit and Performance Audit Committee. Internal controls procedures, document management systems and policies also contributed to the achievements. An action plan (OPCAR – Operation Clean Audit Report) is a management tool to address unsolved audit findings.

<i>Financial year</i>	<i>Audit Opinion</i>
<i>2014/2015</i>	<i>Unqualified without findings (Clean)</i>
<i>2015/2016</i>	<i>Unqualified without findings (Clean)</i>
<i>2016/2017</i>	<i>Unqualified without findings (Clean)</i>

See Chapter 6 - Auditor-General Audit Finding - Component A and B for the Auditor-General opinions for 2015/16 and 2016/2017. Audit Report – Appendix K



1.7 STATUTORY ANNUAL REPORT PROGRESS

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



#### INTRODUCTION TO GOVERNANCE

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

#### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

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

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

#### 2.1 POLITICAL GOVERNANCE

#### INTRODUCTION TO POLITICAL GOVERNANCE

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

The Council is controlled by a majority political party. Council is governed by applicable legislation, the Rules of Order and the Code of Conduct as adopted on 30 August 2016. The speaker is affiliated to a political party and elected to the role of speaker through a process of nomination and closed ballot voting by the Council. Should the speaker not be available, Council will appoint a person for each meeting through the closed ballot process.

The Local Government Municipal Election took place on 03 August 2016 and the inaugural meeting was held on 30 August 2016 where a new council was established for the next 5 years. The Council was democratically elected through the Electoral Act. The composition of the Council is through a system of proportional representation based on that municipality's segment of the national common voters roll, and which provides for the election of members from lists of party candidates drawn up in a party's order of preference; or proportional representation combined with a system of ward representation based on the municipality's segment of the national common voters roll. The political structures deemed the councillors to have the necessary competence to serve as a councillor.

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

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

The Audit and Performance Audit Committee is an independent advisory body that advises the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality on financial control, risk management, accounting policies, performance management and effective governance. The municipality has a Municipal Public Account Committee (MPAC), comprised of non-executive councillors and chaired by a member of the



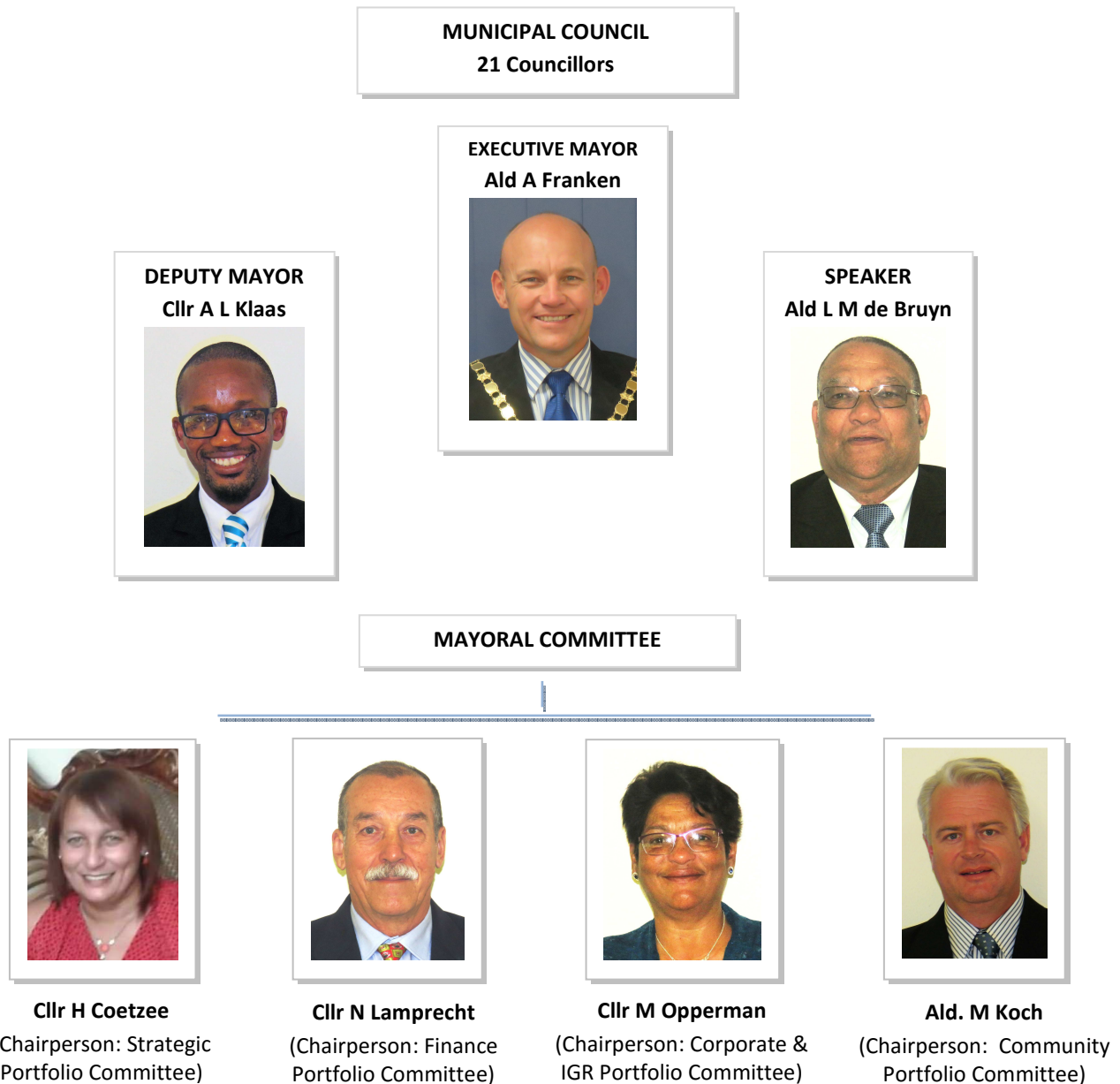


## CHAPTER 2

opposition party. One of the tasks of the MPAC is to provide Council with comments and recommendations on the Annual Report. The Oversight report on the Annual Report is published separately in accordance with the MFMA guidelines.

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

### POLITICAL STRUCTURE



### COUNCILLORS

The Overberg District Municipality has 21 Councillors, 12 of which represent local municipalities and 9 of which are directly elected. **Appendix A** provides a full list of Councillors, including committee allocations and attendance at Council meetings. **Appendix B** sets out committees and committee purposes. The average age of Councillors is 50. During the year 3 Councillors resigned due to other commitments and were replaced by new Councillors.

Councillors were remunerated according to “Determination of the Upper Limits for the Salaries, Allowances and Benefits of Municipal Councillors for the 2016/2017 financial year” Regulation.

In order to ensure that Councillors fulfil their obligations to their communities, and support the achievement by the municipality in an ethical manner, Councillors must adhere to the Code of Conduct as established in Schedule one (1)



## CHAPTER 2

of the Municipal Systems Act, 2000 (Act 32 of 2000). The Municipal Finance Management Act, 2003 (Act 56 of 2003), section 117 prohibit Councillors to be part of the tender process.

### POLITICAL DECISION-MAKING

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

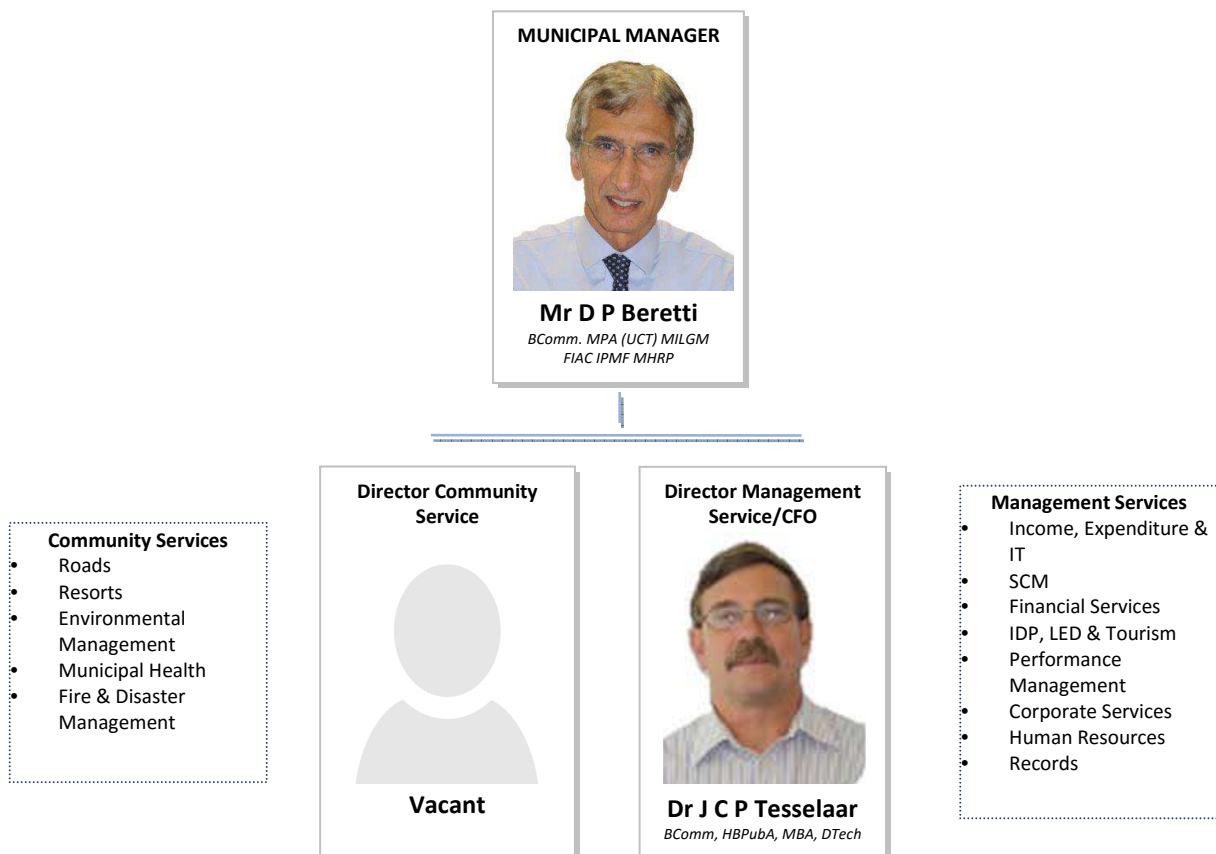
## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

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

The Municipal Manager is ultimately responsible for all the departments; namely Management and Community Services.

#### TOP ADMINISTRATIVE STRUCTURE



The municipal manager is appointed by Council in line with the elections. His contract has a 30 day notice period, and follows the process in terms of the Systems Act. A disciplinary process may be followed if needed. The succession plan for the municipal manager determines that the municipal manager may not be in office longer than one year after the election, except when he is re-appointed. The Director Management Services/CFO supports the municipal manager. Council is of the opinion that the arrangements in place are effective, but not ideal as the position of Director Community services remains vacant.

**Appendix C** provides the third tier administrative structure.



### COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

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

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

#### 2.3 INTERGOVERNMENTAL RELATIONS

##### NATIONAL INTERGOVERNMENTAL STRUCTURES

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

National Treasury assisted the municipality with a second phase Municipal Finance Improvement Programme as adopted by Council and also capacitated the municipality with an advisor. This program came to an end in January 2017.

##### PROVINCIAL INTERGOVERNMENTAL STRUCTURES

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

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

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

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

The municipality has sound relations with the Department of Transport and Public Works relating to the road agency function delivered on their behalf. A Memorandum of Agreement exists with Western Cape Department of Local Government for aerial support during the fire season.

**RELATIONSHIPS WITH MUNICIPAL ENTITIES** - No municipal entities.

##### DISTRICT INTERGOVERNMENTAL STRUCTURES

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

The District coordinating Forum (DCF), DCF Tech, District IDP Managers' Forum, Disaster Management Advisory Forum, IDP Rep/Public Participation & Communication Forum, District LED/Tourism Forum, District Skills Development Forum, District Health Council, Air Quality Officers Forum, Regional Waste Management Forum, Municipal Coastal



## CHAPTER 2

Committee, Karwyderskraal Landfill Monitoring Committee, District Fire Working Group, Disaster Management Advisory Forum, Overberg EPWP Forum, District Land Reform, District Joint Operational Centre, District Roads and others.

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

The future area of focus is a district-wide District Funding Research Initiative.

### COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

The participation outlined above is required in terms of the:

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

The Municipality's vision states that the municipality is ***totally committed to serve the Overberg***. The communities have a right and a responsibility to participate in local government affairs and decision-making, therefore ample provision is made in legislation for communities to exercise their rights in this respect.

Accountability and community participation were enhanced by engagements through the media and communication tools such as public participation meetings for the IDP and sector plans linked to the IDP. Customers are encouraged to interact through the Customer Care Complaints Register at resorts and the determinations of the customer care policy. Officials are then able to act on the matters brought to their attention.

Accountability and community participation are further enhanced through other direct engagements with the local municipalities and other sectors in the district. In this regard, priority issues from local municipal areas are incorporated into the Integrated Development Plan of the district municipality.

The Municipality works hard to be and to be seen as a responsible corporate citizen. Our clean audit status evidences that the financial matters are in order. The municipality was rated as one of the top 9 best-run municipalities (metro's excluded) in the 2015/2016 financial year. Public accountability reports are presented to the Strategic Services Portfolio Committee and the Corporate Services and Inter-governmental Relations Portfolio Committee. The Municipality was also the first runner-up in the greenest municipality competition in the previous financial year. Matters that concern the community were researched, for example the approval of raising tax on property valuation conducted through the District Funding Research Initiative (DFRI) undertaken in July 2016.

Key focus area during the reporting period was the Back-to-Basics information submitted to National Treasury and the Finance Portfolio Committee on a monthly basis. Planned areas of future focus include a public satisfaction survey, the Safer Communities Project Plan for fire and disaster management and health and well-being.

#### 2.4 PUBLIC MEETINGS

##### COMMUNICATION, PARTICIPATION AND FORUMS

###### *District IDP Structures*

District IDP communication platforms include the District IDP Managers Forum and the District IDP Representative/Public Participation Communication Forum (IDP Rep/PPComm). These platforms are used to



## CHAPTER 2

communicate processes and activities pertaining to the IDP, public participation and communication, and comprises role-players from across the region, Western Cape Department of Local Government, as well as sector departments.

For the 2016/17 financial year, the Overberg District Municipality adopted a different approach in respect of the hosting of traditional quarterly District IDP Rep/PPComm Forum meetings. This was decided in light of preparing the new 5-year plans to be developed. To this effect, sector-focused engagements were held with various Provincial Sector Departments on 23, 24 and 29 November 2017. The purpose was to assist municipalities in the Overberg with the drafting of informed and credible 4<sup>th</sup> Generation Integrated Development Plans. Engagements were very well attended by Provincial, District and Local stakeholders across the Overberg.

Following the adoption of the Draft IDP, the Municipality communicated its Draft IDP and performance information to the public by distributing documents for public participation to its Regional Offices, Local Municipalities, Libraries and Thusong Services Centres in the region. Information was also published on the municipal website. Following the public input period, a summation of IDPs across the region was presented to stakeholders on 11 May 2017, prior to final adoption thereof on 15 May 2017.

### ***District IDP Information Sessions and Awareness Campaigns***

As per Section 18(1) of the Municipal Systems Act of 2000, a municipality must communicate to its community information concerning the available mechanisms, processes and procedures to encourage and facilitate community participation. As part of the IDP public participation process, the Overberg District Municipality embarked on IDP Information Sessions by presenting an overview of its 5-year Plan to employees and stakeholders on 8 and 10 February 2017. Emphasis was placed on the relevance and importance of Ward Committee Systems and participation in local municipal public participation processes.

The Draft IDP and the role of a District Municipality were also presented during a District Information Session to Grade 11 and 12 Learners on 20 April 2017. The importance of participating in municipal matters was emphasised and learners were encouraged to comment on the Draft IDP.

### ***Internal Newsletter “Decus Nostrum”***

The “*Decus Nostrum*” served as a tool to inform all staff of processes and procedures that were reviewed and implemented throughout the year. Further, the publication showcased departmental or individual staff achievements and also served its purpose by communicating legislative/compliance processes and educational material to ensure that employees were capacitated throughout the year. Interviews with staff regarding various topics were also conducted to boost its purpose by serving as a two-way communication tool for the entire organisation. A total of 4 Internal Newsletters were produced and issued during the year.

### ***External Newsletter***

In showcasing the Overberg District Municipality’s activities, educating and informing the Overberg communities, the ODM fulfils its role by bi-annually producing an External Newsletter. Information is also sourced from local municipalities in the region. Copies were distributed to local municipalities, stakeholders and at various strategic points within the region, such as libraries. A total of 2 External Newsletters were produced and issued during the year.

### ***Communication platforms***

Engagements occur through the intergovernmental structures as indicated previously as well as the following:

Municipal website • Facebook • Twitter • Notice boards • Internal Newsletter • External Newsletter • Local and regional newspapers • Local radio station • IGR Fora • Posters • Pamphlets • Awareness campaigns.

### ***Ward Committees***

Local municipalities in the region serve as the District’s Ward Committee System. Functionality of these ward committees are provided by the District, on behalf of the Local Municipalities in the region, at the Provincial Public Participation and Communication Forum meetings. Provincial Forum engagements were held on 18 November 2016, 18 February 2017 and 20 May 2017.

## **COMMENTS ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD**

Through public participation, the local municipalities and the community gave valuable inputs and assisted Councillors with decisions on their behalf. It also enhanced co-operative relationships between the district municipality, local municipalities and the community and the identification of their needs.



2.5 IDP PARTICIPATION AND ALIGNMENT

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

\* Section 26 Municipal Systems Act 2000

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

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

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

Council adopted a Combined Assurance Policy Framework on 30 June 2017. The aim is to optimise the assurance coverage obtained from Council, management, corporate support functions, internal and external assurance providers on the risk areas affecting the municipality of which the Risk Management, Internal Audit and the Audit & Performance Audit Committee forms an integral part.

2.6 RISK MANAGEMENT

RISK MANAGEMENT

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

The risk management function is performed by a Chief Risk Officer on a Shared Service agreement between all the municipalities in the district. Chief Risk Officer reports directly to Municipal Manager on risk management activities on a continuous basis.

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

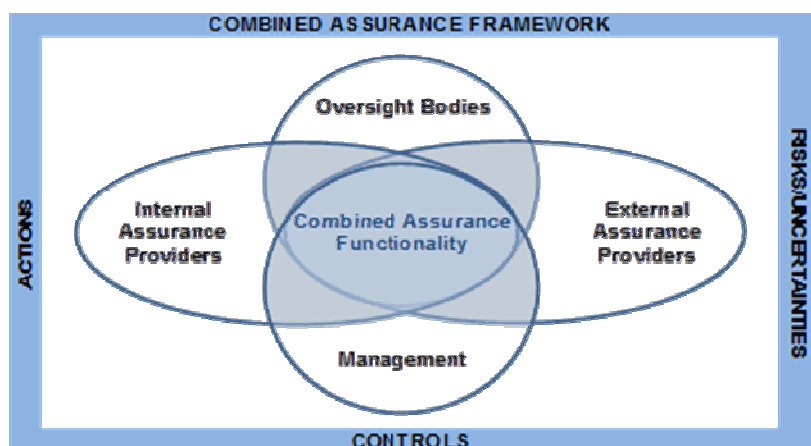


## CHAPTER 2

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

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

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



### Top five strategic risks

Risk Level	Risk Description	Cause of risk	Current Controls	Residual Risk
Strategic	Calculation of Equitable Share	Formula applied on historic base by National Treasury	1. Consultation process 2. Budget process	High
Strategic	Grading of municipalities	Regulations set on salaries by National Government caused a direct financial loss to salaries (R3.4m in loss of subsidy)	1. District Municipalities have submitted a report on the negative impacts of the grading system	High
Strategic	Lack of revenue source	Lack of legal clarity on revenue generation initiatives	1. Budget process	High
Strategic	Escalation of substance abuse	Social development insufficient	1. LED initiatives 2. Create jobs and opportunities to mitigate	High
Strategic	Attraction and retention of skilled staff	Current funding levels not optimal to pay a premium for Employment Equity candidates	1. Commitment of current staff 2. Critical posts identified 3. MFIP 4. EPWP skills programme 5. Internship programme 6. Grant funding (Provincial and National) 7. Consultants are used when required 8. Staff recruitment policy and directive 9. Employment Equity plan	High





Undue, unexpected or unusual risks and risks taken outside of risk tolerance levels		
Risk Number	Risk Description	Risk Background
R 235	Escalation of substance abuse.	Socio economic issues which involve drugs, alcohol, poverty, teen pregnancy, poaching, abuse etc. Both affecting ODM internally as well as externally. Indirect and direct impact on service delivery.
R 236	Grading of municipalities	Grading of municipality (grade 4) are not aligned with salary structure of its Directors (compensated on grade 2)
R 239	Unfunded mandates	Unfunded mandates for Agri Parks
R 247	Performance Reliance on Local Municipalities to improve Waste Management Activities	Waste Management not effective due to premises and processes not being managed
R 264	Calculation of Equitable Share	Equitable Share was appropriated lower than expected and affects the overall budget and planning of the municipality
R 265	Lack of revenue source	Revenue source
R 268	Climate Change	Climate change/ Environmental factors
R 274	Loss of Roads Agency function	Should the function of Roads be transferred back to the Provincial Department the municipality will then have a catastrophic financial viability concern.
R 276	Economy	Deteriorating economic conditions
R 283	Inability to Implement Coastal Management Program	Lack of finance and resources to properly implement the CMP

Strategic risks are identified by the Executive Mayoral Committee and the departmental risk by the risk champions of each departement. Internal Auditor uses the information in the risk registers to draft a Risk Based Audit Plan.

Council resolved with the revision of the Risk Management Policy that municipality use the standard 10X10 rating scale for 2016/2017. The Municipality has set its risk appetite level at a risk grading of 40 (out of a maximum of 100). This implies that that all risks, strategic and operational, with a grading of 40 or higher will be addressed each year. However, the Municipality’s risk appetite will be reassessed on an annual basis, based on the annual risk assessment exercise results and adjusted if required. The ultimate goal is to reduce the risk level of the Municipality to acceptable levels.

**Opportunities and threats:** Risk management was present and contributed to the assessment of opportunities and threats during the Strategic Planning Session held in November 2016 for period 2017-2022. The results of the assessment are summarised in the table below.

OPPORTUNITIES:	THREATS:
Waste disposal, • Money scouting, • Sectoral partnerships, • Effective youth development, • Best practice example • Shared Services • Intergovernmental relations • Electricity (waste burning) • Environmental services • Property management • Regional airport • Mining opportunities • Tertiary education • Eco-tourism • Aqua-culture • Recycling • Centralised SCM/LED • Water • Festivals • Health • Grain mill • Promoting ODM • Rural media	Health In terms of Tourism (Private Hospitals) • Non-centralised LED • Future of DMs • Term of 3 – 5 years • Sustainability of funding • Environmental changes • Lack of communication • Ageing of equipment • Under-funded or unfunded mandates • Grant dependency • Health outbreak • Compliance • Loss of Roads function • Resource pinching • Shortage of staff • Technology

Planned areas for future focus includes consequence management, expanding the ICT, fraud and corruption, annual financial statements, annual report and community unrest.



### 2.7 ANTI-CORRUPTION AND FRAUD

#### FRAUD AND ANTI-CORRUPTION STRATEGY/PLAN

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

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

During the year the internal audit department made recommendations in their internal audit reports that were presented to the Audit and Performance Audit Committee. The recommendations were adopted by the committee and also escalated and recommended to the accounting officer. The recommendations made were pertaining to the following audit areas:

- Performance Information
- Annual Stock Count
- Occupational Health and Safety
- Supply Chain Management
- Risk Management
- Revenue, Receivables & Debtor Management
- Assets
- DORA and mSCOA project.

In the 2016/17 year, a Code of Ethics was adopted. Ethics are practically implemented in the municipality through the oath for councillors and the Rules of Order regulating the conduct of meetings. The conduct of staff members are guided by the Batho Pele principles, Code of Conduct for Municipal staff members (Schedule 2 of the Local Government: Municipal Systems Act, 2000) and the Code of Ethics. A disciplinary committee was established to attend to matters of misconduct. Whistle-blowing will be reported to the internal audit section of the municipality.

Focus areas for this period included coordination of workshops with all the municipalities in the district to adopt a Code of Ethics and the early implementation of the disclosure according to King IV by the municipality.

Planned areas of future focus include an awareness intervention on ethics, fraud and corruption. Consideration is given to an anti-fraud hotline for the Overberg District, as opposed to the National Hotline that is currently being used. Standard operating procedures need to be developed in the future for consequence management.

**Appendix D** – Report of the Audit & Performance Audit Committee. The recommendations of the committee for 2016/2017 are set out as **Appendix E**.

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

### 2.8 SUPPLY CHAIN MANAGEMENT

#### OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management policy was reviewed and approved by Council on 30 March 2017. Reports on the implementation of the Supply Chain Management policy are submitted monthly to the accounting officer and quarterly to the Mayor. The quarterly and annual reports are available on the municipal website.

The Procurement Processes are as follows:

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



## CHAPTER 2

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

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

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

### 2.9 BY-LAWS

#### BY-LAWS

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

**COMMENT ON BY-LAW** - No By-laws were promulgated during the year under review.

### 2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budget and budget-related documents <ul style="list-style-type: none"><li>- Annual Budget</li><li>- Adjustment Budget</li></ul>	Yes	17/05/2017 01/02/2017
All current budget-related policies	Yes	Various dates
The previous annual report 2015/2016	Yes	03/04/2017
The annual report 2016/2017 to be published		February 2018
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2014/2015 and resulting scorecards	Yes	Various dates
All service delivery agreements 2016/2017	Yes	Various dates
All long-term borrowing contracts	Yes	01/03/2005
All supply chain management contracts above R0 value for Year 2016/2017	Yes	Various dates
An information statement containing a list of assets over a prescribed value that have been disposed in terms of section 14 (2) or (4) during 2016/2017	Yes	31/03/2017
Contracts agreed in 2016/2017 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	None	N/A
Public-private partnership agreements referred to in section 120 made in 2016/2017	None	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2016/2017	Yes	Various dates

#### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The website of the municipality is maintained internally and all information required by Section 75(1) of the Municipal Finance Management Act, applicable to the municipality, is placed on the website.

The municipality does not have computers that can be used by the community for information, but enquiries related to information on the municipality's website can be logged at our head office or regional offices.

### 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

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



### CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

#### INTRODUCTION

The municipality performed its functions in terms of the following strategic objectives.

- To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures
- To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development
- To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines
- To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy
- To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management

*Appendix N refers to the functions of the municipality.*

#### COMPONENT A: BASIC SERVICES

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

#### 3.1 SOLID WASTE MANAGEMENT

##### INTRODUCTION TO SOLID WASTE MANAGEMENT

###### ***Karwyderskraal Regional Landfill Site:***

The Third Waste Cell remained operational during the financial year under the current Lease Agreement between Overstrand Municipality and the Overberg District Municipality.

Legislative compliance is monitored as follows:

- Quarterly inspections conducted by ODM and Overstrand Municipality, based on the internal audit inspection guideline of Department of Environmental Affairs & Development Planning;
- An annual external audit as prescribed by the landfill permit;
- Quarterly Karwyderskraal Monitoring Committee meetings are used as a platform to provide feedback to the relevant stakeholders, community and users in terms of compliance with the permit conditions which included the results of the annual compliance audit.

###### ***National Environmental Protection and Infrastructure Programme (EPIP)– Karwyderskraal Rehabilitation Project:***

The EPIP Rehabilitation project was successfully completed during the year under review with the following outputs that were achieved:

- Rehabilitation (Capping) of redundant waste cells 1 & 2;
- 100 work opportunities created
- 300m new security fencing;
- Alien vegetation clearing; and
- Drainage channel management and stormwater relay on site.

The total budget (National) for the project was R10 000 000, with 40% of the budget allocated to construction cost and 60% to social contribution such as wages and training. A close-out report on the project was submitted in December 2016.



## Chapter 3

### ***Regional Waste Forum***

The Regional Waste Management Forum continues to function as an effective platform in the district to enhance waste management best practices and sharing of knowledge. This forum meets quarterly and includes the provincial Department of Environmental Affairs and Development Planning to ensure alignment with the provincial forum.

The municipality also participated actively in the Provincial Waste Officers Forum in order to escalate regional matters as well as alignment with provincial strategies.

### ***Funding of Waste Management Services:***

The municipality continuously seeks opportunities to address funding towards waste management for the whole district.

- A funding application was submitted to Department of Environmental Affairs and Development Planning for assistance to review the Integrated Waste Management Plan.
- An Official attended the R20 / Source training on invitation from the R20 foundations. The training was based on international best practice for business plan development.

### ***Challenges:***

- Sustainable long term funding of landfill sites remain a big challenge due to the increase in cost of technical requirements pertaining to cell liners.
- The district municipality requires adequate funding to enable the provision of waste management facilities. The District does not qualify for Municipal Infrastructure Grant (MIG) funding to subsidize this infrastructure expense, thus hampering the sustainability of the service.
- The Division: Waste Management, remains vacant on the organizational structure of the ODM.



Solid Waste Management Service Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/16		2016/17		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To ensure the health and safety of all in the Overberg District through the provision of efficient basic service and infrastructure to disaster management, municipal health and environmental management	Report quarterly to the Community Services Portfolio Committee on complains received vs reservations (camp site & bungalows at resorts)	4	4	3	3	4	4	4
	Report quarterly on the outcomes of the Regional Waste Forum to the Community Services Portfolio Committee	4	4	3	3	4	4	4



## Chapter 3

Financial Performance 2016/2017: Solid Waste Management Services					
					R'000
Details	2015/16	2016/2017			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	19			125	100%
<b>Expenditure:</b>					
<b>Employees</b>					
<b>Repairs and Maintenance</b>					
<b>Other</b>	4 437	4 610	2 977	3 315	-28%
<b>Total Operational Expenditure</b>	4 437	4 610	2 977	3 315	-28%
<b>Net Operational Expenditure</b>	(4 418)	(4 610)	(2 977)	(3 190)	-31%

*Variations are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

Capital Expenditure 2016/17: Solid Waste Management Services					
					R' 000
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	0	0	111	100%	0

### COMMENT ON SOLID WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

An agreement between the Overberg District Municipality and the Overstrand Local Municipality ensured the operation of the facility. As part of the agreement Overstrand Municipality is responsible for the operation of the facility. However, the ownership and the permit for the operation of the facility rests with the Overberg District Municipality.

## COMPONENT B: ROAD TRANSPORT

### INTRODUCTION TO ROAD TRANSPORT

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

## 3.2 ROADS

### INTRODUCTION TO ROADS

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

The district's road network is relatively well developed and plays a major role for future economic development in the area. The major access route of the Overberg district is via the N2 road transport link. It runs through the Overberg





### Chapter 3

from Sir Lowry's Pass through Swellendam. The function of the Roads Division at the ODM is administered by sub-district offices at Swellendam, Bredasdorp and Caledon.

The ODM focuses on normal maintenance, re-gravelling, rehabilitation, upgrading and resealing of proclaimed provincial roads. The network consisted at year end of 496.86 km tar and 3198.39 km gravel roads.

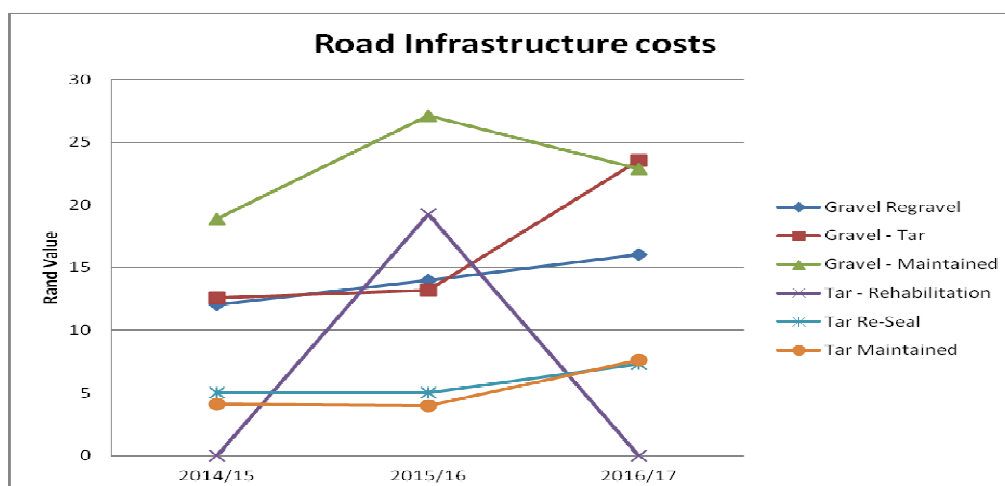
A project funded by the National Department of Transport is currently in the process of doing a survey on roads assets in the district, excluding provincial and national roads (RRAMS –Rural Roads Asset Management System). No abnormal or extreme weather conditions were experienced during the year that could have a financial impact on the services.

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

Gravel Road Infrastructure					
Kilometres					
Financial Year	Total gravel Roads at beginning of financial year	New gravel roads	Gravel roads upgraded to asphalt (tar)	Gravel roads re-gravelled	Gravel roads maintained at year-end
2014/15	3259	0	4.20	40.12	3220.75
2015/16	3231	0	27,59	45.23	3203.41
2016/17	3203.41	0	5.02	34.84	3198.39

Tar Road Infrastructure					
Kilometres					
Financial year	Tar				
	Total tar roads at beginning of financial year	New tar roads	Existing tar roads re-tarred	Existing as tar roads re-sheeted	Tar roads Maintained at year-end
2014/15	460.05	4.20	15.64	0	464.25
2015/16	464.25	27.59	19.40	5.44	491.84
2016/17	491.84	5.02	0	0	496.86

Cost of Roads Infrastructure						
R'000						
Financial year	Gravel			Tar		
	Regravel	Gravel-Tar	Maintained	Rehabilitation	Re-seal	Maintained
2014/15	12,043	12,622	18,889	0	5,021	4,111
2015/16	13,961	13,223	27,106	19,274	5,047	4,014
2016/17	16,039	23,586	22,868	0	7,354	7,605



Roads Service Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/16		2016/17		Following years		
		Target	Actual	Target	Target	Target		
		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To ensure the health and safety of all in the Overberg District through the provision of efficient basic service and infrastructure to disaster management, municipal health and environmental management	Upgrading of DR 1318 (3.46km) and DR 1239 (1.56km) to permanent surface by June 2017			5.02 km	5.02 km			
	Km of gravel roads to be regravelled	42km	45.23 km	30 km	34.84 km	42 km	42 km	42 km
	Km of gravel roads to be bladed	6000km	5948.63 km	6000 km	6284.38 km	6000 km	6000 km	6000 km
	Submit annually business plan for provincial roads budget allocation to Dept of Transport and Public Works by March 2017	1	1	1	1	1	1	1



## Chapter 3

Employees: Road Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	5	5	4	1	20%
9-13	13	17	14	3	18%
4-8	67	70	67	3	4%
1-3	74	84	78	6	7%
<b>Total</b>	<b>159</b>	<b>176</b>	<b>163</b>	<b>13</b>	<b>7%</b>

Financial Performance 2016/2017: Road Services					
					R'000
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	74 001	68 750	68 750	70 311	2%
Expenditure:					
Employees	28 228	38 469	38 469	29 848	-22%
Repairs and Maintenance					
Other	41 774	30 342	30 342	37 105	22%
Total Operational Expenditure	70 002	68 810	68 810	66 952	-3%
Net Operational Expenditure	3 999	(60)	(60)	3 359	-5698%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2016/17: Roads					
					R' 000
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All			137	100%	

### COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The roads function performed on an agency basis on behalf of the Provincial Department Transport and Public Works, as in the past, a significant impact on the total operations of the municipality. The underperformance on the employee cost was due to the review of the organisational structure where the filling of posts was placed on hold.

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

## 3.3 TRANSPORT

### INTRODUCTION TO TRANSPORT

The Overberg District Municipality is responsible for developing an Integrated Transport Plan for the District as required by the National Land Transport Act, 2009 (Act 5 of 2009). The Integrated Transport Plan (ITP) was not finalised due to outstanding comments from a Taxi Association. **Challenge:** To obtain assistance from the Department of Transport and Public Works for the finalisation and review of the ITP.



#### INTRODUCTION TO PLANNING AND DEVELOPMENT

#### 3.4 PLANNING (IDP/LED)

##### INTRODUCTION TO PLANNING

###### *District IDP Framework and Process Plan*

As per Section 27 of the Municipal Systems Act of 2000, each district municipality, within a prescribed period after the start of its elected term and after following a consultative process with the local municipalities within its area, must adopt a framework for integrated development planning in the area as a whole. A Framework Plan includes a programme with specific timeframes, maps consultation mechanisms and procedures, and maps mechanisms and procedures for alignment. Prior to commencing with the planning process, an IDP Process Plan needs to be prepared. The purpose of the IDP Process Plan is predominantly to ensure proper management of the planning process.

It was however a challenge to adhere to the above legislative timeframe as the Local Government Elections were only held on 3 August 2016 and the Council of Overberg District Municipality constituted on 30 August 2016. The District IDP Framework and Process Plan was therefore adopted by Council on 26 September 2016 and made public on the municipal website.

###### *5-Year Strategic Plan*

Development of the Integrated Development Plan (IDP) is guided by the above District IDP Framework and Process Plan. The IDP has a lifespan of five years that is directly linked to the term of office for Councillors. The IDP is a process through which municipalities prepare a strategic plan containing short-, medium- and long-term development objectives, strategies and programmes for the municipal area. The IDP is the principal strategic planning instrument which guides and informs budgeting, management and decision-making related to service delivery and development in a municipality. The 5-year Plan, adopted by Council on 15 May 2017, contains key municipal plans and priorities for the current political term of office.

###### *Western Cape Districts Integrated Forum*

For strengthening and enhancing the concept of integrated development planning, District Municipalities collaborated and established the Western Cape Districts Integrated Forum, commonly referred to as WCDIF. The Forum meets on an ad-hoc basis and works very closely with Department Local Government. The predominant purpose of the Forum is to discuss IDP matters specific to a District and ensure uniformed and standardised IDPs. WCDIF meetings were held on 14 September 2016, 21 October 2016 and 16 February 2017.

###### *Spatial Development Framework (SDF)*

A core component of a municipality's economic, sectoral, spatial, social, institutional and environmental planning is the Spatial Development Framework (SDF). The SDF is a tool to achieve the desired spatial form of the Municipality and is included as a Sector Plan in the IDP. On 30 June 2017 Council adopted the existing SDF as approved in 2014 in order to align with the 4<sup>th</sup> Generation IDP.

**Challenges:** Responsibilities regarding the Spatial Development are performed by Environmental Management; therefore creating a need for a Spatial Planner.



Planning Service Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/16		2016/2017		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Table to Council the Draft IDP for 2017/2021 by March 2017	1	1	1	1	1	1	1
	Table to Council the Final IDP for 2017/2021 by May 2017	1	1	1	1	1	1	1



## Chapter 3

Employees: Planning Services (IDP/LED)					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	1	1	1	0	0%
9-13	1	3	1	2	67%
4-8	0	0	0	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50%</b>

*Vacancies = Total post vacant at 30 June 2017*

Financial Performance 2016/17: Planning Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	1 302	1 305	1 362	1 340	3%
Repairs and Maintenance					
Other	104	146	205	125	-15%
Total Operational Expenditure	1 406	1 451	1 567	1 465	1%
Net Operational Expenditure	(1 406)	(1 451)	(1 567)	(1 465)	1%

*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

Capital Expenditure 2016/17: Planning Services					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	15		17	13%	

### COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL

Planning services managed to perform their duties within service delivery demands.

## 3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)

### INTRODUCTION TO ECONOMIC DEVELOPMENT AND TOURISM

The District's legislative mandate is to seek to achieve economic development and promote local tourism in the region as a whole. The District therefore ensured alignment of its Strategic Objectives with that of National and Provincial Government:

- Government Key Performance Area: Local Economic Development



## Chapter 3

- Overberg District Municipality Strategic Objective: To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy.
- Key Strategies linked to the Strategic Objective above: (a) business/sector relation plan; (b) operational effectiveness and efficiency of Resorts; (c) formulation and implementation of new LED/Tourism Strategy; (d) promotion and implementation of the EPWP job creation initiative.
- 5-Year Predetermined Development Objectives (PDOs): (a) District Tourism Strategy; (b) District LED Strategy; (c) upgrading of Resorts (see 3.11); and (d) EPWP promotion.

### **District LED/Tourism**

A District LED/Tourism Forum has formally been established and a Terms of Reference is in place. The Forum meets on a quarterly basis and comprises of stakeholders from across the District and also serves as an advisory body to the DCF Tech LED/Tourism Workstream.

### ***Cape Overberg Tourism Events Calendar***

Calendar information is provided by the four Local Tourism Offices (LTO's) and it is the responsibility of the Regional Tourism Office (RTO) to keep information current and accurate. The tourism events calendar features local events, large festivals, concerts, winery and vineyard events as well as art exhibits and cultural events in Cape Overberg. The regularly updated tourism events calendar is presented to Council for information.

### ***District Local Economic Development Strategy and Action Plan***

Following the Participatory Appraisal of Competitive Advantage (PACA) process, Department of Economic Development and Tourism (DEDAT) provided the District with a recommended District LED Strategy and Action Plan for the Overberg. Council adopted the District LED Strategy and Action Plan, which also included Tourism, on 30 June 2017, with the proviso that the services of a Specialist Service Provider be procured to develop a new and regionally informed District Regional Economic Development (RED) and Tourism Strategy with a more strategic intent and collaborative partnering approach.

The current strategy aims to change the economic trajectory by implementing economic development initiatives. Towards this strategic intent a portfolio of improvement initiatives were identified through the PACA process in support of the following key sectors:

- Agriculture
- Aquaculture, mainly abalone farming
- Light industrial / manufacturing such as agro-processing, clothing/apparel
- Tourism
- Property development including the retirement market

### ***The Overberg District Economy***

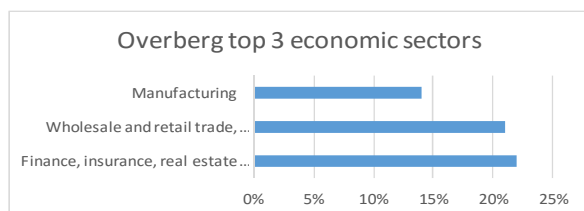
As per the Municipal Economic Review & Outlook (MERO) 2016, Overberg is the Western Cape's second smallest economy and it contributed only 3.5 per cent to the Gross Domestic Product Review (GDPR) of the Western Cape in 2015, making it a relatively minor contributor. The Overberg District experienced an average GDPR growth rate of 4.6 per cent between 2004 and 2015. The contraction in GDPR between 2008 and 2009 can be attributed to the global economic recession. Apart from the challenges brought about by subdued commodity prices, a number of other challenges are having an impact on the economy, such as the drought, causing increases in domestic food prices, and the currency depreciation, high inflation, and uncertainty in international markets. All municipalities in the Overberg experienced a lower rate in GDPR growth during the recovery phase after the recession between 2009 and 2015 than before the recession which could be attributed to the slowdown in China and the decrease in demand for commodities. The Overberg has also been performing better than the Western Cape's average growth.

In 2015, the primary sector contributed 3.0 per cent to the GDPR of the District, the secondary sector 24.5 per cent and the tertiary sector 72.5 per cent. The Overberg, just as the Western Cape economy, is dominated by the tertiary sector and has a much smaller primary sector overall.

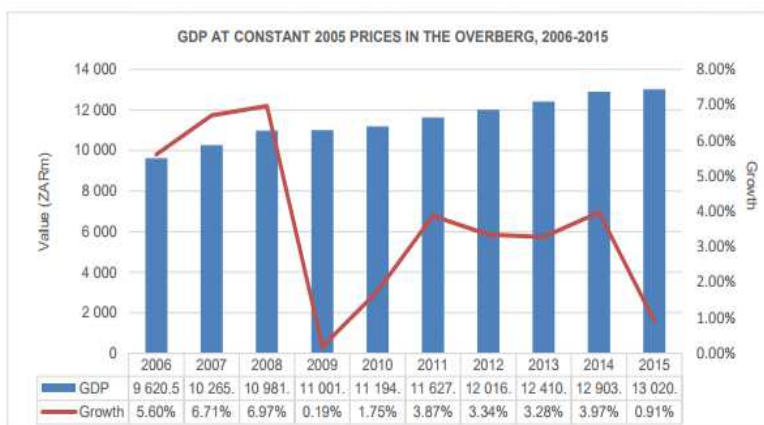
The contribution of the primary sector can be attributed to the presence of agricultural activities such as aquaculture and the prominence of the stone fruits industry in the Overberg. The secondary sector consists of manufacturing closely linked with agriculture (i.e. agri-processing) activities. The tertiary sector's presence remains relatively important, and consists of activities such as the wholesale of agricultural produce, transport of commodities, and activities related to agri-processing.



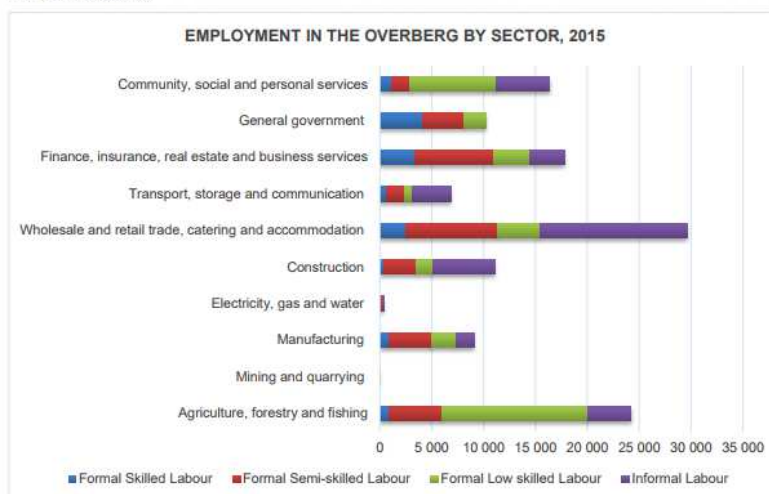




The finance, insurance, real estate and business services sector (22.1 per cent), the wholesale and retail trade, catering and accommodation sector (21.1 per cent), and the manufacturing sector (14.5 per cent) were the top three economic sectors that contributed the most to the GDP of Overberg District.



Source: Quantec, 2016



Source: Quantec, 2016

**LOCAL JOB OPPORTUNITIES/EXPANDED PUBLIC WORKS PROGRAMME:**

**HIK Abalone Farm – Local Economic Development Plan**

A land sale has been concluded between Overberg District Municipality and HIK Abalone Farm for the purchase of a portion of Buffeljagsbaai. In promoting local economic development, HIK envisaged to employ a number of employees in the development stage (4 years) and full production:

During the year 2016/17 the employment status of HIK was 38 employees of which most were employed from surrounding areas.

**District Land Reform / Agri Parks**

The Agri-Parks Model is a strategy in the Rural Economic Transformation as a multi –sector program between government departments. E.g. Department of Rural Development and Land Reform, Department of Agriculture and municipalities. Agri Hubs were identified for Agricultural and Aquaculture. The District Agri Parks operational task team (DAPOTT), chaired by the Municipal Manager of ODM, considered the following plans during the financial year:

- District Implementation Plan,
- District Rural Development Plan (sector plan in the IDP), and
- Business Plans for 4 farmer production support units in Suurbraak, Struisbaai, Hermanus and Villiersdorp.

**Expanded Public Works Programme (EPWP)**

The EPWP is aimed at creating 4.5 million work opportunities for unemployed persons, allowing them to participate economically and to contribute to the development of their communities and the country as a whole. For this



## Chapter 3

purpose, Conditional Grant Agreements with the National Department of Public Works are signed by Municipalities to comply with the conditions and obligations of the EPWP Grant.

For the 2016/17 period, the Municipality was allocated a Conditional Grant in the amount of R1 million. Business Plans were received from all Departments across the Municipality, specifying details of each project with Work Opportunities (WOs) and Full-Time Equivalents (FTEs) to be created during the 2016/17 financial period. During the period under review, the Municipality created 156 WO's and 41 FTE's. The Overberg District Municipality remains committed to providing job opportunities to unemployed persons.

### **COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL**

Local Economic Development was performed as part of Planning Services and no information on financial performance is available for this function.



Local Economic Development Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/2016		2016/2017		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Create temporary jobs opportunities through the municipality's EPWP programme as per FTE target, by June 2016	7	45	7	41	7	7	7
	Review Municipal Policy on EPWP and table to Council by June 2017	1	1	1	1	1	1	1
	Table District LED/Tourism Strategy to Council by June 2017			1	1			



COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The function of Community & Social Services is performed by the Local Municipalities as implementing bodies. However, Council emphasised its social responsibility role by including a social development unit on the revised organisational structure adopted on 5 December 2017.

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

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

3.6 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

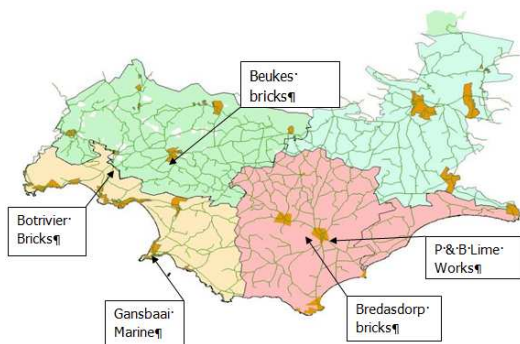
Environmental pollution control is one of the functions of Municipal Health Services in terms of the National Health Act, 2003 (Act 61 of 2003).

The function of Air Quality Management is being performed as prescribed by the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004). The Overberg District Municipality is the licensing Authority for Listed Activities and Controlled Emitters.

The following Atmospheric Emission Licences were attended to:

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

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



Department of Environmental Affairs requires that industries with listed activity licences, report online. Training was provided to the industry on 15 March 2017 on the NAEIS system to perform online reporting.

Municipal Health Practitioners also dealt with several air pollution complaints such as fumes, smoke, dust, offensive odours and unlicensed facilities.

The municipality received a Certificate of Recognition of Outstanding Support: 2016 - Air Quality Management in the



## Chapter 3

Western Cape as well a Certificate of Recognition: 2016 - Greenest Municipality Competition. The municipality also received a first runner-up award for the Greenest Municipality from the Provincial Minister of Local Government, Environmental Affairs and Development Planning.

### **Challenges:**

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

*Pollution control is performed as part of the Municipal Health function.*

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### 3.7 ENVIRONMENTAL MANAGEMENT

#### **INTRODUCTION TO ENVIRONMENTAL MANAGEMENT**

The Overberg District Municipality promotes sustainability by means of partnerships, as well as an integrated environmental management approach throughout the Overberg region. The municipality continuously engages with other local forums and committees that promote sustainable environmental management such as the Municipal Coastal Committee, Estuary Advisory Forums, Kogelberg Biosphere Reserve and Agulhas Biodiversity Initiative.

The Environmental Management Services Department reports on the following service delivery priorities, across the Overberg Region:

#### ***Climate Change Response***

The ODM in partnership with the Department of Environmental Affairs and Development Planning developed a draft Overberg Climate Change Response Framework. The framework was drafted with the input of both public and private sector and several workshops were held as part of the process. The implementation of the framework will not only reside with the municipality but requires input, agreement and collaboration from various stakeholders. Both government entities and the private sector should therefore respond to these impacts through mainstreaming climate change mitigation and adaptation into its way of doing business. All departments of the municipality are encouraged to take climate change into account with planning.

#### ***Spatial Planning***

The Manager: Environmental Management was appointed during the year as a member of the Cape Agulhas Municipality Planning Tribunal in terms of the Spatial Planning Land Used Management Act, 2013.

#### ***Biodiversity Management***

An Alien Invasive Species Monitoring, Control and Eradication Plan was drafted, as per the set guidelines from the Department of Environmental Affairs, for all its properties, in order to comply with the Alien & Invasive Species Regulations of 2014 as promulgated under the National Environmental Management: Biodiversity Act of 2004 (Act 10 of 2004).

ODM is participating in the Local Action for Biodiversity (LAB): Wetlands South Africa in partnership with the International Council for Local Environmental Initiatives (ICLEI). The objective of the programme is to conserve wetlands and other natural resources which provide natural solutions to climate hazards such as floods and water shortages. As part of this programme a Wetland Report was drafted for the Overberg. Following the Wetland Report a Strategy and action plan will be developed in order to streamline wetland conservation and future funding. ODM has also committed to extend its partnership with ICLEI with another three (3) years.

#### ***Coastal Management***

The ODM facilitates the Municipal Coastal Committee (MCC) which is a permanent structure which informs the IDP. The MCC has representation of all spheres of government, Estuary Advisory Forums and Non-Governmental



## Chapter 3

Organisations (NGO's). The Municipal Coastal Committee strives to enhance communication and co-ordination between role-players as well as alignment with the Provincial Coastal Committee.

### **National Department of Environmental Affairs: Local Government Support**

The National Department of Environmental Affairs, Local Government Support Officer, stationed at the Overberg District Municipality office in Bredasdorp, plays a strategic role in providing support to the district and local municipalities in the Overberg in the coordination of Department of Environmental Affairs funded projects, such as 'Working for the Coast' and 'Youth jobs in waste' within the Overberg area. These projects primarily promote job creation and help to conserve the environment.

### **Achievements**

- Greenest Municipality Competition: 2<sup>nd</sup> Place in the District Municipality category.
- Signing of the Durban Commitment: Local Governments for Biodiversity.
- Development of the Climate Change Response Framework.
- Drafting of an Overberg Wetland Strategy and Action Plan.

### **Challenges**

- It remains a challenge to ensure sufficient future capacity to deal with all the current and added functions allocated to the Environmental Management Services Department as far as Spatial Planning and Waste Management are concerned, as the component consist of only three full-time employees.
- The implementation of the Coastal Management Programme (adopted by Council in June 2016), remains a challenge as far as the roles and responsibilities between local and district municipalities are concerned, as well as the funding sources and resources (personal and equipment) to implement the programme.

Environmental Management Objective								
Service Objective  <i>Service Indicator</i>	Outline  Service Targets	2015/2016		2016/2017		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2017/ 2018	2018/ 2019	2019/ 2020
To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Report quarterly to the Community Services Portfolio Committee on the discussions of the Municipal Coastal Committee	4	4	3	3	4	4	4

Employees: Environmental Management Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	0	1	1	0	0%
9-13	3	6	2	4	67%
4-8	0	0	0	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>57%</b>

*Vacancies = Total post vacant at 30 June 2017*



## Chapter 3

Financial Performance 2016/17: Environmental Management					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11	100	100	19	-81%
Expenditure:					
Employees	1 360	1 628	1 576	1 636	0%
Repairs and Maintenance					
Other	181	446	369	195	-56%
Total Operational Expenditure	1 541	2 074	1 945	1 830	-12%
Net Operational Expenditure	(1 530)	(1 974)	(1 845)	(1 812)	-8%

*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

Capital Expenditure 2016/17: Environmental Management					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	13	110	93	717%	

### COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL MANAGEMENT

Environmental Management managed to stay within their budget. Funding was received during the year which results in the increase of adjustment budget of the capital projects. (Greenest municipality competition).

## COMPONENT F: HEALTH

### INTRODUCTION TO HEALTH

In terms of the Constitution of the Republic of South Africa, 1996, the Local Government: Municipal Structures, 1998 (Act 117 of 1998) and the National Health Act, 2003 (Act 61 of 2003), it is the statutory responsibility of the District Municipality to render Municipal Health services in the district.

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

### 3.8 MUNICIPAL HEALTH SERVICES

#### INTRODUCTION TO MUNICIPAL HEALTH (INSPECTIONS, FOOD, ETC.)

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

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

In order to execute the legal obligations, the Overberg District Municipality: Health Service fulfils its mandate through duly qualified and skilled Environmental Health Practitioners (EHP's). They provide and facilitate comprehensive, pro-





## Chapter 3

active and need-related services to ensure a safe and healthy environment, and thereby preventing and eliminating sources of diseases.

The Municipal Health Services also contributed to the achievement of the 2<sup>nd</sup> runner up for the greenest municipality achievement, especially to the criteria related to water management, air quality and waste management.

Food handlers at various food premises were trained throughout the district to ensure the safe handling and storage of food and food products. The training also ensured that no food handlers pollute ready-to-consume non-prepacked food and that all food is handled in accordance with best practice.

There was no indication of cholera detected in the waters sample testing according to laboratory results. A monitoring plan for cholera is in place to ensure compliance with applicable standards. The opening of new food premises in the district contributed to the overachievement of inspections at food premises.

**Challenges:** According to the Municipal - Health Norms and Standard: the staff (Municipal Health Practitioners) ratio to the population in the district, must be 1:10 000. The Municipal Health Services, with 12 operational Health Practitioners and limited budget, strive to perform against the targets set. The high cost to deliver the function is hampering the implementation of the function to its maximum capacity.



Municipal Health Services Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/2016		2016/2017		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	400	510	420	474	420	420	420
	Take food samples to monitor the quality of Food into the FCD Act and legislative requirements	340	352	360	389	360	360	360
	Inspect waste management sites wrt generators and couriers of medical waste according to Municipal Health By-Law of Council	120	135	120	132	120	120	120
	Take water sample at Sewerage Final Outflow to monitor water quality (SAN 241 as amended)	120	125	120	130	120	120	120
	Inspect Food Premises to monitor hazardous substances according to National Health Act	1200	1554	1200	1487	1200	1200	1200



## Chapter 3

Employees: Municipal Health Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	5	17	5	12	71%
9-13	12	29	12	17	59%
4-8	3	5	2	3	60%
1-3	1	3	1	2	67%
<b>Total</b>	<b>21</b>	<b>54</b>	<b>20</b>	<b>34</b>	<b>63%</b>

*Vacancies = Total post vacant at 30 June 2017*

Financial Performance 2016/17: Municipal Health					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	102	26	120	181	597%
<b>Expenditure:</b>					
<b>Employees</b>	9 953	11 630	10 792	10 604	-9%
<b>Repairs and Maintenance</b>					
<b>Other</b>	1 067	1 327	1 331	1 200	-10%
<b>Total Operational Expenditure</b>	11 019	12 958	12 123	11 804	-9%
<b>Net Operational Expenditure</b>	(10 917)	(12 932)	(12 003)	(11 623)	-10%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2016/17: Municipal Health					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	29	29	29	-1.11%	

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

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

### COMPONENT G: SECURITY AND SAFETY

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



#### INTRODUCTION TO FIRE SERVICES

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

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

The three top priorities for the unit remain:

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

Training was provided both internal and external, to staff to address the priorities of capacitating staff adequately. A 24 hour shift system was implemented at one station and planning was done that this system be rolled out to the second highest priority station by September 2017.

During the year financial support was received from the Departement of Local Government and three additional firefighting vehicles were procured. Also out of own funding, four command vehicles were procured which will greatly contribute to effective command and control on scenes.

Hazardous Materials Risk on the N2 was addressed this year through the cooperation and support from the Provincial Government. A fully equipped hazardous materials unit has been procured which will be stationed in Swellendam which will mitigate the risk.

The District Fire Working Group provides for the association and assembly of persons who have to deal with fires and related incidents such as veld fires, rural/urban interface fires, land management, natural resource management and prescribed burning in the Overberg District. This workgroup met successfully each quarter to discuss matters of importance.

The municipality managed to secure aerial support for the district for the five months of the fire season. Aerial resources operated very effectively in an environment where the number and intensity fires are on the increase. The Overberg has experienced 25 major fires from 5 December 2016 to 12 January 2017. Aerial resources were used extensively on several large fires in the district. Aerial resources were also successfully used in initial attack of fires and preventing it from growing into larger incidents.

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

The greatest challenge facing the service is finances in order to perform the service according to the SANS standards.

However, in spite of the above the service must be rendered to the best of our ability and the following mitigation measures remained in place to address the challenges created by inadequate finances:

1. Integrated Fire Management
  - a. Partial transfer of the risk to the property owner by involving the landowners.
  - b. Reducing the risk of fires, reducing the overall operational cost.
2. Community Awareness
  - a. Fire and life safety training to reduce the risk of house fires and to train communities on what to do in case of fires in order to prevent injuries and loss of life.
3. Best use of available equipment:
  - a. Implementing strict maintenance controls.
  - b. Multi use of resources i.e. Helicopter for firefighting and rescue.
  - c. Strategic placement of resources.
4. Strategic Partnerships
  - a. Greater Overberg Fire Protection Association
    - i. Facilitating Integrated Fire Management



## Chapter 3

- ii. Organizing and capacitating the landowner.
- b. Working on Fire (Kishugu)
  - i. Partnering for firefighting teams at our base.
  - ii. Additional structural fire-fighters- Grabouw and Villiersdorp.
- c. National Sea Rescue Institute
  - i. Active participation and support, creating an asset and resource to be used.
  - ii. Joint flood and swiftwater rescue program.

**Challenges:** The biggest risk for the fire department is the lack of funding and allocation under DORA. This creates the greatest challenge of adhering to SANS Code. Some of the vehicles and equipment have been utilised for more than 25 years and are old and outdated.

Details	2015/2016	2016/2017	
	Actual No	Estimate No	Actual No.
Total fires attended in the year	775	Can't estimate	1168
Average turnout time – urban areas	Office hours 7 min, after hours 15 min	7 min	Office hours 7 min, after hours 15 min
Average turnout time – rural areas	15-30 min	15-30 min	15-30 min
Firefighters in post at year end	28	42	33
Total fire appliances at year end	21	24	20
Average number of appliance off the road during the year	3	2	3

Employees: Fire Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	1	3	1	2	67%
9-13	9	21	7	14	67%
4-8	29	67	31	36	54%
1-3	0	1	1	0	0%
<b>Total</b>	<b>39</b>	<b>92</b>	<b>40</b>	<b>52</b>	<b>57%</b>

*Vacancies = Total post vacant at 30 June 2017*

Financial Performance 2016/17: Fire Services					
Details	R'000				
	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	136	95	1 195	1 176	1138%
<b>Expenditure:</b>					
Employees	14 291	15 431	14 721	15 161	-2%
Repairs and Maintenance					
Other	4 949	4 654	5 978	5 363	15%
<b>Total Operational Expenditure</b>	<b>19 240</b>	<b>20 086</b>	<b>20 699</b>	<b>20 524</b>	<b>2%</b>
<b>Net Operational Expenditure</b>	<b>(19 104)</b>	<b>(19 991)</b>	<b>(19 504)</b>	<b>(19 348)</b>	<b>-3%</b>

*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*



Capital Expenditure 2016/17: Fire Services					
					R' 000
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	100	4 155	3 347	3246,78%	

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

Fire Brigade Services overspent on their operational budget, but managed to stay within the adjustment budget. The municipality received additional funds during the year for the obtaining of fire equipment which resulted in an increase in the budget for capital projects.

**3.10 DISASTER MANAGEMENT**

**INTRODUCTION TO DISASTER MANAGEMENT**



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

The main focuses of the unit are awareness, risk assessment and planned projects, which take place on an on-going basis.

Communities are supported when affected by disasters or adverse incidents. The Overberg District did not declare any disaster in the year under discussion, and although several big fires occurred bordering on a local disaster, no such declaration was done.

A Disaster Management Advisory Forum is in place and met regularly. The Safer Community Project plan was reviewed by the forum in December 2016 and not as planned in September 2016. A Disaster Risk Management Plan was updated and approved by Council as well as the Disaster Management Framework.

Over and above the Disaster Management Advisory Forum meetings, Disaster Management has a standing item on the District Coordinating Forum (DCF) and DCF Technical Forum to ensure that the function and strategies are conveyed to the highest level.

With almost 300 km coastline, the risks for seaward incidents are great, and therefore the municipality formed a partnership with the National Sea Rescue Institute, stationed at Struisbaai in the Cape Agulhas municipal area as well as the station in Hermanus in the Overstand municipal area, to ensure the safety of our people. The municipality offers logistical support, training and specialised equipment like helicopters and aerial search platforms and manpower as required. This support is captured in the Festive and Fire Season Readiness plan which is presented to the local municipalities at a DCF Tech meeting in November every year.

**Overberg District Disaster Risk Profile**



## Chapter 3

A co-operation agreement exists between Overberg and the City of Cape Town for evacuation regarding the Koeberg Nuclear Station. A disaster management agreement exists with the Cape Agulhas Municipality where ODM assist the municipality with disaster management.

This year focused on droughts and drought intervention with Theewaterskloof area applying to be declared a Disaster Area. Relief efforts and mitigation measures will continue.

**Challenges:** Disaster Management does not have its own operational budget and relies on the budget of the fire department, which makes the implementation of special Disaster Management Projects impossible. In spite of the limited financial support, the Municipality has a functional Disaster Management Centre.

DETAIL	2016/2017	2017/2018
	Actual No.	Estimate No.
Public awareness campaigns	107	110
Emergency evacuation plans	21	25

Disaster Management Services Objective								
Service Objective	Outline Service Targets	2015/16		2016/2017		Following years		
		Target	Actual	Target	Actual	Target		
Service Indicator		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Table the revised Disaster Risk Management Plan to Council by June 2017	1	1	1	1	1	1	1
	Table the revised Disaster Management Framework to Council by June 2017	1	1	1	1	1	1	1
	Revised Safer Community Project Plan and submit to the Disaster Management Advisory Committee by September 2016	1	1	1	1	1	1	1
	Revised Festive and Fire Season Readiness Plan by November 2016 for implementation on 1 December 2016	1	1	1	1	1	1	1





Employees: Disaster Management					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	0	0	0	0	0%
9-13	1	5	1	4	80%
4-8	0	0	0	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>80%</b>

*Vacancies = Total post vacant at 30 June 2017*

### COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL

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

## COMPONENT H: SPORT AND RECREATION

### 3.11 RESORTS

#### INTRODUCTION TO RESORTS

The Overberg District Municipality manages three (3) resorts, namely Uilenkraalsmond, Die Dam and Dennehof. Die Dam and Uilenkraalsmond are situated in the south of the Western Cape near Gansbaai, and border the Indian and Atlantic Oceans to the south. Dennehof Holiday Resort is situated along the banks of the Theewaterskloof dam, near Villiersdorp. Managing these resorts serves to promote tourism development and to optimise income for the Overberg District Municipality.

Dennehof resort is temporarily closed pending negotiations with National Department of Public Works, with regard to the future management and ownership of the resort. Legal assistance to the ODM is provided by the Department of Local Government in order to operate the resort in a sustainable manner.

The draft Marketing Plan and Access Control Policy were tabled to Council on 05 December 2016 for cognisance. This will be reviewed taking the establishment of a centralised office into account to address sound financial management and for the optimisation of client services. Information on the website was updated on 25 May 2017 which includes the 2017/2018 tariffs applicable to the resorts.

The installation of an automated aeration dosing system at Uilenkraalsmond was installed which will have a positive impact in the recycling of waste water from the sewerage dams back into the Resort for irrigation purposes.

**Challenges:** It remains a challenge to obtain ownership of Uilenkraalsmond and Dennehof resorts, as the properties on which the resorts are situated, belongs to the National Department of Public Works. The Municipality is in the process of liaising with the Department of Public Works to clarify the management, maintenance and future ownership of the resorts. The zoning of Die Dam and Uilenkraalsmond needs to be resolved as the moratorium on the approval of building plans is hampering development at the two resorts.

The resorts are faced with major infrastructural obstacles, e.g. upgrading of the water network at Die Dam. A three year maintenance plan has been developed for future budget planning purposes.



## Chapter 3

Accommodation per year occupied				Days
Resort	Type of accommodation	Quantity	2015/2016	2016/2017
Uilenkraalsmond	Chalets	40	4488	4908
	Camping Sites	110	3437	4179
	Hall	1	13	24
Die Dam	Chalets	2	341	377
	Camping Sites	83	2416	2674



Resorts Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/2016		2016/2017		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Report quarterly to the Community Services Portfolio Committee on complaints received vs reservations (camp site & bungalows at resorts)	4	5	3	3	4	4	4
	Update annually the resorts information on the ODM website by June 2017			1	1	1	1	1
	Hold monthly Resort Managers meetings to discuss strategic and operational matters	12	12	12	9	12	12	12
	Hold bi-annually Camp Committee stakeholders meetings (Uilenkraalsmond & Die Dam)			4	4	4	4	4
	Develop a Resorts Marketing Plan and submit to Council by December 2016	1	0	1	1			
	Table Resort Access Control Policy to Council by December 2016 for consideration	1	0	1	1			



## Chapter 3

Employees: Resorts					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	1	1	0	1	100%
9-13	3	3	3	0	0%
4-8	17	31	18	13	42%
1-3	3	10	4	6	60%
<b>Total</b>	<b>24</b>	<b>45</b>	<b>25</b>	<b>20</b>	<b>44%</b>

*Vacancies = Total post vacant at 30 June 2017*

Financial Performance 2016/17: Resorts					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	259	184	184	212	15%
<b>Expenditure:</b>					
<b>Employees</b>	4 860	4 694	5 363	4 977	6%
<b>Repairs and Maintenance</b>					
<b>Other</b>	8 435	6 532	7 466	8 475	30%
<b>Total Operational Expenditure</b>	13 295	11 226	12 829	13 452	20%
<b>Net Operational Expenditure</b>	(13 036)	(11 042)	(12 645)	(13 240)	20%

*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

Capital Expenditure 2016/17: Resorts					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	345	425	340	-1,42%	345

### COMMENT ON THE PERFORMANCE OF RESORT OVERALL

The Resorts overspent on their budget due to unforeseen service delivery demands.



### COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

#### INTRODUCTION TO CORPORATE POLICY OFFICES, ETC.

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

#### 3.12 EXECUTIVE AND COUNCIL

##### INTRODUCTION TO EXECUTIVE AND COUNCIL

This component includes: Executive office (Executive Mayor; Councillors; Municipal Manager, Directors, Communication and Internal Audit).

The Local Government municipal elections took place on 3 August 2016 and the inaugural meeting of Council was held on 30 August 2016. All Councillors were sworn in, in accordance with required legislation.

An information session was held on 30 October 2016 to inform Councillors of their roles and responsibilities, Code of Conduct and management introduced their functions.

A strategic session was held on 7 and 8 November 2016 to determine a new vision, mission and strategic objectives of the new elected Council, which also inform the 4<sup>th</sup> Generation IDP for the next 5 year cycle.

Council also provided its oversight responsibility regarding financial and performance reporting, compliance and related internal controls. The following committees are functional: Section 80, MPAC, Audit and Performance Audit Committee and Risk Management Committee. The municipality received a clean audit for the 2015/2016 financial year.

Training was provided to new elected Councillors who participated in the Councillors induction programme.

A healthy and constructive working relationship exists between the governing party and the opposition, which proves to be extremely beneficial to the administration as well as communities in the Overberg.

Council reviewed and approved various policies to strengthen the municipality's decision-making and management. The delegation system was also adopted by Council on 30 August 2016. The Mayor provides feedback to Council on all decisions taken by the Executive Mayoral Committee.

The position of Director Community Services was advertised; however no appointment was made because a fully qualified and competent candidate was not identified. The recruitment process will be embarked on in the next financial year. The organisational structure has been reviewed by Council and the first phase of implementation (placement phase) has commenced.

DCF and DCF Tech Committee meetings were held on a quarterly basis which ensured sound intergovernmental relations and corporative interaction between the municipalities in the district. The possibility of extending the shared service model to include ICT and Legal services is under investigation.

**Challenge:** The biggest challenge is to mitigate the top strategic risk, which relates to the Equitable Share allocation which hampers Council in fulfilling its constitutional mandate on service delivery to its full potential.



## Chapter 3

Executive and Council Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/2016		2016/2017		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year	Current Year	2016/2017	2017/2018	2018/2019		
To ensure good governance practices by providing a democratic and proactive accountable government and ensuring community participation through existing IDP structures	Facilitate Councillors/Management Strategic Session by December 2016			1	1	1	1	1
	Facilitate quarterly DCF Tech meetings to enhance IGR in the Overberg	4	4	4	4	4	4	4
	Implement revised organisational structure by June 2017			1	1			
	Annual review & adoption of Communication Strategy by June 2017	1	1	1	1	1	1	1
	Publishing of bi-annually External Newsletter to Stakeholders	2	2	2	2	2	2	2
	Publishing of quarterly Internal Newsletter "Decus Nostrum"	4	4	4	4	4	4	4
	Develop Communication Action Plan for 2016/17 and submit to DPLG - Communications by September 2016			1	1	1	1	1
	Facilitate quarterly Audit and Performance Audit Committee meetings	4	4	4	4	4	4	4
	Develop a Risk-based Audit Plan (RBAP) for 2017/18 financial year by June 2017	1	1	1	1	1	1	1
To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	People from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan, by June 2017 (Reg)	37	17	0	0	1	0	0



## Chapter 3

Employees: Council					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	0	0	0	0	0%
9-13	0	0	0	0	0%
4-8	1	1	1	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0%</b>

*Vacancies = Total post vacant at 30 June 2017*

Employees: Executive & Office of the Municipal Manager					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	2	3	2	1	33%
18-22	0	0	0	0	0%
14-17	0	0	0	0	0%
9-13	1	2	0	2	100%
4-8	1	0	0	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>60%</b>

*Vacancies = Total post vacant at 30 June 2017*

Employees: Internal Audit					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	0	1	1	0	0%
9-13	2	3	1	2	67%
4-8	0	0	0	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50%</b>

*Vacancies = Total post vacant at 30 June 2017*



Financial Performance 2016/17: The Executive and Council					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10 112	8 488	8 381	8 118	-4%
Expenditure:					
Employees	4 924	6 498	5 846	5 648	-13%
Repairs and Maintenance					
Other	7 013	7 096	7 145	6 602	-7%
Total Operational Expenditure	11 938	13 595	12 991	12 250	-10%
Net Operational Expenditure	(1 826)	(5 107)	(4 610)	(4 132)	-19%

*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

Capital Expenditure 2016/17: The Executive and Council					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	15	135	3	-80,58%	

#### COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Executive and Council managed to stay within its allocated budget.

### 3.13 FINANCIAL SERVICES

#### INTRODUCTION TO FINANCIAL SERVICES

Although the municipality is still experiencing financial difficulties and resource constraints, all reports in terms of the Municipal Finance Management Act have been submitted, all creditors were paid and the financial statements completed on time.

All statutory submissions were tabled to the Finance Portfolio Committee, MPAC (Municipal Public Accounts Committee) and Council within legislative timeframes. It must be highlighted that the municipality is operating a very successful and interactive Finance Portfolio Committee with open sessions to jointly seek solutions and best practices. All existing finance- and budget related policies were reviewed and the following policies were added to the list, namely: Infrastructure Procurement and Delivery Management Policy and Preferential Procurement Policy.

Overberg District Municipality successfully migrated to the new Municipal Standard Chart of Accounts (mSCOA) with effect 1 July 2017. Amongst others the Central Supplier Database (CSD) module was tested at Overberg District Municipality.

Financial Services are still challenged due to financial constraints and cannot appoint staff as per the guiding norms and standards – it must however be highlighted that the municipality is still able to provide an effective and efficient financial service. The following two (2) strategic risks can be linked directly to the current financial constraints, namely the calculation of equitable share and lack of revenue source.





## Chapter 3

Due to a Western Cape District Municipalities Funding Research Initiative, the National Government funding base by means of the Division of Revenue Act, 2017, was increased to 11% (2017/2018), 23% (2018/2019) and unfortunately the increase falls back to 3% in 2019/2020. It needs to be highlighted that the Fiscal Committee is not fulfilling the Constitutional instruction in terms of Section 214(2)(d), namely “The Act referred to in subsection (1) may be enacted only after the provincial governments, organised local government and the Financial and Fiscal Commission have been consulted, and any recommendations of the Commission have been considered, and must take into account: (d) the need to ensure that provinces and municipalities are able to provide and perform functions allocated to them”.

A VAT review was undertaken by one of the municipality’s service providers and the proceeds of this review will be utilised to enhance service delivery.

The municipality received, for the second consecutive year, a clean Audit Award from the Auditor-General for the financial year 2015/2016. On 23 March 2017 Businesstech announced that the municipality is part of the top 9 financially best performing municipalities in South Africa. This report reviews the state of municipal budgets and expenditure as well as municipal governance issues at the end of a particular year (2015/2016).

Debt Recovery								
								R' 000
Details of the types of account raised and recovered	2015/16		2016/17			2017/18		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Electricity, Water & Sanitation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Refuse	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	12290	104.94%	12416	12416	104.44%	13198	13198	104%



Financial Services Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/16		2016/17		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines	Table draft District Funding Research Initiative (Costing Research model) to Finance Portfolio Committee by June 2017			1	1			
	Develop and table Preferential Procurement Policy by June 2017			1	1			
	Measured financial viability in terms of the municipality's ability to meet it's service debt obligations by 30 June 2017 (Debt coverage) (Reg)	30%	38,5%	30%	59.36%	30%	30%	30%
	Measured financial viability in terms of the available cash to cover fixed operating expenditure by 30 June 2017 (Cost coverage) (Reg)	14 days	23,66 days	30 days	72.73 days	30 days	30 days	30 days
	Measured financial viability in terms of percentage outstanding service debtors by June 2017 (Service Debtors) (Reg)	15%	1.8%	3%	8.78%	3%	3%	3%
	Report on Percentage Capital budget actually spend on capital projects by 30 June 2017 (Reg)	95%	89,64%	95%	88%	95%	95%	95%



## Chapter 3

Employees: Financial Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	2	4	3	1	25%
9-13	9	7	6	1	14%
4-8	6	12	7	5	42%
1-3	0	0	0	0	0%
<b>Total</b>	<b>17</b>	<b>23</b>	<b>16</b>	<b>7</b>	<b>30%</b>

*Vacancies = Total post vacant at 30 June 2017*

Financial Performance 2016/17: Financial Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	64 311	58 519	63 378	64 586	10%
<b>Expenditure:</b>					
<b>Employees</b>	7 558	8 594	10 400	9 387	9%
<b>Repairs and Maintenance</b>					
<b>Other</b>	11 310	6 397	13 091	13 163	106%
<b>Total Operational Expenditure</b>	18 868	14 991	23 490	22 550	50%
<b>Net Operational Expenditure</b>	45 443	43 528	39 888	42 036	-3%

*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

Capital Expenditure 2016/17: Financial Services					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	558	3 958	2 695	382,89%	

### COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

Financial Services stayed within their budget.



### 3.14 INTRODUCTION TO HUMAN RESOURCE SERVICES

#### INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resource division of the Overberg District Municipality performs the following functions and duties:

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

Comprehensive training was provided to staff, some at no charge. The Workplace Skills Plan for 2017/2018 was submitted on 30 April 2017 to LGSETA as per legislative requirement.

A workshop took place regarding the compilation of the Employment Equity Plan which was submitted to the Department of Labour at the end of November 2016.

The Head Human Resources is a member of the District TASK committee and extensive job evaluations took place throughout the year.

Interactive Local Labour Forums, Health & Safety, Employment Equity and Training Committee meetings took place during the year. As part of the Health and Safety responsibilities the municipality conducted two successful evacuation drills at head office and one at the fire station at Bredasdorp. However the target for the number of evacuation drills was exceeded, they were not executed according to the set timeframe.

Through the Employee Assistance Programme, the Human Resources division provided an environment which supports effective and efficient service delivery, by taking employees' personal circumstances into account as far as reasonably possible.

The unit also provided ongoing support to managers regarding Labour Relations and Occupational Health and Safety.



Chapter 3

Human Resources Objective								
Service Objective  <i>Service Indicator</i>	Outline Service Targets	2015/2016		2016/2017		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Coordinate Local Labour Forum (LLF) meetings in accordance with the Main Collective Agreement	10	11	8	7	10	10	10
	Percentage of identified Staff to be trained by June 2017 as per Workplace Skills Plan	80%	98.90%	80%	110%	80%	80%	80%
	Compile and submit Workplace Skills Plan to LG Seta by April 2017	1	1	1	1	1	1	1
	Compile and submit Employment Equity (EE) Plan to Department of Labour by November 2016	1	1	1	1	1	1	1
	Coordinate bi-annually health & safety evacuation drills at head office & Bredasdorp Fire Station	2	2	2	3	2	2	2
	Percentage of Municipal budget actually spend on the implementing of the Workplace Skills Plan by 30 June 2017 (Reg)			0.20%	0.23%	0.3%	0.3%	0.3%



## Chapter 3

Employees: Human Resources					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	0	1	1	0	0%
9-13	3	4	2	2	50%
4-8	0	0	0	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>40%</b>

*Vacancies = Total post vacant at 30 June 2017*

Financial Performance 2016/17: Human Resource Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					
<b>Expenditure:</b>					
Employees	1 077	1 446	1 269	1 367	-5,44%
Repairs and Maintenance					
Other	193	319	513	383	20,14%
<b>Total Operational Expenditure</b>	<b>1 270</b>	<b>1 765</b>	<b>1 782</b>	<b>1 751</b>	<b>-0,82%</b>
<b>Net Operational Expenditure</b>	<b>(1 270)</b>	<b>(1 765)</b>	<b>(1 782)</b>	<b>(1 751)</b>	<b>-0,82%</b>

*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

Capital Expenditure 2016/17: Human Resource Services					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	0	0	0	0	

### COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES SERVICES OVERALL

Human Resources managed to perform their duties inside their budget.



### 3.15 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT unit is situated in the Income, Expenditure and IT section, and is capacitated with one permanent employee as well as a student. The unit is responsible for the ITC infrastructure at 13 premises with a total of 184 end-users. The effectiveness of technology and information management is monitored by regularly reporting against the ICT implementation plan. These reports were submitted to Finance Portfolio Committee.

The top priorities of the unit are the financial system, e-mails and internet access. No data was lost on the financial system and backups are performed daily. The financial program, performance management and the information management system of roads are maintained by outside organisations. The ICT structure for mSCOA has been upgraded to facilitate the implementation thereof.

The following achievements need to be highlighted:

- An electronic system for leave application was implemented.
- A user data back-up system was obtained and implemented to back-up data from laptops and desktops.

The unit received 853 ICT tickets from end-users during the year of which most related to the resetting of passwords.

**Challenges:** The server room currently does not comply with standards and needs to be upgraded. A need for a recovery centre to secure data in the event of a disaster was identified. A site has already been identified, but it still needs to be rolled out. Risk related challenges were identified on the implementation of the approved ICT Policies.

**Planned areas of future focus** is to fully implement ICT policies.

#### COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The costs of this function are allocated within the financial services function of the municipality. The unit performed well and managed within limited resources.

### 3.16 SUPPORT SERVICES, PROPERTY MANAGEMENT, RISK MANAGEMENT, PERFORMANCE MANAGEMENT AND PROCUREMENT SERVICES

#### INTRODUCTION TO SUPPORT SERVICES, PROPERTY MANAGEMENT, RISK MANAGEMENT, PERFORMANCE MANAGEMENT AND PROCUREMENT SERVICES

##### **Support Services**

Support Services are responsible for committee services, council support, record management, cleaning services, reception services and contract & property management.

Support was given to Council's, Sections 80 and 79 Committees, Executive Mayoral Committee and all statutory committees. The municipality has a well-established record management system and complies with all legislative requirements. During the year under review the Record Management Policy was reviewed. The circulation of agendas for Council, Section 80 Committee and Mayco meetings five days prior to meetings improved compared to the previous year. This resulted in Councillors having sufficient time to prepare for meetings.

##### **Challenges**

The cost of printing and delivering of agendas remains a huge financial challenge. The municipality embarked on an electronic system which will be implemented in phases.

##### **Property Management**

The municipality operates its administration from the Head Office at Bredasdorp, with depots in each local municipal area.

All the properties of the municipality are listed in the Asset Register with their classification, location, value, etc.



## Chapter 3

The municipality granted permission to lease a portion of Karwyderskraal (Portion 79 of Farm 575) for the purpose of the development and operation of a crematorium. Council also advertised the selling of eight properties which were not needed for basic municipal service delivery. This will be finalised in the next financial year. The greater portion of the revenue generated with the selling of these properties will be used exclusively for the upgrading of ODM firefighting equipment.

The main **challenge** is finalising the ownership of certain properties which are not needed for basic municipal service delivery and the dealing of objections to the selling of properties to fund capital projects.

### **Legal**

The municipality has no internal legal support and makes use of outside legal assistance. Fourteen labour disputes were logged during the year of which nine related to TASK job evaluations and of which two were finalised. The other five relate to other labour issues of which three were resolved. A liability claim for the injury of a child at a state approved childcare facility is also pending. Objections received against the selling of properties are in the process of being resolved.

### **Risk Management**

The risk management function is performed by a Chief Risk Officer (CRO) on a Shared Service Business Model. The CRO works closely with the Performance Management Unit on the municipality's risk function.

Risk management meetings took place on a quarterly basis. The Strategic and Operational Risk registers were reviewed during the year and the following documents were adopted by Council on 30 June 2017.

- Combined Assurance Policy Framework (*New*)
- Risk Implementation Plan for 2017/2018
- Risk Management Committee – Terms of Reference (*Review*)
- Risk Management Strategy and Policy (*Review*)
- Code of Ethics (*New*)

A risk appetite workshop was held on 5 October 2016 for the whole district on how to apply the concept and methodology of risk appetite – i.e. the risk that the municipality is willing to take. A district ethics workshop took place on 2 February 2017 to create an ethical culture within the municipalities of the Overberg District.

The Chief Risk Officer also submitted quarterly reports to the DCF Tech Committee on the status of the Shared Services for Risk Management and initiatives.

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

- District Supply Chain Management (SCM) workshops, culminating in a SCM risk assessment;
- Annual Review of Risk Management Strategy and Policy of all municipalities;
- Compilation and monitoring of a district risk management implementation plan;
- Streamlining risk related documents and processes with National Treasury's Public Sector Risk Management Framework, King Code of Governance for South Africa, Committee of Sponsoring Organisations of the Treadway Commission (COSO), International Organisation for Standardisation (ISO 31000), etc.;
- Encouraged the significant application of risk management to the implementation of mSCOA by participating in the mSCOA work group sessions;
- Introducing risk universe and risk maturity initiatives through comparison reporting and benchmarking;
- Compilation of a District Cross-Cutting Report containing the transversal risks of the Overberg district;
- Exploring opportunities through meaningful integration of the functions of Ethics, Anti-Corruption and Fraud Prevention, Occupational Health and Safety, Long term Planning, Business Continuity and Disaster Management into the risk management objectives and processes;
- Business continuity workshops and engagements with management to develop a Business Continuity Framework;
- Focus on cyber security and ICT control awareness;

**Challenges:** Ongoing expertise of a CRO after the expiring of shared service agreement.

### **Performance Management**

The municipality has a functional Performance Management System in place. The unit is capacitated with one incumbent who is responsible for the whole function, strategically and operational, which includes the Service Delivery Budget and Implementation Plan (SDBIP) and individual performances management. Individual performance





## Chapter 3

agreements were concluded with staff on recognized and placed positions down to the lowest level in line with the SDBIP. The unit is also responsible for the compilation of the Annual Report and to facilitate the performance assessments of the Municipal Manager and Directors.

Performance assessments were done bi-annually with staff and the performance assessment of the Municipal Manager and Directors took place in terms of their performance contracts. To give effect to the performance results on the SDBIP, the quarterly performance report is combined with the Section 52(d) report in terms of the MFMA. The mid-year budget and performance report, compiled in collaboration with the Budget and Treasury Offices, resulted in the adjustment of the Budget and SDBIP. A draft Performance Reward and Recognition Policy for Employees was developed and tabled to the Local Labour Forum for inputs.

As the municipality is implementing the King IV disclosure early, no formal evaluation was done by Council of its own performance and that of its committees, the Speaker and its individual members. Performance evaluations may be implemented in the future. Activities such as a self-assessment questionnaire for the Mayoral Committee may be considered as performance evaluations could improve its performance and effectiveness.

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

Procurement Services – See Financial Services nr. 3.13



Chapter 3

Support Services, Property Management, Risk Management & Performance Management Objective								
Service Objective	Outline Service Targets	2015/16		2016/17		Following years		
		Target	Actual	Target	Actual	Target		
Service Indicator		Previous Year		Current Year		2017/2018	2018/2019	2019/2020
To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Coordinate quarterly Ordinary Council meetings	4	4	4	4	4	4	4
	Prepare and distribute Portfolio Committee, Ordinary Council meeting & Mayco meeting agendas 5 calendar days prior to meetings	12	18	26	26	30	30	30
	Facilitate quarterly Risk Management Committee meetings	1	1	4	4	4	4	4
	Submit quarterly a report to the DCF Tech Committee regarding the status of the Shared Services for Risk Management			4	4	4	4	4
	Table quarterly risk register update report at Risk Management Committee Meeting			4	4	4	4	4
	Prepare Top Layer SDBIP for approval by Mayor within 28 days after the adoption of 2017/2018 budget	1	1	1	1	1	1	1
	Develop and table a draft Performance Reward and Recognition Policy for Employees (Incentive Policy) to the LLF by March 2017			1	1			



## Chapter 3

Employees: Support Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	0	1	0	1	100%
9-13	2	2	1	1	50%
4-8	5	8	6	2	25%
1-3	2	3	1	2	67%
<b>Total</b>	<b>9</b>	<b>14</b>	<b>8</b>	<b>6</b>	<b>43%</b>

Vacancies = Total post vacant at 30 June 2017

Employees: Performance & Risk Management					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	0	0	0	0	0%
9-13	1	1	1	0	0%
4-8	0	0	0	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0%</b>

Vacancies = Total post vacant at 30 June 2017

Employees: Shared Services - Risk Management					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
23-26	0	0	0	0	0%
18-22	0	0	0	0	0%
14-17	0	0	0	0	0%
9-13	1	1	1	0	0%
4-8	0	0	0	0	0%
1-3	0	0	0	0	0%
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0%</b>

Vacancies = Total post vacant at 30 June 2017



## Chapter 3

Financial Performance 2016/17: Support Services					
R'000					
Details	2015/16	2016/2017			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	815	941	668	675	-28,35%
Repairs and Maintenance					
Other	43	58	68	61	5,62%
Total Operational Expenditure	858	1 000	736	736	-26,38%
Net Operational Expenditure	(858)	(1 000)	(736)	(736)	-26,38%
<i>Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Capital Expenditure 2016/17: Support Services					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	5	5	4	-17,54%	5

### COMMENT ON THE PERFORMANCE OF SUPPORT SERVICES OVERALL

Support Services did manage to perform their functions within its allocated Operating Budget.

Financial Performance 2016/17: Performance Management					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	468	534	480	485	-9,28%
Repairs and Maintenance					
Other	73	45	71	65	44,41%
Total Operational Expenditure	541	579	552	550	-5,08%
Net Operational Expenditure	(541)	(579)	(552)	(550)	-5,08%
<i>Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Capital Expenditure 2016/17: Performance Management					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	



## Chapter 3

### COMMENT ON THE PERFORMANCE OF SUPPORT SERVICES OVERALL

Performance management did manage to perform their functions within its allocated operating budget.

Financial Performance 2016/17: Shared Services - Risk Management					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	341	1 054	1 089	487	-53,81%
<b>Expenditure:</b>					
Employees	433	537	580	566	5,37%
Repairs and Maintenance					
Other	36	318	318	56	-82,27%
Total Operational Expenditure	469	855	898	623	-27,20%
Net Operational Expenditure	(128)	199	191	(136)	-168,10%
<i>Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Capital Expenditure 2016/17: Shared Services - Risk Management					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	

### COMMENT ON THE PERFORMANCE OF SUPPORT SERVICES OVERALL

Shared Services managed to perform its functions within its allocated budget.



COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

Overberg District Municipality SDBIP 2016/2017: Top Layer SDBIP Report																														
Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Source of Evidence	Revised Target	Sep-16			Performance Comment	Corrective Measures	Dec-16			Performance Comment	Corrective Measures	Mar-17			Performance Comment	Corrective Measures	Jun-17			Overall Performance for Sep 2016 to Jun 2017					
							Target	Actual	R			Target	Actual	R			Target	Actual	R			Target	Actual	R	Target	Actual	R	Target	Actual	R
T11	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Facilitate Councilors/ Management Strategic Session by December 2016	Number of Strategic Sessions facilitated	Attendance register	1	0	0			1	1		Strategic Session held on 7 & 8 November 2016			0	0				0	0				1	1		
T12	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Facilitate quarterly DCF Tech meetings to enhance IGR in the Overberg	Number of DCF Tech meetings facilitated per annum	Minutes of meetings	4	1	1			1	1		Meeting held on 30/09/2016			1	1				1	1				4	4		
T13	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation & Institutional Development	Implement revised organisational structure by June 2017	Revised organisational structure implemented	Extract from Payroll system	1	0	0			0	0					0	0				1	1				1	1		
T14	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Create temporary job opportunities through the municipality's EPWP programme as per FTE target, by June 2017(Reg)	Number of Full-Time Equivalents (FTE's) created during the financial year	Quarterly EPWP reports	7	0	0			0	0					0	0				7	41				41	41		
T15	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation & Institutional Development	People from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan, by June 2017 (Reg)	Number of people from EE target groups employed per annum	Quarterly Employment Equity Report	0	0	0			0	0					0	0				0	0				0	0		
T16	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Annual review & adoption of Communication Strategy by June 2017	Communication Strategy reviewed and submitted to Council for adoption	Minutes of Council meeting where Communication Strategy was tabled	1	0	0			0	0					0	0				1	1				1	1		
T17	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Publishing of bi-annually External Newsletter to Stakeholders	Number of external newsletters published per annum	Newsletters & distribution list	2	0	0			1	1		Newsletter published on 21/12/2016			0	0				1	1				2	2		









# Chapter 3

TL27	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation & Institutional Development	Coordinate Local Labour Forum (LLF) meetings in accordance with the Main Collective Agreement	Number of LLF meetings coordinated per annum	Minutes of LLF meetings	8	1	1	1	Meeting held on: 19/07/2016	2	2	2	2	Meetings held on: 25/10/2016 29/11/2016	3	2	2	Meetings held on: 22/02/2017 23/03/2017	8	1	1	Meetings held on: 09/05/2017 12/06/2017 The meeting scheduled for April 2017 did not take place due to the resignations and re-appointment of Councillors who is members of the LLF	Must adhere to the Collective agreement	8	1	1	Dates to be determined in advance to ensure that all parties are informed and available for the meetings (Year planner) and to appoint second's for the members.			
TL28	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation & Institutional Development	Percentage of identified staff to be trained by June 2017 as per Workplace Skills Plan	% of identified staff trained (Staff received training /Number of staff identified)	Minutes of Training Committee WSP	80%	0%	0%	0%		0%	0%	0%	0%		80%	110%	2	170 Planned training beneficiaries (WSP 2016/2017) and 187 beneficiaries received training in terms of the 2017/2018 WSP	80%	110%	2									
TL29	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation & Institutional Development	Compile and submit Workplace Skills Plan to LG Seta by April 2017	Workplace Skills Plan compiled and submitted to LG Seta	Confirmation of submission	1	0	0	0		0	0	0	0		1	1	1	Workplace Skills Plan for 2017/2018 was submitted on 13/04/2017	1	1	1									
TL30	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation & Institutional Development	Compile and submit Employment Equity (EE) Plan to Department of Labour by November 2016	EE Plan submitted	Confirmation of submission	1	0	0	0		1	1	1	1	EE Plan submitted on 15/11/2016	0	0	0		0	0	0									
TL31	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation & Institutional Development	Coordinate bi-annually health & safety evacuation drills at head office & Bredasdorp Fire Station	Number of drills coordinated per annum	Report of Evacuation drills	2	0	0	0		1	0	0	0	Fire Services was requested to assist with the evacuation drill, but was unable to assist due to the high volume of fires that occurred during the fire season.	The evacuation drill will be rescheduled to the first quarter of 2017.	0	1	1	Evacuation drill outstanding from previous semester was held on 15/02/2017	1	2	2	Evacuation drill held at Fire Station Bredasdorp on 02/06/2017 Evacuation drill held on 27/06/2017 at Head Office		2	3	3	However the target was exceeded, there was no evacuation drill executed in the first semester as planned		
TL32	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation & Institutional Development	Percentage of Municipal budget actually spend on the implementing of the Workplace Skills Plan by 30 June 2017 (Reg)	% of budget spent on the WSP per annum (Actual spent on Training/Total Budget)	Financial Statement	0.20%	0%	0%	0%		0%	0%	0%	0%		0.20%	0.23%	2	R379589/R165967870	0.20%	0.23%	2									
TL33	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Coordinate quarterly Ordinary Council meetings	Number of Council meetings coordinated per annum	Minutes of Council meeting	4	1	1	1	Ordinary Council meeting held on 30/08/2016	1	1	1	1	Ordinary Council meeting held on 05/12/2016	1	1	1	Ordinary Council meeting held on 30/03/2017	1	1	1	Ordinary Council meeting held on 30/06/2017		4	4	4				
TL34	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Prepare and distribute Portfolio Committee, Ordinary Council meeting & Mayo meeting agendas 5 calendar days prior to meetings	Number of agenda distributions distributed 5 calendar days prior to meetings per annum	Distribution list	26	3	4	4	*Mayco meeting held on 25/07/2016 - agenda distributed 19/07/2016 *Council meeting held on 24/08/2016 - agenda distributed 25/08/2016 *Finance Portfolio meeting held on 26/09/2016 - agenda distributed 21/09/2016 *Mayco meeting held on 26/09/2016 - Finance meeting agenda used for meeting - agenda distributed 21/09/2016	5	6	6	6	*Finance, Corporate & IGR, Community Services and Strategic Services Portfolio Committee meetings held on 24/10/2016 - agendas distributed on 19/10/2016 *Mayco meeting held on 29/11/2016 - agenda distributed on 24/11/2016 *Council meeting held on 05/12/2016 - agenda distributed on 30/11/2016	8	8	8	*Finance Portfolio meeting held on 16/01/2017 - agenda distributed 10/01/2017 *Mayco meeting held on 16/01/2017 - Finance Portfolio meeting agenda used for Mayo meeting distributed - 10/01/2017 *Finance Portfolio meeting held on 20/02/2017 - agenda distributed 14/02/2017 *Finance, Corporate & IGR, Community Services and Strategic Services Portfolio Committee meetings held on 13/03/2017 - agenda distributed on 07/03/2017 *Council meeting held on 30/03/2017 - agenda distributed on 24/03/2017 Mayco meeting held on 24/03/2017 - agenda was not distributed with in 5 days	Must identify dates for Mayo meetings in advance.	10	8	8	*Finance Portfolio meeting held 24/04/2017 - agendas distributed 19/04/2017 *Finance Portfolio meeting held 08/05/2017 - agendas distributed 03/05/2017 *Mayco meeting held 08/05/2017 - agendas distributed 03/05/2017 *Finance, Strategic, Corporate and Community Services Portfolio meetings held 15/06/2017 - agendas distributed 09/06/2017 *Mayco meeting held 19/06/2017 - agendas distributed 09/06/2017 - Agendas of portfolio meetings were use for meeting *Council meeting held on 30/06/2017 - agenda was not distributed within 5 days *Mayco meeting planned for April was not held, because the previous month's meeting was held late in March	All head of departments must adhere to the timeframes for submission of items. To develop a year planner with dates of meetings and dates when items be required for submission.	26	26	26			



### Chapter 3

TL35	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	Laboratory results/submition forms	420	105	124	July - 19 G Aug - 40 2 Sept - 65			105	120	October - 76 G November - 35 2 December - 9			105	89	January - 52 G February - 31 2 March - 58			April - 55 G May - 25 2 June - 9	However the target for the quarter was not achieved, the year-to-date target was met	420	474		
TL36	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Take food samples to monitor the quality of Food ito the FCD Act and legislative requirements	Number of samples taken per annum	Laboratory results/submition forms	360	90	107	July - 20 G Aug - 75 2 Sept - 12			90	101	October - 35 G November - 58 2 December - 8			90	66	January - 18 G February - 48 2 March - 49			April - 16 G May - 17 2 June - 33	However the target for the quarter was not achieved, the year-to-date target was met	360	389		
TL37	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Inspect waste management sites wrt generators and couriers of medical waste according to Municipal Health By-Law of Council	Number of sites inspected per annum	Inspection forms	120	0	0	July - 6 G August - 8 2 September - 8 October - 9 November - 8 December - 19	Backlog to be addressed in the next semester.		0	0				60	74	January - 13 G February - 05 2 March - 17 April - 09 May - 10 June - 20					120	132		
TL38	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Take water sample at Sewerage Final Outflow to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	Laboratory results/submition forms	120	30	37	July - 5 G Aug - 7 2 Sept - 25			30	27	October - 12 G November - 12 2 December - 03	At mid-year actual results are on track with year-to-date target (December 2016)			30	36	January - 14 G February - 11 2 March - 5			April - 19 G May - 11 2 June - 6			120	130
TL39	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Inspect Food Premises to monitor hazardous substances according to National Health Act	Number of food Premises inspected per annum	Inspection forms	1,200	300	446	July - 122 G Aug - 153 2 Sept - 171			300	333	October - 120 G November - 128 2 December - 76			300	351	January - 104 G February - 129 2 March - 124			April - 112 G May - 126 2 June - 113			1,200	1,487	
TL40	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Report quarterly to the Community Services Portfolio Committee on the discussions of the Municipal Coastal Committee	Number of quarterly reports submitted per annum	Minutes of Community Portfolio meeting where reports were tabled	3	0	0	No Community Portfolio meeting held in the quarter	Report quarterly to the Community Services Portfolio Committee on the discussions of the Municipal Coastal Committee		1	1	Report for the period April 2016 - September 2016 was submitted to the Community Portfolio Committee meeting held on 24/10/2016, item 7.1			1	1	Report for the period October 2016 - December 2016 was submitted to the Community Portfolio Committee meeting held on 13/03/2017, item 7.1			Report for the period January 2017 - March 2017 was submitted to the Community Portfolio Committee meeting held on 19/06/2017, item 7.1			3	3	
TL41	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Report quarterly on the outcomes of Karwyderskraal Landfill Committee and adherence to the lease agreement to the Community Portfolio Committee	Number of quarterly reports submitted per annum	Minutes of Community Portfolio meeting where reports were tabled	3	0	0	No Community Portfolio meeting held in the quarter	Report quarterly on the outcomes of Karwyderskraal Landfill Committee and adherence to the lease agreement to the Community Portfolio Committee		1	1	Report for the period April 2016 - September 2016 was submitted to the Community Portfolio Committee meeting held on 24/10/2016, item 7.1			1	1	Report for the period October 2016 - December 2016 submitted to the Community Portfolio Committee meeting held on 13/03/2017, item 7.1			Report for the period January 2017 - March 2017 submitted to the Community Portfolio Committee meeting held on 19/06/2017, item 7.1			3	3	
TL42	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Report quarterly on the outcomes of the Regional Waste Forum to the Community Services Portfolio Committee	Number of quarterly reports submitted per annum	Minutes of Community Portfolio meeting where reports were tabled	3	0	0	No Community Portfolio meeting held in the quarter	Report quarterly on the outcomes of the Regional Waste Forum to the Community Services Portfolio Committee		1	1	Report for the period April 2016 - September 2016 was submitted to the Community Portfolio Committee meeting held on 24/10/2016, item 7.1			1	1	Report for the period October 2016 - December 2016 submitted to the Community Portfolio Committee meeting held on 13/03/2017, item 7.1			Report for the period January 2017 - March 2017 submitted to Community Portfolio Committee meeting held on 19/06/2017, item 7.1			3	3	



# Chapter 3

TL43	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Report quarterly to the Community Services Portfolio Committee on complaints received vs reservations (camp site & bungalows at resorts)	Number of quarterly reports tabled per annum	Minutes of Portfolio Committee meeting where reports serve	3	0	0	No Community Portfolio meeting held in the quarter	1	1	Report for June 2016 - September 2016 was tabled to the Community Portfolio Committee meeting held on 24/10/2016, item 10.1.		1	1	Report for October 2016 - December 2016 was submitted to the Community Portfolio meeting held on 13/03/2017, item 10.1		1	1	Report for January 2017 - March 2017 was tabled to the portfolio committee meeting held on 19/06/2017, item 10.1	3	3		
TL44	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Update annually the resorts information on the ODM website by June 2017	Updated information on website	Screenshot of municipal website	1	0	0		0	0			0	0			1	1	Information on the ODM website in respect of resorts was updated with the 2017/2018 tariffs on 25/05/2017	1	1		
TL45	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Hold monthly Resort Managers meetings to discuss strategic and operational matters	Number of monthly meetings held per annum	Minutes of meeting	12	3	1	Meetings held on: 29/09/2016 A Meeting was also held on 15 August 2016, but it could not be validated due to the absence of an attendance register	Attendance register must be signed for all meetings held	3	1	Meeting held on 01/12/2016 Monthly meetings for October and November were not held due to the availability of the Resort Manager.	Measures put in place to ensure that KPI be executed - Manager Protection Services will be responsible	3	3	Meetings held on: 30/01/2017 14/02/2017 29/03/2017		3	4	Meetings held on: 02/05/2017 05/05/2017 31/05/2017 21/06/2017	12	9	The corrective measurement put in place in the second quarter resulted that the targets were met in the third and fourth quarter
TL46	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Hold bi-annually Camp Committee stakeholders meetings (Ulilenkraalsmond & Die Dam)	Number of meetings held per annum	Minutes of meeting	4	0	0			2	2	Meetings held on: Ulilenkraalsmond - 28/12/2016 Die Dam - 29/12/2016		0	0			2	2	Meetings held on: Ulilenkraalsmond - 21/04/2017 Die Dam - 15/06/2017	4	4	
TL47	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Table the revised Disaster Risk Management Plan to Council by June 2017	Disaster Management Plan tabled to Council	Minutes of Council meeting where plan was tabled	1	0	0			0	0			0	0			1	1	Tabled to Council on 30/06/2017, Item A108	1	1	
TL48	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Table the revised Disaster Management Framework to Council by June 2017	Disaster Management Framework tabled to Council	Minutes of Council meeting where Framework was tabled	1	0	0			0	0			0	0			1	1	Tabled to Council on 30/06/2017, Item A107	1	1	
TL49	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Revised Safer Community Project Plan and submit to the Disaster Management Advisory Committee by September 2016	Safer Community Project Plan reviewed and submitted	Minutes of Disaster Management Advisory Committee where plan was tabled	1	1	0	Plan was not tabled to Disaster Management Advisory Committee. No meeting held	Will be tabled to next advisory meeting	0	1	Revised plan tabled on 13/12/2016	Target was performed, but not accordance to the target date.	0	0			0	0		1	1	However the year end result indicate that the target was met; it was not achieved on the target date (September 2016)
TL50	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Revised Festive and Fire Season Readiness Plan by November 2016 for implementation on 1 December 2016	Plan tabled to DCF meeting	Minutes of DCF meeting where plan was tabled	1	0	0			1	1	Plan was presented to the DCF meeting held on 21 November 2016, item 5.5.		0	0			0	0		1	1	



### Chapter 3

TL51	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Upgrading of DR 1318 (1.46km) and DR 1239 (1.56km) to permanent surface by June 2017	Number of KM roads upgraded per annum	Completion Certificate	5.02	0	0	0	1.56	DR 1239 completed in 11 October 2016	0	0	5.02	3.46	DR 1318 completed 28 April 2017	DR 1239 was completed in October 2016	5.02	5.02	
TL52	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Km of gravel roads to be re-gravelled per quarter	Number of gravel roads re-gravelled per annum	Monthly summary of Km's re-gravelled against planned (graphs)	30	9.26	9.26	7.30	7.30	Oct - 3.65 km Nov - 3.05 km Dec - 0.6 km	6.14	5.64	January - 0 km February - 4.14 km March - 1.5 km Target was not met, because operators attended a 4 day training session on the transport of hazardous substances.	Backlog will be addressed in the next quarter.	7.30	12.64	April - 2.94 km May - 6.2 km June - 3.5 km (the backlog of 0.5km from the previous quarter was also addressed)	30	34.94
TL53	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	KM of gravel roads to be bladed per quarter	Number of km roads bladed per annum	Monthly MIMs report	6,000	1,700	1,811.56	1,400	1,525.37	Jul - 443.38 Aug - 656.90 Sept - 711.28  Backlog (51.37km) of the previous financial year was addressed.	1,200	1,215.21	January - 268.76 February - 461.70 March - 484.75		1,700	1,732.24	April - 397.69 May - 534.83 June - 799.72	6,000	6,284.38
TL54	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Submit annually business plan for provincial roads budget allocation to Dept of Transport and Public Works by March 2017	Annual business plan submitted	Confirmation of submission	1	0	0	0	0		1	1	Business Plan dated 05/03/2017 was acknowledged by Dept of Transport and Public Works on 09/03/2017		0	0		1	1
TL55	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Develop a Resorts Marketing Plan and submit to Council by December 2016	Resort Marketing Plan submitted to Council	Minutes of Council meeting where plan was tabled	1	0	0	1	1	Draft Resort Marketing Plan Submitted to Council on 05/12/2016, Item A29	0	0			0	0		1	1
TL56	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Table Resort Access Control Policy to Council by December 2016 for consideration	Resort Access Control Policy tabled to Council	Minutes of Council meeting where policy was tabled	1	0	0	1	1	Draft Resort Access Control Policy submitted to Council on 05/12/2016, Item A28	0	0			0	0		1	1



## CHAPTER 3

### COMPONENT K: PERFORMANCE ASSESSMENT OF SERVICE PROVIDERS

Performance assessments were done throughout the 2016/2017 financial year on Providers who tendered or quoted on various tenders or quotations (all expenditure above R 30 000), excluding payments to suppliers made in terms of Section 35 of the Municipal Supply Chain Regulations

The following service providers were assessed.

Name of Service Provider	Goods & Services Supply
ABSA	Banking Services
Indwe Risk Services	Short term Insurance
Zeda Car Leasing (Pty) Ltd T/A Avis Fleet	Rental of Vehicles
TWK Communication CC	Telephone System
Swift Silliker (Pty) Ltd	Food And Water Sample Analyses For The Period
KPMG Services	Risk Assessment
Mubeko Africa	Accounting Services
Altimax	Accounting Services
Siyanda Business Solutions	Accounting Services
Bytes Technology	SLA – SAMRAS System
Ignite Advisory Services	SLA – Performance Management, Risk & Compliance System
MTN	Cellphone contracts
Business Zone	Annual Tender – Fuel (97 Octane Unleaded) Annual Tender – Fuel (Diesel) Annual Tender – Fuel (Paraffien)
Union Fuels	Annual Tender – Fuel (97 Octane Unleaded) Annual Tender – Fuel (Diesel) Annual Tender – Fuel (Paraffien)
Moov Fuel	Annual Tender – Fuel (97 Octane Unleaded) Annual Tender – Fuel (Diesel) Annual Tender – Oils & Grease
AD Carelse t/a Easy Mix	Annual Tender – Fuel (97 Octane Unleaded) Annual Tender – Fuel (Diesel)
World Marine	Annual Tender – Fuel (Diesel)
Nu Way Enterprises	Annual Tender – Oils & Grease Annual Tender – Road Signs with Road Signs Bolts & Nuts
Startune (Pty) Ltd	Annual Tender – Grader Blades Annual Tender – Cleaning Agents Annual Tender – Bolts & Nuts
AWV Project Management	Annual Tender – Grader Blades Annual Tender – Black Refuse Bags Annual Tender – Bolts & Nuts
Kleen it Factory Shop	Annual Tender – Cleaning Agents
Soetmuis Agtien CC	Annual Tender – Cleaning Agents Annual Tender – Supply of Cement Annual Tender – Printing & Eyeline Paper
Kwapele Basadi	Annual Tender – Cleaning Agents
Outeniqua Plastics	Annual Tender – Black Refuse Bags
Cape Otto Signs	Annual Tender – Road Signs with Road Signs Bolts & Nuts
TVM Konstruksie	Annual Tender – Hire of Road Implements Supplies and Services – Road Surfacing Material Supply and Delivery of Road Construction Material at Buffeljagsrivier
Uitkyk Diggers CC	Annual Tender – Hire of Road Implements Supplies and Services – Road Surfacing Material
Salandra Park	Annual Tender – Hire of Road Implements
DP Truck Hire	Annual Tender – Hire of Road Implements Transportation and disposal of waste; and sewerage removal



## CHAPTER 3

Avenq Manufacturing Infraset	Annual Tender – Concrete Pipes, Concrete Channels, Box Culverts & Manholes
Rocla (Pty) Ltd	Annual Tender – Concrete Pipes, Concrete Channels, Box Culverts & Manholes
AJ Bandediens	Annual Tender – TYRES: New & Retread
SWD Bandediens	Annual Tender – TYRES: New & Retread
Caledon Supaquick	Annual Tender – TYRES: New & Retread
Hi Q – Bredasdorp	Annual Tender – TYRES: New & Retread
Glencape Resources CC	Annual Tender – Supply of Bags with Tar Product
Groenland Boeredienste	Annual Tender – Mechanical Services
Worcester Gearbox	Annual Tender – Mechanical Services
Overberg Marine	Annual Tender – Mechanical Services
Skynet	Annual Tender – Courier Services
Gansbaai Aircon & Refrigeration	Annual Tender – Servicing and Installation of Air-con
Arina Wilson	Annual Tender – Translations & Editing Annual Tender – Advertisements
Lithotech	Annual Tender – Forms Annual Tender – Printing & Eycline Paper
Hermanus Fire Extinguishers	Annual Tender – Servicing of Fire Extinguishers
Independent Fire Services	Annual Tender – Hoses, Nozzles & Foam
Marce Projects	Annual Tender – Hoses, Nozzles & Foam
Selton Cleaning Services CC	Cleaning Services – Resorts
Defensor Fortis Security Services (Pty) Ltd	Guarding and Security Services at the Overberg District Municipality's Resorts
Diesel Electric – Worcester	Supplies and Services - Filters
Afrimat Aggregates Operations	Supplies and Services – Road Surfacing Material
Colas South Africa	Supplies and Services – Supply Of Bitumen, Bitumen Emulsion And Primer
Tosas	Supplies and Services – Supply Of Bitumen, Bitumen Emulsion And Primer
V du Toit	Services –Ferry at Malgas for a three (3) year period
Simons Electric	Supply, Servicing And Repairs at the Overberg District Municipality Resorts for the period ending 31 December 2018 – Electrical
Genadendal Jackies Bazaar	Supply, Servicing And Repairs at the Overberg District Municipality Resorts for the period ending 31 December 2018 – Transportation & Disposal of General Waste And Hiring Tanker for Sewerage Removal
Benliekor Communications t/a Estreaux Systems	Supply, Servicing And Repairs at the Overberg District Municipality Resorts for the period ending 31 December 2018 – Repairs & Servicing of Electrical Booms
Western Cape Transformer Services CC	Supply, Servicing And Repairs at the Overberg District Municipality Resorts for the period ending 31 December 2018 – Servicing of Transformers
Pro Heat and Energy Electrical	Supply, Servicing And Repairs at the Overberg District Municipality Resorts for the period ending 31 December 2018 – Service And Repairs to Boilers & Burners
G.F. FOLKERTS t/a G.F. Verkoeling & Elektries	Supply, Servicing And Repairs at the Overberg District Municipality Resorts for the period ending 31 December 2018 – Servicing & Repairs of Refrigerators, Freezers & Grass Cutting Equipment
Nashua Breede Vallei	Rental of Printers
Fire Raiders	Mechanical and Auto Electrical Services for the period ending 30 June 2018 Panel Van Hazmat Vehicle Structural Fire fighting Vehicle
Auto Clinic Swellendam	Mechanical and Auto Electrical Services for the period ending 30 June 2018
Du Toit Dienssentrum	Mechanical and Auto Electrical Services for the period ending 30 June 2018



## CHAPTER 3

The Grail Centre Trust	Office Rental Space for the period ending November 2018
Johannes De Villiers De Kock t/a Sunjomar Accountants	Lease of Office Space In Hermanus for a Three (3) Year Period
Louwco Cooling Solutions	Supply of Air Conditioners
Fremtac Fire & Rescue	Breathing Apparatus
Datategra	Anti-Virus Software
Simons Electric	Supply & Installation of Street Lighting at Uilenkraalsmond Resort
V.I Instruments	A New Electronic Total Station (Surveying Equipment)
AllaboutXpert – Paracon	Minutes Solution
Lynette Pratt / Banbie Rentals	Rental of Property
Gansbaai Cleaning Services	Cleaning Services
Macnay	Spares & Parts – Deviation
Bell Equipment	Parts – Deviation
Babcock Equipment	Spares & Parts - Deviation
High Power Equipment	Spares & Parts - Deviation
Reflect All Compressors	Spares & Parts - Deviation
Agrico	Supply and Delivery of: Spare Parts and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM) for a period of Two (2) Years
Barloworld	Supply and Delivery of: Spare Parts and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM) for a period of Two (2) Years
Dosco Hydraulics	Supply and Delivery of: Spare Parts and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM) for a period of Two (2) Years
Equipment Spare Parts	Supply and Delivery of: Spare Parts and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM) for a period of Two (2) Years
Hino Parow	Supply and Delivery of: Spare Parts and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM) for a period of Two (2) Years
Hydrengo	Supply and Delivery of: Spare Parts and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM) for a period of Two (2) Years
World Wide Spares	Supply and Delivery of: Spare Parts and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM) for a period of Two (2) Years
Lawnmower & Chainsaw Clinic t/a Goldspot Trading	Samil Repairs
Ford Motor Company of Southern Africa	Supply and Delivery of Sedan Vehicles, Light and Heavy Commercial Vehicles, Busses and Motor Cycles to the State for the period 01 April 2016 to 31 March 2018
Iveco South Africa (Pty) Ltd	Supply and Delivery of Sedan Vehicles, Light and Heavy Commercial Vehicles, Busses and Motor Cycles to the State for the period 01 April 2016 to 31 March 2018
Isuzu Truck South Africa (Pty) Ltd	Supply and Delivery of Sedan Vehicles, Light and Heavy Commercial Vehicles, Busses and Motor Cycles to the State for the period 01 April 2016 to 31 March 2018
Vodacom	Supply & Delivery of Mobile Communication Services to the State for the period 15 September 2016 to 31 August 2020
Healthy Worker Clinic (Pty) Ltd	Medical Certificate of Fitness for Affected Road Maintenance, Road Construction & Workshop Employees for the period 08 August 2016 to 30 June 2019.



## CHAPTER 3

Pricewaterhouse Coopers Inc	Review, Re-Design & Development
SMEC South Africa	The Management and Implementation of the Rural Road Asset Management System within Cape Winelands for a period of Three Years
Stevenridge	Supply & Delivery of Operational Gear & Uniforms
Pienaar Brothers (Pty) Ltd	Supply And Delivery Of Protective Clothing And Footwear For A 3 Year Period
Working on Fire (Pty) Ltd	Aerial Firefighting Services for the Overberg District Municipality
Tourvest Travel Services	Travel Agency
Enderstein Van Der Merwe	Legal Services
Flo Rite Irrigation	Water treatment chemicals and pumps
Vuka Construction	Eradication of Invasive Vegetation
Genesinea Consulting (Pty) Ltd	Chairperson And Initiator Training
Bruniquel & Associates (Pty) Ltd	Diversity Management Training
19 Hundred Trading t/a Box Droppers	Miscellaneous ICT Equipment – X20 Racks (Switches)
Blue Computer Technologies	Various IT Equipment (Hardware)
DLK Group (Pty) Ltd	Supply of Two Servers
First Technology WC (Pty) Ltd	Office Licences

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





## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

The Municipality's organisational development function is as follows:

#### Municipal Manager's Office

- Communication
- Risk Management
- Internal Audit
- Shared Services (Risk Management)

#### Directorate Management Services

- Income, Expenditure and IT
- Financial Services, IDP/LED and Tourism
- Supply Chain Management
- Performance Management Services
- Human Resources
- Support Services

#### Directorate Community Services

- Roads (Agency function)
- Municipal Health
- Environmental Management
- Resorts
- Disaster Management and Fire Services

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

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS; TURNOVER AND VACANCIES

Employees					
Description	2015/2016	2016/2017			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Roads	159	176	163	13	7%
Planning (IDP/LED)	2	4	2	2	50%
Environmental Management	3	7	3	4	57%
Municipal Health	21	54	20	34	63%
Fire Services	39	92	40	52	57%
Disaster Management	1	5	1	4	80%
Resorts	24	45	25	20	44%
Executive & Office of Municipal Manager	4	5	2	3	60%
Council	1	1	1	0	0%
Internal Audit	2	4	2	2	50%
Finance	17	23	16	7	30%
Human Resources	3	5	3	2	40%
Support Services	9	14	8	6	43%
Performance Management & Risk Management	1	1	1	0	0%
Shared Services – Risk Management	1	1	1	0	0%
<b>Totals</b>	<b>287</b>	<b>437</b>	<b>288</b>	<b>149</b>	<b>34%</b>
Calculation: Employees and Approved posts number at 30 June 2017					



## CHAPTER 4

Vacancy Rate 2016/17			
Designations	Total Approved Posts No.	Vacancies on 30 June 2017 No.	Vacancies %
Municipal Manager	1	0	0%
Other S57 Managers (excluding Finance Posts)	1	1	100%
Other S57 Managers – CFO (Finance posts)	1	0	0%
Fire Fighters	73	43	59%
Senior Management: Levels 18-22 (excluding Finance Posts)	0	0	0%
Senior management: Levels 18 - 22 (Finance posts)	0	0	0%
Professionally Qualified/Mid Management: levels 14-17 (excluding Finance posts)	19	6	32%
Professionally Qualified/Mid Management: levels 14-17 (Finance posts)	4	1	25%
<b>Total</b>	<b>99</b>	<b>51</b>	<b>52%</b>

Turn-over Rate			
Details	Total Appointments from beginning of Financial Year No.	Terminations during the Financial Year No.	*Turn-over Rate
2014/2015	26	15	5.3%
2015/2016	15	21	7.19%
2016/2017	25	32	11%

\*Calculation: Terminations/by total number of employees who occupied posts at 30 June 2017

### COMMENT ON VACANCIES AND TURNOVER

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



## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

**INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

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

## 4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Acting Allowance Policy	100%	100%	Repealed
2	Bursary and Study Aid Policy	100%		Await approval from Council
3	Cellular Tablet and Data Policy	100%	100%	27 July 2015
4	Dress Code Policy	100%	100%	27 July 2015
5	Employee Assistants Programme	100%	100%	27 July 2015
6	Extra Service Allowance	100%	100%	Repealed
7	Financial Support for Driving Lesson	100%		Await approval from Council
8	HIV/Aids Policy	100%	100%	18 June 2012
9	Occupational Health & Safety	100%	100%	27 July 2015
10	Overtime Policy	100%	100%	27 July 2015
11	Promotion Policy for the Fire Department	100%	100%	Repealed
12	Recruitment and Selection Policy	100%	100%	28 September 2012
13	Sexual Harassment Policy	100%	100%	27 June 2016
14	Skill Retention Policy	100%	100%	27 July 2015
15	Smoking Policy	100%	100%	27 July 2015
16	Substance Abuse Policy	100%		Await approval from Council
17	Task Job Evaluation Policy	100%	100%	3 December 2012
18	Travel & Subsistence Policy	100%	100%	18 June 2012
19	Private work (Employees)	100%	100%	6 October 2006
20	Performance Management Framework Policy	100%	100%	22 June 2015

**COMMENT ON WORKFORCE POLICY DEVELOPMENT**

Human Resources policies were developed to address principles and rules to guide decisions and achieve rational outcomes. Policies assist in both subjective and objective decision-making and guide all employees to comply with standards. Three new policies await approval.

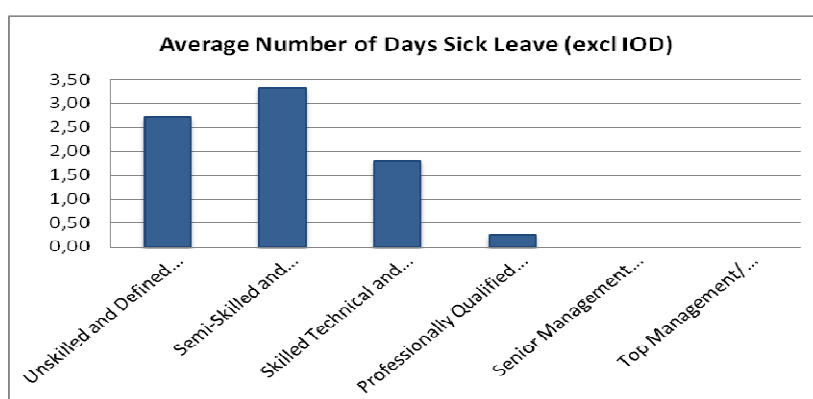


4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	152	15	9,87%	30,4	58
Temporary disablement					
Permanent disablement					
Fatal	0	0	0,00%	0	
<b>Total</b>	<b>152</b>	<b>15</b>	<b>9,87%</b>	<b>30,4</b>	<b>58</b>

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Unskilled and Defined Decision making (Levels 1-3)	771	9%	59	84	2,70	R281
Semi-Skilled and Discretionary Decision making (Levels 4-8)	946	12%	92	129	3,31	R536
Skilled Technical and Academically Qualified/Jr. Management /Supervisors/Foreman/Superintendent (Levels 9-13)	513	11%	44	56	1,79	R565
Professionally Qualified and Experience Specialists / Mid Management (Levels 14-17)	66	11%	12	17	0,23	R115
Senior Management (Level 18-22)	0	0%	0	0	0,00	0
Top Management/ Executive (Level 23-26)	0	0%	0	2	0,00	0
<b>Total</b>	<b>2296</b>	<b>0%</b>	<b>207</b>	<b>288</b>	<b>8,03</b>	<b>1497</b>

\* - Number of employees in post at year-end \*Average is calculated by taking sick leave in column 2 divided by total employees in column 5



## CHAPTER 4

### COMMENT ON INJURY AND SICK LEAVE

Sick leave taken by employees has service delivery and cost implications. By monitoring the record for sick leave and leave for injuries on duty, the employer can detect patterns or trends. An improvement from the previous year, can be linked to the availability of information provided to management. Corrective actions were taken when necessary.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Labourer	Assault	28/09/2016	Dismissal	27/02/2017

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
<i>None</i>			

## 4.4 PERFORMANCE REWARDS

### COMMENT ON PERFORMANCE REWARDS

The Municipality has implemented a performance management system for S57 appointees, as required by Section 52 of the Constitution, Chapter 6 of the MSA and the MFMA. This is in accordance with the Municipal Systems Act, 2000 (Act. 32 of 2000), and Local Government Municipal Performance Regulation, 2006, which requires municipalities to adopt a performance management system. After the completion of the annual review of the IDP and the approval of the budget, the municipality drafts the SDBIP in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. Performance evaluations of the Municipal Manager and Director: Management Services/CFO were dealt with in terms of the Performance Contracts. Performance Agreements were signed with all personnel and assessments are done bi-annually. There is no performance incentive system in place for the employees and therefore, no rewards were made to the employees.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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



## CHAPTER 4

### 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2017	Number of skilled employees required and actual as at 30 June 2017											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of 2016	Actual: End of 2017	Target	Actual: End of 2016	Actual: End of 2017	Target	Actual: End of 2016	Actual: End of 2017	Target	Actual: End of 2016	Actual: End of 2017
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	2	0	0	0	2	1	0	1	1	0	3	2	0
Councillors, senior officials and managers	Female	11	0	0	0	0	2	1	0	2	0	0	4	1
	Male	19	0	0	0	0	8	8	0	8	1	0	16	9
Technicians and associate professionals	Female	1	0	0	0	2	1	1	1	0	0	3	1	1
	Male	3	0	1	1	8	1	2	4	0	0	12	2	3
Professionals	Female	15	0	0	0	10	9	9	10	1	1	20	10	10
	Male	19	0	0	0	14	11	11	14	4	4	28	15	15
Sub total	Female	27	0	0	0	12	12	11	11	3	1	23	15	12
	Male	43	0	1	1	24	21	21	19	13	5	43	35	27
<b>Total</b>		<b>70</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>36</b>	<b>33</b>	<b>32</b>	<b>30</b>	<b>16</b>	<b>6</b>	<b>66</b>	<b>50</b>	<b>39</b>



## CHAPTER 4

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting officer	1	0	1	1	0	1
Chief financial officer	1	0	1	1	0	1
Senior managers	12	0	12	11	1	11
Any other financial officials	10	0	10	10	0	10
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	0	0	0
<b>TOTAL</b>	<b>25</b>	<b>0</b>	<b>25</b>	<b>24</b>	<b>1</b>	<b>24</b>

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

All relevant officials, except one Senior Manager, completed the Municipal Minimum Competency Levels as required in terms of the Regulations on Minimum Competency Levels, 2007. Quarterly reports were submitted to Council in terms of section 6.2 of the exemption regulations 15 and 18 of the Minimum Competency Levels, 2007.

A total amount of R366 149 was allocated for training, of which R379 589 was spent in the financial year.

The ODM reported on its Skills Development Plan to LGSETA on 30 April 2017, and the 2017/2018 plan was also submitted to the LGSETA.



COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

**INTRODUCTION TO WORKFORCE EXPENDITURE**

The workforce expenditure is controlled by means of an approved staff establishment and a salary budget. Internal factors that influenced remuneration are organisational structure, job evaluations system and policies. Salaries are controlled by Bargaining Council Collective Agreements, legislation and a directive on the payment of Expanded Public Works Programme (EPWP) employees. The Human Resource policies do not allow variable remuneration incentive schemes.

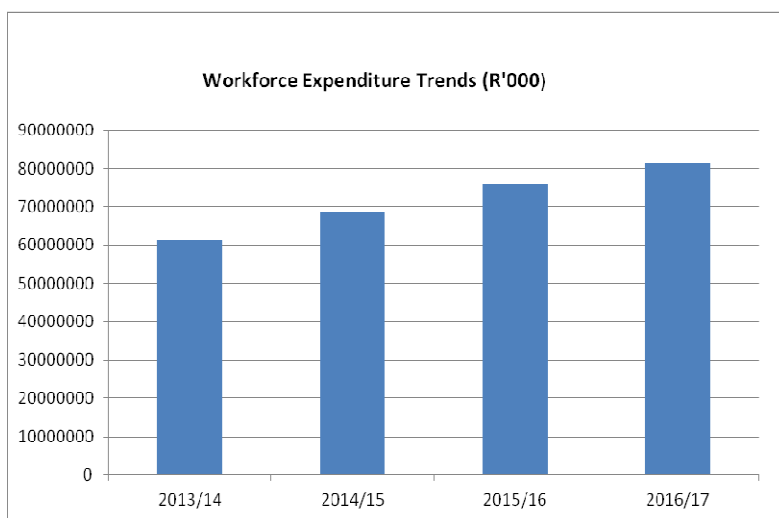
In the general course of business, Council does not need to vote on the remuneration policy, the implementation report and the measures taken in response thereto. No key decisions were taken by the remuneration committee, neither were substantial changes made to the remuneration policy during the period under review. Consultants were not used for matters relating to remuneration. Detailed disclosure of the remuneration of Council and executive management is included in the annual financial statements.

Currently the municipality does not have a remuneration policy as it relies on legislation and Bargaining Council Collective Agreements.

Future focus areas are: The development of a remuneration policy.

Salaries of the Director Management Services/CFO and the Municipal Manager were not regulated, but with the conclusion of new contracts it will be regulated.

4.6 EMPLOYEE EXPENDITURE



**COMMENT ON WORKFORCE EXPENDITURE**

The workforce expenditure for the year under review was 51% of the total operating expenditure, which is above the norm of 25 – 40%. Reason for the high percentage is that most of the function is labour intensive, eg. the road function, fire and municipal health.





## CHAPTER 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation			
Number of employees	Job evaluation level	Remuneration level	Reason for deviation
1	T3	T4	TASK
1	T6	T8	TASK
1	T6	T9	TASK
1	T6	T7	TASK
2	T7	T9	TASK
5	T7	T8	TASK
1	T7	T10	TASK
1	T7	T11	TASK
1	T8	T9	TASK
4	T9	T11	TASK
2	T9	T10	TASK
3	T10	T11	TASK
1	T10	T12	TASK

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

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

The Municipality is in the process of implementing TASK and will be finalised in the next financial year.

### DISCLOSURES OF FINANCIAL INTERESTS

Financial disclosures were made by the Municipal Manager, Director Management Services/CFO and Councillors. See **Appendix G**.



### CHAPTER 5: FINANCIAL PERFORMANCE

#### INTRODUCTION

During the period under review the municipality managed to maintain a stable environment. The cash position of the municipality is still not satisfactory and any significant or unnatural event can impact negatively on the municipality's cash reserves. The cash balance increase by 44% due to a VAT review undertaken by one of the municipality's service providers and the proceeds of this review will be utilised to enhance service delivery.

The municipality is mainly dependant on government grants and the funding is still problematic and fluctuations in the Equitable Share and allocations per the Division of Revenue Act will impact directly on service delivery requirements from a perspective that 81% of the revenue source is funded from grants and transfer funding.

Although the municipality is experiencing a challenged environment and constantly need to do more with less, the municipality managed to adhere to all legislation and was able to successfully migrate to the new Municipal Standard Chart of Accounts with effect from 1 July 2017.

The total assets of the municipality amounts to R119.7 million with the current assets amounting to R38 million and the non-current assets amounting to R81 million respectively. The current assets are mainly comprised of short-term investments and cash and cash equivalents and the non-current assets comprising of property, plant and equipment.

The total liabilities of the municipality amounts to R104 million with the current position amounting to R22 million and the long-term liabilities amount R82 million.

Despite the negative indicators, situation relating to the funding arrangement and highlighted risks, it is still encouraging to be able to report that the municipality met all its commitments during the year under review.

***This chapter comprises four components:***

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Cash Flow Management and Investment

Component D: Other Financial Matters

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION TO FINANCIAL STATEMENTS

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

The main reason for the financial position of the municipality is that no significant own revenue source(s) has been developed or approved for District Municipalities. The municipality is almost solely dependent on government grants. The municipality is still experiencing challenges in cash-back provisions and depreciations. This will continue as per the Equitable Share allocations.

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



## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary							R' 000
Description	2015/16	Current Year: 2016/17			2015/16 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
<b>Financial Performance</b>							
Service charges	2 396	457	550	801	75,44%	45,72%	
Investment revenue	2 188	1 200	1 400	2 311	92,62%	65,11%	
Transfers recognised - operational	130 327	126 161	128 740	127 594	1,14%	-0,89%	
Other own revenue	28 900	26 694	24 226	26 327	-1,37%	8,67%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>163 811</b>	<b>154 511</b>	<b>154 916</b>	<b>157 034</b>	<b>1,63%</b>	<b>1,37%</b>	
Employee costs	77 188	93 188	93 173	82 717	-11,24%	-11,22%	
Remuneration of councillors	5 183	5 617	5 395	5 150	-8,32%	-4,54%	
Depreciation & asset impairment	82	-	-	110	0,00%	0,00%	
Finance charges	2 747	3 101	3 101	3 254	4,93%	4,93%	
Transfers and grants	17	-	-	120	0,00%	0,00%	
Other expenditure	67 197	56 294	59 176	62 843	11,63%	6,20%	
<b>Total Expenditure</b>	<b>159 498</b>	<b>158 458</b>	<b>165 968</b>	<b>161 971</b>	<b>2,22%</b>	<b>-2,41%</b>	
<b>Surplus/(Deficit)</b>	<b>4 313</b>	<b>(3 947)</b>	<b>(11 052)</b>	<b>(4 938)</b>	<b>25,09%</b>	<b>-55,32%</b>	
Transfers recognised - capital	160	-	2 270	2 270		0,00%	
Contributions recognised - capital & contributed assets	-	-	-	111		0,00%	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4 474</b>	<b>(3 947)</b>	<b>(8 782)</b>	<b>(2 557)</b>	<b>-35,22%</b>	<b>-70,88%</b>	
<b>Surplus/(Deficit) for the year</b>	<b>4 474</b>	<b>(3 947)</b>	<b>(8 782)</b>	<b>(2 557)</b>	<b>-35,22%</b>	<b>-70,88%</b>	
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>							
Transfers recognised - capital		1 097	2 270	2 303	0,00%	0,00%	
Public contributions & donations	160	-	-	111	0,00%	0,00%	
Borrowing	-	-	2 150	2 074	0,00%	0,00%	
Internally generated funds	2 522	-	3 855	2 293	0,00%	-40,51%	
<b>Total sources of capital funds</b>	<b>894</b>	<b>1 097</b>	<b>8 275</b>	<b>6 782</b>	<b>517,96%</b>	<b>-18,05%</b>	
<b>Financial position</b>							
Total current assets	40 917	14 329	21 323	38 391	167,93%	80,05%	
Total non current assets	78 807	78 943	83 888	81 397	3,11%	-2,97%	
Total current liabilities	22 630	13 597	12 891	22 050	62,17%	71,05%	
Total non current liabilities	79 360	81 272	87 995	82 561	1,59%	-6,18%	
Community wealth/Equity	17 735	(1 598)	4 325	15 177	-1050,06%	250,93%	
<b>Cash flows</b>							
Net cash from (used) operating	5 878	1 973	(3 785)	15 666	693,96%	-513,86%	
Net cash from (used) investing	2 672	-	560	(4 596)	0,00%	-920,89%	
Net cash from (used) financing	(533)	(1 061)	(861)	(1 169)	10,26%	35,87%	
<b>Cash/cash equivalents at the year end</b>	<b>22 376</b>	<b>11 700</b>	<b>18 290</b>	<b>32 276</b>	<b>175,86%</b>	<b>76,47%</b>	
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	22 376	11 700	18 290	32 276	175,86%	76,47%	
Application of cash and investments	11 821	-	-	8 970	0,00%	0,00%	
<b>Balance - surplus (shortfall)</b>	<b>10 555</b>	<b>11 700</b>	<b>18 290</b>	<b>23 306</b>	<b>99,20%</b>	<b>27,42%</b>	
<b>Asset management</b>							
Asset register summary (WDV)	50 375	39 270	47 233	52 965	34,87%	12,14%	
Depreciation & asset impairment	2 747	3 101	3 101	3 254	4,93%	4,93%	
Renewal of Existing Assets	3 576	210	3 760	5 452	2496,07%	44,99%	
Repairs and Maintenance	72 893	13 348	73 419	69 088	417,58%	-5,90%	

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.  
This table is aligned to MBRR table A1*



Financial Performance of Operational Services							R '000
Description	2015/16	2016/17			2015/16 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Waste Management	4 418	4 610	2 977	3 190	-44,53%	6,67%	
Component A: sub-total	4 418	4 610	2 977	3 190	-44,53%	6,67%	
Roads	(4 033)	60	60	(3 359)	101,79%	101,79%	
Component B: sub-total	(4 033)	60	60	(3 359)	101,79%	101,79%	
Planning	1 406	1 451	1 567	1 475	1,62%	-6,23%	
Component C: sub-total	1 406	1 451	1 567	1 475	1,62%	-6,23%	
Human Development	–	–	–	–	–	–	
Component D: sub-total	–	–	–	–	–	–	
Environmental Mangement	1 530	1 974	1 845	1 812	-8,95%	-1,80%	
Component E: sub-total	1 530	1 974	1 845	1 812	-8,95%	-1,80%	
Health	10 917	12 932	12 003	11 623	-11,26%	-3,27%	
Component F: sub-total	10 917	12 932	12 003	11 623	-11,26%	-3,27%	
Fire Services	19 104	19 991	19 504	19 348	-3,32%	-0,80%	
Disaster Management	348	–	–	–	–	–	
Component G: sub-total	19 452	19 991	19 504	19 348	-3,32%	-0,80%	
Sport and Recreation	13 070	11 042	12 645	13 240	16,60%	4,49%	
Component H: sub-total	13 070	11 042	12 645	13 240	16,60%	4,49%	
Executive & Council	1 826	5 107	4 610	4 132	-23,59%	-11,56%	
Financial Services	(45 443)	(43 528)	(39 888)	(42 036)	-3,55%	5,11%	
Human Resource Services	1 270	1 765	1 782	1 751	-0,82%	-1,76%	
Support Services	858	1 000	736	736	-35,83%	-0,06%	
Performance Management	541	579	552	550	-5,35%	-0,28%	
Shared Services	128	(199)	(191)	136	246,84%	240,93%	
Component G: sub-total	(40 822)	(35 276)	(32 400)	(34 732)	-1,57%	6,71%	
<b>Total Expenditure</b>	<b>5 937</b>	<b>16 784</b>	<b>18 200</b>	<b>12 597</b>	<b>-33,24%</b>	<b>-44,48%</b>	

In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

## 5.2 GRANTS

### COMMENT ON OPERATING TRANSFERS AND GRANTS

Several encounters with high-level role-players on increasing the equitable share for the municipality came to no avail – a new project has however been launched to investigate the possibility of funding District Municipalities based on cost. The component replacing the RSC levies is still based on the past three years in which RSC levies were levied. Furthermore this component increased by less than the inflation rate per annum over the past couple of years.

If the grant allocations to the municipality do not increase significantly, or alternatively if an own revenue source is not developed, this municipality will struggle to meet its commitments in the near future.

Appendix I indicates conditional grants received.

### COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

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



## INTRODUCTION TO ASSET MANAGEMENT

No significant new or renewal of asset projects were done during the year under review.

## OVERBERG DISTRICT MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30 JUNE 2017

## PROPERTY PLANT AND EQUIPMENT

30 JUNE 2017

	Land and Buildings R	Infrastructure R	Community Assets R	Leased Assets R	Other Assets R	Total R
<b>Opening Carrying Value</b>	<b>14 720 200</b>	<b>12 200 169</b>	<b>30 451</b>	<b>2 464 912</b>	<b>10 627 851</b>	<b>40 043 583</b>
Cost	20 398 782	24 387 107	46 110	3 037 112	16 563 882	64 432 993
Accumulated Depreciation	(5 678 582)	(12 186 938)	(15 659)	(572 200)	(5 936 031)	(24 389 410)
Additions	52 189	111 610	-	2 074 306	4 369 208	6 607 312
Depreciation for the period	(248 620)	(710 167)	(806)	(944 085)	(891 151)	(2 794 830)
Disposals	-	-	-	(150 939)	(8 783)	(159 722)
Cost	-	-	-	(684 844)	(21 755)	(706 599)
Accumulated Depreciation	-	-	-	533 905	12 971	546 876
<b>Closing Carrying Value</b>	<b>14 523 769</b>	<b>11 601 611</b>	<b>29 645</b>	<b>3 444 194</b>	<b>14 097 124</b>	<b>43 696 343</b>
Cost	20 450 971	24 498 717	46 110	4 426 573	20 911 335	70 333 706
Accumulated Depreciation	(5 927 202)	(12 897 105)	(16 465)	(982 380)	(6 814 211)	(26 637 363)

There were no work in progress balance at year-end.



## CHAPTER 5

### COMMENT ON ASSET MANAGEMENT

Maintenance of the assets of the municipality is poor and no significant improvement can be foreseen within the near future. Serious financial constraints forced the municipality to cut back on expenditure for repairs and maintenance. This resulted in the condition of the municipality's assets deteriorating at an alarming rate.

In particular, the fire brigade vehicles and equipment are old and outdated and this may well lead to serious problems within the near future. Another huge concern is the infrastructure assets at the resorts.

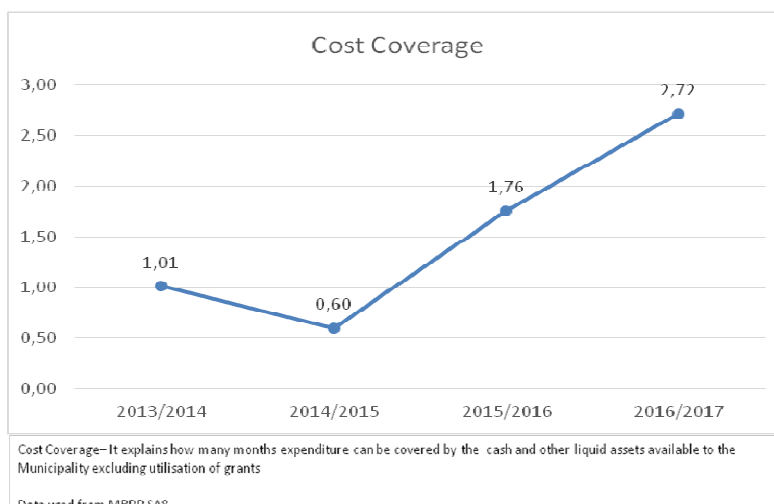
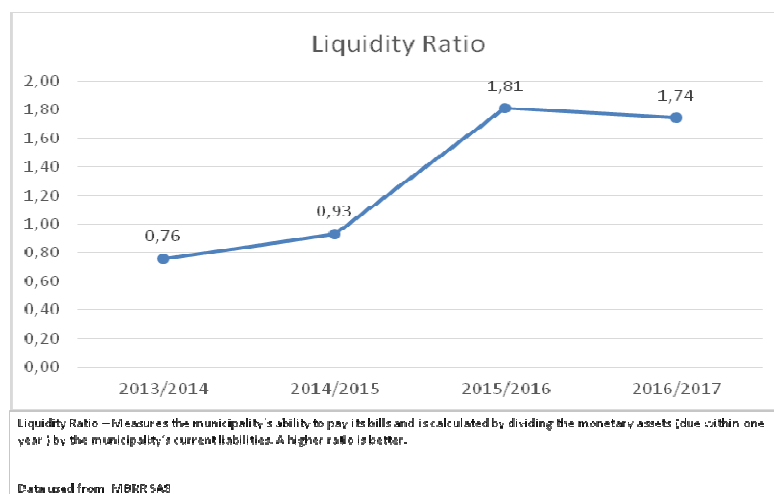
Repair and Maintenance Expenditure: 2016/17				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	13 348	73 419	69 088	417,58%

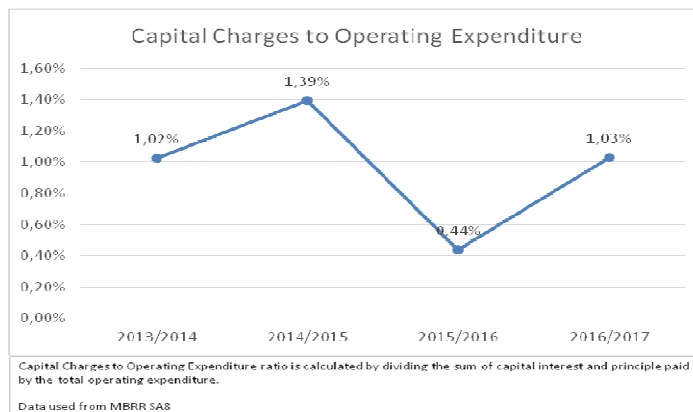
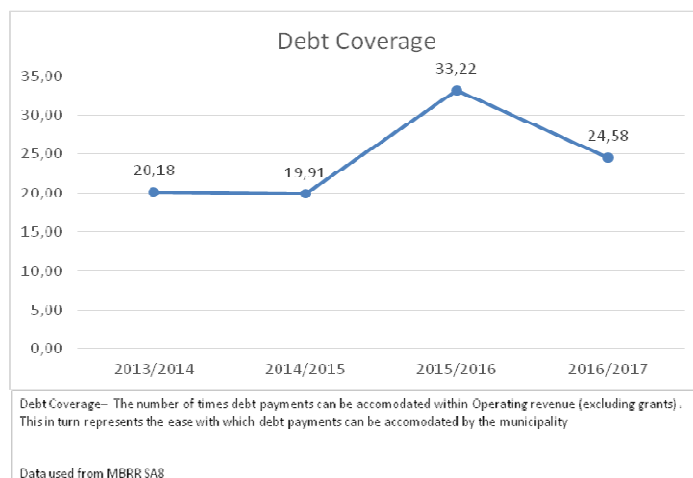
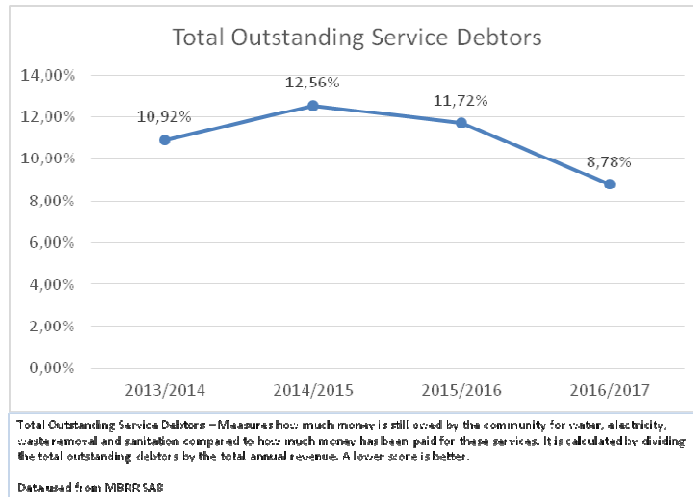
### COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

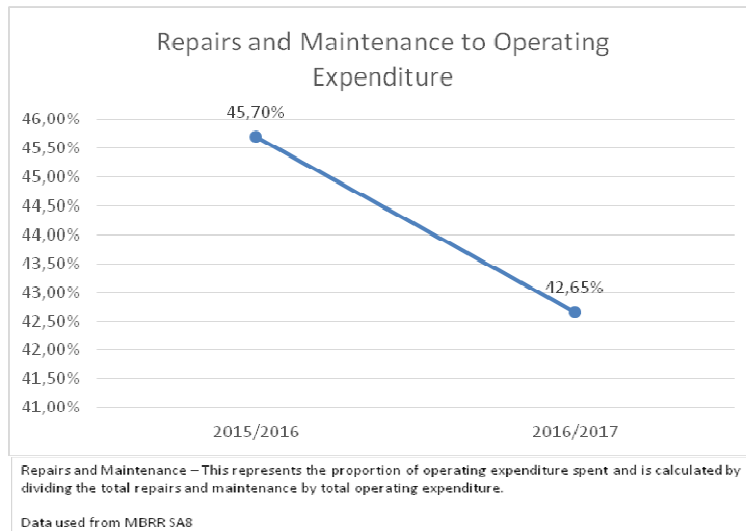
If the roads expenditure is deducted, the repairs and maintenance is way below any acceptable norm.

This had a serious negative impact on the condition of the municipality's assets during the year under review.

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS







**COMMENT ON FINANCIAL RATIOS**

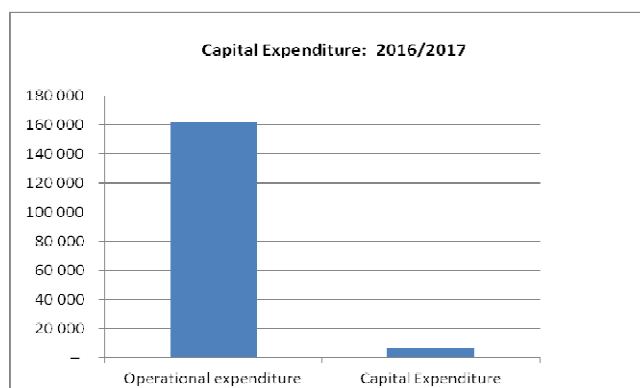
The dependence on grants causes the ratios to fluctuate unevenly as the municipality has no control over the grants it will receive, thus resulting in expenditure levels being uneven from year to year. Especially the grants received for the roads function fluctuates drastically and have a huge influence on expenditure incurred. The debt coverage ratio fluctuates dramatically as the outstanding debtors are almost insignificant and small changes in outstanding debtors have a huge impact on ratios.

**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

**INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET**

Council envisaged that proceeds on the selling of properties would be used to fund essential capital expenditure. Due to the Municipality’s financial position, no external funding could be obtained.

**5.5 CAPITAL EXPENDITURE**





## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 2015/16 to 2016/17						
R' 000						
Details	2015/16	2016/17				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	2 522		2 150	2 074	100,00%	100,00%
Public contributions and donations				111	0,00%	0,00%
Grants and subsidies	160	1 097	2 270	2 303	0,00%	0,00%
Other	894		3 244	2 293	0,00%	0,00%
<b>Total</b>	<b>3 576</b>	<b>1 097</b>	<b>7 664</b>	<b>6 782</b>	<b>598,38%</b>	<b>517,96%</b>
Percentage of finance						
External loans	70,52%	0,00%	28,05%	30,59%	16,71%	19,31%
Public contributions and donations	0,00%	0,00%	0,00%	1,63%	0,00%	0,00%
Grants and subsidies	4,48%	100,00%	29,62%	33,96%	0,00%	0,00%
Other	25,00%	0,00%	42,33%	33,82%	0,00%	0,00%
Capital expenditure						
Water and sanitation					0,00%	0,00%
Electricity					0,00%	0,00%
Housing					0,00%	0,00%
Roads and storm water					0,00%	0,00%
Other	3 576	1 097	7 664	6 782	598,38%	517,96%
<b>Total</b>	<b>3 576</b>	<b>1 097</b>	<b>7 664</b>	<b>6 782</b>	<b>598,38%</b>	<b>517,96%</b>
Percentage of expenditure						
Water and sanitation	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Electricity	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Housing	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Roads and storm water	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Other	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

**COMMENT ON SOURCES OF FUNDING**

Due to financial constraints the capital expenditure of the municipality was limited to essential items which were funded from own revenue sources, grant funding and financial leases.

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

**COMMENT ON CAPITAL PROJECTS**

No significant capital projects were performed during the year under review.

**Appendix J** refers to capital programme by project.

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW

**INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS**

Not applicable.



## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

## INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Although the financial position has improved significantly, it is still not satisfactory, and the municipality will have to maintain strong financial management and discipline.

## 5.9 CASH FLOW

<b>Cash Flow Outcomes</b>				
<b>R'000</b>				
Description	2015/16	2016/17		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Service charges	2 436	457	550	802
Other revenue	15 144	26 694	28 453	28 139
Government - operating	138 647	126 237	116 904	124 710
Government - capital	160	–	2 270	2 303
Interest	2 189	1 200	1 400	2 311
Dividends			–	
<b>Payments</b>				
Suppliers and employees	(152 518)	(152 355)	(153 036)	(141 985)
Finance charges	(163)	(259)	(326)	(495)
Transfers and Grants	(17)	–	–	(120)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>5 878</b>	<b>1 973</b>	<b>(3 785)</b>	<b>15 666</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	3 726	–	5 370	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	1 097	–	–
<b>Payments</b>				
Capital assets	(1 054)	(1 097)	(4 810)	(4 596)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>2 672</b>	<b>–</b>	<b>560</b>	<b>(4 596)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
<b>Payments</b>				
Repayment of borrowing	(533)	(1 061)	(861)	(1 169)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(533)</b>	<b>(1 061)</b>	<b>(861)</b>	<b>(1 169)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>8 017</b>	<b>912</b>	<b>(4 086)</b>	<b>9 900</b>
Cash/cash equivalents at the year begin:	14 359	10 787	22 376	22 376
Cash/cash equivalents at the year end:	22 376	11 700	18 290	32 276



## CHAPTER 5

### COMMENT ON CASH FLOW OUTCOMES

The cash flow position of the municipality stabilised during the year under review. The increase cash balance is mainly due to the VAT review.

### 5.10 BORROWING AND INVESTMENTS

#### INTRODUCTION TO BORROWING AND INVESTMENTS

No new external loans were raised during the year under review.

Actual Borrowings Year 2014/15 to 2016/17			
R' 000			
Instrument	2014/15	2015/16	2016/17
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	780	634	473
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	700	2 482	3 547
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
<b>Municipality Total</b>	<b>1 480</b>	<b>3 116</b>	<b>4 020</b>

Municipal Investments			
R' 000			
Investment* type	2014/15	2015/16	2016/17
	Actual	Actual	Actual
<b>Municipality</b>			
Deposits - Bank	14 354	22 371	32 271
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	<b>14 354</b>	<b>22 371</b>	<b>32 271</b>
<b>Consolidated total:</b>	<b>14 354</b>	<b>22 371</b>	<b>32 271</b>

#### COMMENT ON BORROWING AND INVESTMENTS

The municipality entered into a 3 year finance lease to improve service delivery.

The municipality had short term investments at a bank. In line with the municipality's policy, funds are only invested at financial institutions with a suitable grading.



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### 5.11 PUBLIC PRIVATE PARTNERSHIPS

#### **PUBLIC PRIVATE PARTNERSHIPS**

*The municipality has no Public Private Partnerships.*

## COMPONENT D: OTHER FINANCIAL MATTERS

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### 5.12 SUPPLY CHAIN MANAGEMENT

#### **SUPPLY CHAIN MANAGEMENT**

SCM policy and unit are in place, as well as a checklist implemented to comply with SCM regulations.

No Councillor forms part of the bid process. All officials dealing with Supply Chain Management signed a declaration of interest and a code of ethics.

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### 5.13 GRAP COMPLIANCE

#### **GRAP COMPLIANCE**

GRAP is the acronym for **G**enerally **R**ecognised **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The municipality has fully implemented GRAP and has been audited as such.



## CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDING

## INTRODUCTION

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

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

## COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2015/16

## 6.1 AUDITOR-GENERAL REPORT 2015/2016

Auditor-General Report on Financial Performance Year 2015/2016	
<b>Audit Report Status:</b>	Unqualified without findings (Clean)
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
The municipality has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. No instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA were identified.	None
<b>Internal Control Deficiencies</b>	<b>Remedial Action Taken</b>
No deficiencies in internal control were identified.	None
<b>Emphasis of matters</b>	<b>Remedial Action Taken</b>
<b>Restatement of corresponding figures:</b> As disclosed in note 36 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 Overberg District Municipality at, and for the year ended 30 June 2015.	Restatements were mainly in connection with the roads department employee benefits receivable that was created retrospectively and the overstatement of employee related cost and understatement of repairs and maintenance due to an error in the calculation which included the leave portion. The municipality, along with other district municipalities in the Western Cape, intend to meet with Province to reach an agreement on when and how the receivable will be settled and monthly reconciliation between roads financial information and the General Ledger to be implemented.
<b>Going concern:</b> Note 53 to the financial statements indicates the existence of uncertainties that may cast significant doubt on the district municipality's ability to operate as a going concern. <b>Unspent conditional government grants</b> As disclosed in note 16 to the financial statements, the district municipality has materially underspent on the provincial government conditional grant to the amount of R11,8 million (14% of the total grant). This was mainly due to an advance receipt at year-end from the Western Cape Department of Transport and Public Works.	The municipality engage with National Treasury to influence the existing formulae for the calculation of equitable share.  Western Cape Department of Transport and Public Works, transfer funds 2 months in advance.
Auditor-General report on service delivery performance 2015/16	
<b>Audit Report Status:</b>	Unqualified without findings (Clean)
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
There were no material findings on the usefulness and reliability of the reported performance information for the selected development priorities. Attention is drawn to the following matter.	
<b>Achievement of planned targets:</b> Refer to the annual performance report on page 71 to 79 for information on the achievement of planned targets for the year.	



## 6.2 AUDITOR-GENERAL REPORT 2016/17

Auditor-General Report on Financial Performance Year 2016/2017	
<b>Audit Report Status*:</b>	Unqualified without findings (Clean)
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
The municipality has no material findings on compliance with specific matters in key legislation as set out in the general notice issued in terms of the Public Audit Act	None
<b>Internal Control Deficiencies</b>	<b>Remedial Action Taken</b>
No deficiencies in internal control were identified.	None
<b>Emphasis of matters</b>	<b>Remedial Action Taken</b>
<b>Restatement of corresponding figures:</b> As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2016 have been related as a result of errors discovered during the 2016-2017 financial year in the financial statements of the municipality at, and or the year ended, 30 June 2017	It was rectified during the Audit

Auditor-General report on service delivery performance 2016/17	
<b>Audit Report Status:</b>	Unqualified without findings (Clean)
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
There were no material findings on the usefulness and reliability of the reported performance information for the selected development priorities. Attention is drawn to the following matter.	
<b>Achievement of planned targets:</b> Refer to the annual performance report on page 75 to 77 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets	

**AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2016/17**

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

**COMMENTS ON AUDITOR-GENERAL'S OPINION 2016/17**

The municipality received an unqualified audit opinion without any findings from the Auditor-General. This recognition indicates to the citizens of the Overberg, that the municipality is well managed. A concerted effort has been made to optimise the existing limited capacity to deliver services at a satisfactory level to the community. The clean administration entails good leadership, assurance levels and effective teamwork amongst all departments within the municipality and keeping people accountable for their area of responsibility. Political stability, effective leadership, Good Governance and accountability form the foundation of the municipality.

**COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES**

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

**Appendix L** - declaration of returns not made in due time.



GLOSSARY AND ACRONYMS

GLOSSARY

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



## GLOSSARY

	service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</p> <p>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</p>

## ACRONYMS

<b>AEL</b>	<i>Atmospheric Emission Licence</i>
<b>AG</b>	<i>Auditor-General</i>
<b>ALD</b>	<i>Alderman</i>
<b>ANC</b>	<i>African National Congress</i>
<b>ASB</b>	<i>Accounting Standards Board</i>
<b>CFO</b>	<i>Chief Financial Officer</i>
<b>CLLR</b>	<i>Councillor</i>
<b>COMAF</b>	<i>Communication of Audit Finding</i>
<b>COSO</b>	<i>Committee of Sponsoring Organisations of the Treadway Commission</i>
<b>CRO</b>	<i>Chief Risk Officer</i>
<b>CSD</b>	<i>Central Supplier Database</i>
<b>CWP</b>	<i>Community Work Programme</i>
<b>DA</b>	<i>Democratic Alliance</i>
<b>DAPOTT</b>	<i>District Agri Parks Operational Task Team</i>
<b>DCF</b>	<i>District coordinating Forum</i>
<b>DEDAT</b>	<i>Department of Economic Development and Tourism</i>
<b>DFRI</b>	<i>District Funding Research Initiative</i>
<b>DM</b>	<i>District Municipalities</i>
<i>Glossary</i>	





## GLOSSARY

<i>DORA</i>	<i>Division of Revenue Act</i>
<i>EHP's</i>	<i>Environmental Health Practitioners</i>
<i>EPIP</i>	<i>Environmental Protection and Infrastructure Programme</i>
<i>EPMDS</i>	<i>Employee Performance Management and Development System</i>
<i>EPWP</i>	<i>Expanded Public Works Programme</i>
<i>FTEs</i>	<i>Full-Time Equivalents</i>
<i>GDPR</i>	<i>Gross Domestic Product Review</i>
<i>GRAP</i>	<i>Generally Recognised Accounting Practices</i>
<i>ICLEI</i>	<i>International Council for Local Environmental Initiative</i>
<i>ICT</i>	<i>Information and Communication Technology</i>
<i>IDP</i>	<i>Integrated Development Plan</i>
<i>IGR</i>	<i>Intergovernmental Relations</i>
<i>IIWG</i>	<i>IDP Indaba Working Group</i>
<i>ISO</i>	<i>International Organisation for Standardisation</i>
<i>ITP</i>	<i>Integrated Transport Plan</i>
<i>KPI</i>	<i>Key Performance Indicator</i>
<i>LAB</i>	<i>Local Action for Biodiversity</i>
<i>LED</i>	<i>Local Economic Development</i>
<i>LG MTEC</i>	<i>Local Government Medium Term Expenditure Committee</i>
<i>LGSETA</i>	<i>Local Government Sector Education and Training Authority</i>
<i>LLF</i>	<i>Local Labour Forum</i>
<i>LTO</i>	<i>Local Tourism Offices</i>
<i>MCC</i>	<i>Municipal Coastal Committee</i>
<i>MEC</i>	<i>Member of the Executive Council</i>
<i>MERO</i>	<i>Municipal Economic Review and Outlook</i>
<i>MFIP</i>	<i>Municipal Financial Improvement Program</i>
<i>MFMA</i>	<i>Municipal Finance Management Act</i>
<i>MGRO</i>	<i>Municipal Governance Review &amp; Outlook</i>
<i>MIG</i>	<i>Municipal Infrastructure Grant</i>
<i>MSA</i>	<i>Municipal System Act</i>
<i>mSCOA</i>	<i>Municipal Standard Chart of Accounts</i>
<i>MPAC</i>	<i>Municipal Public Account Committee</i>
<i>NAIS</i>	<i>National Atmospheric Emission Inventory System</i>
<i>NEMA</i>	<i>National Environmental Management Act</i>
<i>NGO's</i>	<i>Non-Governmental Organisations</i>
<i>NT</i>	<i>National Treasury</i>
<i>ODM</i>	<i>Overberg District Municipality</i>
<i>PAA</i>	<i>Public Audit Act</i>
<i>PACA</i>	<i>Participatory Appraisal of Competitive Advantage</i>
<i>PAEL</i>	<i>Provincial Atmospheric emission Licence</i>
<i>PDOs</i>	<i>Predetermined Development Objectives</i>
<i>Rep/PPCOMM</i>	<i>Representative Public Participation and Communication Forum</i>
<i>PT</i>	<i>Provincial Treasury</i>
<i>RED</i>	<i>Regional Economic Development</i>
<i>RRAMS</i>	<i>Rural Roads Asset Management System</i>
<i>RSC</i>	<i>Regional Service Council</i>
<i>RTO</i>	<i>Regional Tourism Office</i>
<i>SALGA</i>	<i>South African Local Government Association</i>
<i>SALGBC</i>	<i>South African Local Government Bargaining Council</i>
<i>SANS</i>	<i>South African National Standard</i>
<i>SCM</i>	<i>Supply Chain Management</i>
<i>SDF</i>	<i>Spatial Development Framework</i>
<i>SDBIP</i>	<i>Service Delivery and Budget Implementation Plan</i>
<i>WCDIF</i>	<i>Western Cape District Integrated Forum</i>
<i>WOs</i>	<i>Work Opportunities</i>



## APPENDICES

### APPENDICES

#### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE AS ON 30 JUNE 2017

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	Party Represented	Percentage Council Meetings Attendance %	Percentage Apologies for non-attendance %
Andries Erwee Franken (Executive Mayor)	FT	Mayoral Committee, Council	DA	100	0
Archibald Gabriel Klaas (Deputy Mayor)	FT	Mayoral Committee / Strategic Services, Council	DA	100	0
Lincoln De Bruyn (Speaker)	FT	Council Speaker	DA	86	14
Matthys Koch (Alderman)	FT	MAYCO Member / Council / Chairperson Community Portfolio	DA	71	29
Lindile Ntsabo	PT	Council / Finance Portfolio member	DA	100	0
Isaac Sileku	PT	Council / Corporate Portfolio member	DA	100	0
Ronald Brinkhuys	PT	Council / Community Portfolio member	DA	100	0
Cornelus Marthinus Lamprecht	FT	MAYCO member / Chairperson Finance Portfolio / Council	DA	100	0
Steven Hendrikus Fourie	PT	Council / Community Portfolio member	DA	100	0
Kiro Jacobie Tiemie	PT	Council / Finance Portfolio member	DA	100	0
Nicolette Botha-Guthrie	PT	Council / Corporate Portfolio member	DA	100	0
Helena Dorothea Coetzee	FT	MAYCO Member Council / Chairperson Strategic Portfolio	DA	100	0
Evelyn Sauls	PT	Council / Strategic Portfolio	DA	100	0
Moira Denise Opperman	FT	MAYCO Member / Council / Chairperson Corporate Portfolio	DA	100	0
Mario Hilton Witbooi	PT	Council / Strategic Services Portfolio	ANC	71	29
Jan Cornelius Gelderblom	PT	Council / Community Services Portfolio member	ANC	71	29
Unathi Toto Sipunzi	PT	Council / Corporate Portfolio member	ANC	57	43
Eve Catherine Marthinus	PT	Council / Finance Services Portfolio member	ANC	86	14
Ntombizine Michelle Sapepa (Alderman)	PT	Council / Corporate Services Portfolio member	ANC	71	29
Caroline Wood	PT	Council / Finance Portfolio member	ANC	100	0
Vuyiswa Elizabeth Mentile	PT	Council/ Strategic Services Portfolio member	ANC	71	29

**Number of meetings held during the year:**

Executive Mayoral Committee meetings - 8

Council meetings (Ordinary and Special meetings) - 8

Section 80 Committees (Strategic, Finance, Corporate & IGR and Community Services) meetings – 17



## APPENDICES

Councillors Present Council on Statutory Committees and other governing bodies	
Council Members	Present Council on Statutory Committees and other governing bodies
Andries Erwee Franken (Executive Mayor)	<ul style="list-style-type: none"> <li>➤ SALGA – Governance and IGR</li> <li>➤ District &amp; Provincial Health Forums</li> </ul>
Archibald Gabriel Klaas (Deputy Mayor)	<ul style="list-style-type: none"> <li>➤ SALGA - Municipal Innovations and Information Technology</li> <li>➤ Overstrand Liaison Committee</li> <li>➤ Local Labour Forum</li> <li>➤ Employment Equity</li> <li>➤ Training Committee</li> <li>➤ Strategic Services Portfolio</li> </ul>
Lincoln De Bruyn (Speaker)	<ul style="list-style-type: none"> <li>➤ Speakers Forum</li> </ul>
Matthys Koch	<ul style="list-style-type: none"> <li>➤ Drosdy Museum Swellendam</li> <li>➤ Training Committee</li> <li>➤ Swellendam Liaison Committee</li> <li>➤ Local Labour Forum</li> <li>➤ Alleged Breaches Committee</li> <li>➤ Employment Equity</li> <li>➤ Community Services Portfolio</li> </ul>
Lindile Ntsabo	<ul style="list-style-type: none"> <li>➤ Finance Portfolio</li> <li>➤ Municipal Accounts Committee (MPAC)</li> </ul>
Isaac Sileku	<ul style="list-style-type: none"> <li>➤ SALGA – Human Settlements and Municipal Planning</li> <li>➤ Corporate Services Portfolio</li> </ul>
Ronald Brinkhuys	<ul style="list-style-type: none"> <li>➤ Provincial Development Council</li> <li>➤ SALGA – Environmental Planning and Climate change</li> <li>➤ Community Services Portfolio</li> </ul>
Cornelius Marthinus Lamprecht	<ul style="list-style-type: none"> <li>➤ SALGA – Municipal Finance</li> <li>➤ Finance Portfolio</li> </ul>
Steven Hendrikus Fourie	<ul style="list-style-type: none"> <li>➤ Section 32 Committee</li> <li>➤ Municipal Accounts Committee (MPAC)</li> <li>➤ Community Services Portfolio</li> <li>➤ SALGA Public Transport</li> <li>➤ Alleged Breaches Committee</li> </ul>
Kiro Jacobie Tiemie	<ul style="list-style-type: none"> <li>➤ SALGA : Water sanitation and waste management</li> <li>➤ Caledon Museum</li> <li>➤ Theewaterskloof Liaison Committee</li> <li>➤ Finance Portfolio</li> </ul>
Nicolette Botha-Guthrie	<ul style="list-style-type: none"> <li>➤ Training Committee</li> <li>➤ Local Labour Forum Meeting</li> <li>➤ Employment Equity</li> <li>➤ Corporate Service Portfolio</li> </ul>
Helena Dorothea Coetzee	<ul style="list-style-type: none"> <li>➤ SALGA - Womens Commission</li> <li>➤ Bredasdorp Shipwreck Museum</li> <li>➤ Strategic Services Portfolio</li> <li>➤ Alleged Breaches Committee</li> </ul>
Evelyn Sauls	<ul style="list-style-type: none"> <li>➤ Strategic Portfolio</li> </ul>
Moira Denise Opperman	<ul style="list-style-type: none"> <li>➤ SALGA – Capacity Building and institutional resilience</li> <li>➤ Corporate Service Portfolio</li> </ul>
Mario Hilton Witbooi	<ul style="list-style-type: none"> <li>➤ Strategic Service Portfolio</li> </ul>
Jan Cornelius Gelderblom	<ul style="list-style-type: none"> <li>➤ Chairperson Municipal Accounts Committee (MPAC)</li> <li>➤ Community Services Portfolio</li> </ul>
Unathi Toto Sipunzi	<ul style="list-style-type: none"> <li>➤ Employment Equity</li> <li>➤ Training Committee</li> <li>➤ Corporate Service Portfolio</li> </ul>
Eve Catherine Marthinus	<ul style="list-style-type: none"> <li>➤ Koggelberg Biosphere</li> <li>➤ Finance Portfolio</li> </ul>
Ntombizine Michelle Sapepa	<ul style="list-style-type: none"> <li>➤ Corporate Service Portfolio</li> </ul>
Caroline Wood	<ul style="list-style-type: none"> <li>➤ Section 32 Committee</li> <li>➤ Municipal Accounts Committee (MPAC)</li> <li>➤ Genadendal Museum</li> <li>➤ Finance Portfolio</li> </ul>
Vuyiswa Elizabeth Mentile	<ul style="list-style-type: none"> <li>➤ Local Labour Forum</li> <li>➤ Strategic Service Portfolio</li> </ul>



## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees			
Municipal Committees	Purpose of Committee	Composition	Number of meetings held during the year
Section 80 Committee	The Section 80 Committees assist the Executive Mayor and Executive Mayoral Committee in respect of Community Services, Financial Services, Corporate & IGR Services and Local Economic Development & Tourism. This Committee has no statutory powers and reports to the Executive Mayoral Committee.	Councillors	17
Audit & Audit Performance Committee	In terms of section 166 of the MFMA. To advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality relating to matters listed in the MFMA, section 166.	Independent members	5
Municipal Public Accounts Committee (MPAC)	In assisting the council with its oversight function, a Municipal Public Accounts and Oversight Committee was established in terms of section 79 of the Municipal Structures Act (Act 117 of 1998). Section 129(4)(b) of the MFMA. The MPAC also serves as the Oversight Committee of the Annual Report.	Councillors and invitees	4
Training Committee	In terms of the Skills Development Act (Act 97 of 1998). To promote skills development in the workplace.	Councillors, Management and Union member	4
Employment Equity	In terms of the Employment Equity Act. To promote equal opportunities and fair treatment to all in the workplace.	Councillors, Management and Union member	4
Local Labour Forum	According to the SALGBC Main Collective Agreement to promote sound Labour Relations.	Councillors, Management and Union member	7
Health & Safety Committee	In terms of the Occupational Health and Safety Act (Act 85 of 1993). To promote a healthy and safe working environment for employee and community	Officials	4
Section 32 Committee	It is an ad hoc committee, appointed by Council, to investigate unauthorised, irregular or fruitless and wasteful expenditure.	Councillors	3
Alleged Breaches Committee	It is a special committee established by Council to assist in the discipline of Councillors.	Councillors	0
IDP Steering Committee	To monitor the IDP process plan and IDP related processes and inputs.	Councillors and Officials	4
Risk Management Committee	The Risk Management Committee serves as a forum to assist the accounting officer in addressing its oversight requirements of risk management and evaluating and monitoring the municipality's performance with regards to risk management.	Municipal Manager, Directors, IDP Manager, Performance Management, Member of the Audit and Performance Audit Committee Invitees: Internal Audit and CRO	4
Disciplinary Board	It is an ad hoc committee established accordance to the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings	Head Internal Audit, Chairperson of Audit Committee, Senior official Responsible for legal, Representation of Provincial and National Treasury	0



APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	<i>Sr Internal Auditor - Mr W P Coetzee</i>
	<i>Risk &amp; Fraud Officer - Vacant</i>
	<i>Communication Officer - Mrs T Nefdt</i>
	<i>Chief Risk Officer (Shared Services) Mr. A Riddles</i>
Directorate: Management Services	<i>Manager: Expenditure, Income &amp; IT - Mr J H Snyman</i>
	<i>Manager: Financial Services - Vacant</i>
	<i>Sr Accountant – Mrs W Stassen</i>
	<i>Manager: SCM – Mr D Lambrechts</i>
	<i>Chief Admin Officer - Vacant</i>
	<i>Sr Admin Officer – Miss A Thompson</i>
	<i>Sr Human Resource Officer - Miss G Spangenberg</i>
	<i>Performance Management Officer - Mrs. M Dunn</i>
Directorate: Community Services	<i>IDP/LED &amp; Tourism – Mrs V Zeeman</i>
	<i>Manager: Resorts - Vacant</i>
	<i>Manager: Municipal Health - Mr W A du Toit</i>
	<i>Manager: Environmental Management - Mr F Kotze</i>
	<i>Manager: Protection Services - Mr R Geldenhuys</i>
	<i>Manager: Roads - Mr A van Eeden</i>



**OVERBERG DISTRICT MUNICIPALITY: ANNUAL OVERSIGHT REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**INTRODUCTION**

The Audit and Performance Audit Committee presents its report for the year ended 30 June 2017 in terms of its responsibilities and duties set out in the relevant legislation and its Terms of Reference.

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

This report also deals with the review of the financial statements and the audit for the year 2016/2017 by the Auditor-General although these activities occurred after the end of the financial year,

**AUDIT COMMITTEE MEMBERS AND ATTENDANCE**

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

Mr A Pienaar (Chairperson)  
Mr H V Liebenberg  
Mr H J Jansen van Rensburg  
Mr D M Farenhem.

When their three-year term expired in October 2016, Messrs Jansen van Rensburg and Farenhem were appointed for another period until November 2017, when the terms of office of the other two members expire.

Quarterly meetings of the Committee were held on 31 August 2015, 29 November 2016, 28 February 2017 and 16 May 2017. A special meeting was held on 23 August 2016 to receive and review the Annual Financial Statements for the 2015/2016 financial year and a meeting for the discussion of the Auditor General's engagement letter and strategic audit plan was attended on 7 September 2016. The Committee members also attended a meeting with the officials of the Auditor-General and the Council on 22 November 2016 when the Management Report and Draft Audit Report for 2015/2016 were tabled.

All the members of the Committee attended all the meetings, with the exception of the meeting of 16 May 2017 from which Mr H V Liebenberg was absent with prior apology.

**AUDIT COMMITTEE RESPONSIBILITIES**

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

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

- Inventory: Irregular usage of petrol and diesel;
- Year-end stock count report;





## APPENDICES

- Performance Management report, 3<sup>rd</sup> quarter of 2015/16;
- Performance Management report, 4<sup>th</sup> quarter of 2015/16;
- Performance Management report, 1<sup>st</sup> quarter of 2016/17;
- Performance Management report, 2<sup>nd</sup> quarter of 2016/17;
- mSCOA Project review (2 reports);
- Ad Hoc report: Alleged corruption/ theft at Die Pont, Malgas;
- Report on Occupational Health and Safety;
- Follow up review – Risk Management;
- Report on Asset Management;
- Report on Bank and Cash management at Die Damme;
- Division of Revenue Act.

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

- Review of 2015/16 Annual Financial Statements on 23 August 2016;
- Review of 2016/17 draft Annual Financial Statements on 22 August 2017;
- Costing Model (District Research Funding Initiative);
- Karwyderskraal;
- Shared Services;
- Quarterly Risk management committee meeting minutes;
- Minutes of the section 32 Committee;
- Financial reports and quarterly reports;
- Reports on the Municipal Financial Improvement Program (MFIP);
- Risk Management documents;
  - Enterprise Risk management Policy;
  - Enterprise Risk management Strategy;
  - Fraud prevention plan;
  - Anti-Corruption Policy;
- Quarterly feed-back on status of Dennehof Resort;
- Mid-year Budget and Performance Assessment report;
- Feed-back report on IIA Conference;
- Progress reports on 2016/17 audit plan;
- Local Government Audit Committee Forum;
- Attend presentation on principles of KING IV that was arranged at the request of the Audit Committee and also attended by representatives of other municipalities in the district;
- Combined Assurance Policy Framework;
- Approval of Risk Based Internal Audit Plan for 2017/18;
- Review and approval of:
  - Audit Committee Charter and Roles/ Responsibilities;
  - Quality Assurance and Improvement Program;
  - Internal Audit Charter, Strategy and work procedures.

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

### THE EFFECTIVENESS OF INTERNAL CONTROL

In accordance with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance regarding the effectiveness of internal controls. This is achieved by means of the risk



management process, as well as the identification of corrective actions and suggested improvements to the controls and processes.

### **NOMINATION OF MEMBER TO SERVE ON DISCIPLINARY BOARD**

In terms of Section 6 of the Council's Financial Misconduct Procedures/Guidelines a member of the Audit Committee can serve on the Disciplinary Board. Mr H J Jansen van Rensburg was nominated to serve on the Board.

### **OTHER MEETINGS ATTENDED BY THE CHAIRMAN**

- Election and inauguration of the Council's office bearers on 30 August 2016 following the national municipal elections;
- Roundtable discussion of relevant subjects by the Public Sector Audit Committee Forum in Bellville on 16 September 2016;
- The Council's strategic planning session on 8 November 2016.

### **PERFORMANCE MANAGEMENT AUDIT**

#### **General**

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

#### **Performance evaluation of Section 56/57 employees**

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

The annual appraisal of the Municipal Manager was carried out by a properly constituted panel on 24 July 2016. Mr H J Jansen van Rensburg represented the Performance Audit Committee as a member of the panel because the chairman was not available. The annual performance appraisal of the Director: Management Services/CFO was carried out on 1 December 2016 and the mid-year appraisal of both the Municipal Manager and Director: Management Services/CFO was carried out on 10 May 2017. The last-mentioned two meetings were attended by the chairman. The member of the Performance Audit Committee served on the panels with the purpose of evaluating the process.

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

Although the evaluation process was carried out strictly in accordance with the relevant legislation, the Performance Audit Committee remained of the opinion that the regulations prescribing the evaluation process were flawed in that more emphasis was placed on operational activities and compliance requirements than the management skills of the officials. The KPIs carry a weight of 80%, while the leading and core competencies are worth only 20%. A senior manager such as a municipal manager and a director should mainly be judged on whether he/she possesses the necessary skills and attributes to apply competencies such as strategic capability, people management, program and project





management, moral competence, analysis and innovation and results and quality focus, rather than the compliance and operational activities such as the number of meetings held during the year and the timely distribution of agendas for meetings. It was further suggested that the KPIs should be more outcome orientated with the focus on achievement rather than compliance.

### FINANCIAL STATEMENTS

Although the Council's financial statements are only completed and audited during the next financial year the reviewing and auditing thereof are regarded as part of the 2016/2017 financial year. For that reason the reviewing and auditing of the statements for 2016/2017 are dealt with in this report although the activities took place during the 2017/2018 financial year.

The draft financial statements for the financial year 2016/17 were presented to and reviewed by the Audit Committee on 21 August 2017. The CFO supplied detailed information as well as printed comments to the Audit Committee. In addition to replying to questions and comments by the members of the Committee, he dealt with the following matters:

- Basis of accounting;
- Net assets (community wealth);
- Cash and cash equivalents;
- Long term liabilities;
- Employee benefits and provisions;
- Payables from exchange transactions (creditors);
- Receivables from exchange and non-exchange transactions (debtors);
- Property, plant and equipment;
- Inventory;
- Performance (income and expenditure);
- Unauthorised, unforeseen, irregular and fruitless and wasteful expenditure;
- Control deficiencies and deviations;
- Amounts written off;
- Contingent liabilities;
- Ratios
- Audit outcomes;
- Management assurance – selected areas;
- Going concern.

Highlighting relevant aspects of the Council's financial position and the draft financial statements, the CFO mentioned that ODM had successfully migrated to the new Municipal Standard Chart of Accounts (mSCOA) with effect from 1 July 2017.

Due to the Western Cape District Municipalities' Funding Research Initiative, in which the ODM played an important role, the National Government's funding base in terms of the *Division of Revenue Act, 2017* was increased to 11% for 2017/2018 and 23% for 2018/2019, but unfortunately it will decrease to only 3% for 2019/2020. The Committee noted with concern that the Fiscal Commission apparently does not ensure that provinces and municipalities are able to provide and perform the functions allocated to them due to insufficient funding. This situation makes it increasingly difficult for the Council to continue performing its functions as a going concern.



## APPENDICES

The statements are deemed to be in compliance with statutory requirements and accounting standards and to provide the Council with an authoritative and credible view of the municipality's financial position. In spite of some notable improvements, there are still some major causes for concern, such as-

- The inadequacy of the Council's income from the "equitable share" ;
- The fact that Employee Benefit Provision, Karwyderskraal Rehabilitation Provision, and Depreciation (Capital Replacement) are not cash-backed.

Nevertheless, it is obvious that the Council and its staff have succeeded through good management to greatly improve the overall efficiency of the organisation and its financial position. Over a period of only six years they achieved remarkable improvements regarding audit outcomes from a qualified audit status with 133 COMAFs in 2010/2011 to Clean Audits in 2014/2015 and 2015/2016 with only 9 findings in 2015/2016.

### **DRAFT AUDIT REPORT AND FINAL MANAGEMENT REPORT**

The Auditor-General's representative presented the annual Management Report and the Draft Audit Report in respect of the 2016/2017 financial year to the Audit Committee and the Council's representatives on 28 November 2017. The Audit Committee was pleased to note that the Auditor-General's report did not contain any material findings, which meant that the Council for the third consecutive year achieved a clean audit report. The A-G stated that the efforts of leadership and management have been supported by governance and oversight structures to achieve a strong control environment within the municipality. The Council, Executive Mayor, Municipal Manager, Chief Financial Officer and supporting staff members are congratulated on this achievement.

The A-G mentioned that there had been an overall slight regression in the outcome of key risk areas that are required to be addressed to sustain clean administration. The municipality should monitor non-compliance and internal control deficiencies identified within the audit in order to avoid any future impact on the clean audit outcome.

While there have been serious concerns in previous years about the financial viability of the municipality, the A-G now assessed it as good. The A-G further stated that, although there was no problem with the municipality's liquidity and solvency, it must be brought to management's attention that total non-current liabilities currently outstrip total non-current assets, which would mean that at some point short-term assets are being used to finance long-term debt. Since this is not a sustainable strategy as such, management is encouraged to investigate possible solutions to help turn this around.

The A-G stated that the audit committee provided adequate independent oversight to council and internal audit remained a good support structure to municipal management in the execution of their duties by providing independent assurance on internal controls, financial management, performance management and compliance with legislation. The internal audit unit further ensured that the internal controls were being addressed by monitoring the processes implemented by management.

It was pointed out to the A-G's representative that, in spite of the abovementioned favourable comments on the work of internal audit, only its reports on asset management and on bank and cash management at die Damme resort were used by him, and then only during the planning phase of the audit. It was agreed that, in future, a meeting would be held between the A-G and management to determine to what extent the work of internal audit can be used in order to prevent duplication and to reduce the cost of the audit.

### **DISCLOSURE IN RELATION TO THE AUDIT COMMITTEE**



## APPENDICES

The Auditor-General is legislatively responsible for the auditing of municipalities hence the municipality does not appoint its own external auditor. The Committee was satisfied that the external auditor is independent from the organization. The Committee was satisfied with the quality of the external audit.

The Committee is also satisfied with the effectiveness of the designed and implementation of internal financial controls. The Committee is also satisfied with the effectiveness of the Head Internal Audit and the arrangements for Internal Audit.

The Committee is also satisfied with the effectiveness of the CFO and the finance function.

### THANKS

The Executive Mayor and other members of Mayco as well as the Municipal Manager, Director Management Services/CFO and other staff members attended and participated in the meetings of the Committee. We thank the Executive Mayor and management for their cooperation and for accepting the Committee as an essential component in the structures of the municipality. We also thank Messrs Flippie Coetzee and Ms Marietjie Dunn for their loyalty and assistance.



A PIENAAR

Chairman: Audit and Performance Audit Committee

28 November 2017





## APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE 2016/2017

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2016/2017	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23 August 2016	Observations pertaining to a presentation and discussion of the Draft Annual Financial Statements 2015/16.	Yes
31 August 2016	Observations pertaining to an Ad hoc Internal Audit Report on Stock Issues and Inventory Requisitions.	Yes
31 August 2016	Observations pertaining to an Ad hoc on Diesel & Petrol at Stores in Caledon.	Yes
31 August 2016	Recommendations pertaining to an Internal Audit Report on Year End Stock take.	Yes
31 August 2016	Recommendations pertaining to Internal Audit Report on Performance Information for the 3 <sup>rd</sup> Quarter of 2015/2016.	Yes
31 August 2016	Recommendations pertaining to Internal Audit Report on Year-end Stock Count.	
31 August 2016	Observations pertaining to Internal Audit Report on mSCOA project review.	Yes
29 November 2016	Recommendations pertaining to Internal Audit Report on Performance Information for the 4 <sup>th</sup> Quarter of 2015/2016.	Yes
29 November 2016	Observations pertaining to Internal Audit Report Follow up on Risk Management.	Yes
29 November 2016	Recommendations pertaining to Internal Audit Report on Performance Information for the 1 <sup>st</sup> Quarter of 2016/2017.	Yes
29 November 2016	Recommendations pertaining to Internal Audit Report on Occupational Health and Safety.	Yes
29 November 2016	Observations pertaining to a Follow Up on Risk Management.	Yes
29 November 2016	Observations pertaining to an Ad hoc Internal Audit Report on DIE PONT MALAGAS.	Yes
28 February 2017	Recommendations pertaining to Internal Audit Report on Asset Management Review.	Yes
28 February 2017	Recommendations pertaining to Internal Audit Report on Performance Information for the 2 <sup>nd</sup> Quarter of 2016/2017.	Yes
16 May 2017	Observations pertaining to an Ad hoc Internal Audit Report on Bank/Cash Management –Die Dam.	Yes
16 May 2017	Observations pertaining to Internal Audit Report on Division of Revenue Act.	Yes
16 May 2017	Observations pertaining to Internal Audit Report on mSCOA Project.	Yes



## APPENDIX F – LONG-TERM CONTRACTS (LARGEST CONTRACTS)

Name of service provider	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project manager
Avis	Rental of Vehicles	01/04/2016	31/03/2019	A Thompson
Mubesko Africa	Accounting Services	01/07/2016	30/06/2019	W Stassen
Siyanda Business Solutions	Accounting Services	01/07/2016	30/06/2019	W Stassen
Altimax	Accounting Services	01/07/2016	30/06/2019	W Stassen
Ignite	Performance Management, Compliance, Risk electronic System	01/07/2016	30/06/2018	M Dunn
KPMG	Risk Management	01/12/2014	31/12/2016	M Dunn
Page Automation	Rental of Printers	01/09/2013	31/08/2016	J Snyman
Nashua	Rental of Printers	01/09/2016	31/08/2019	J Snyman
V du Toit	Services – Ferry at Malagas	01/08/2014	31/07/2017	A van Eeden
Indwe	Short-term Insurance	01/10/2014	30/06/2017	W Stassen
TWK Communications	Internet, telephone, e-mail service provider	01/05/2015	30/04/2018	A Thompson
ABSA	Banking Service	01/07/2013	30/06/2018	CFO
FFA	Aerial Support	17/01/2017	30/04/2017	R Geldenhuys



## APPENDIX G – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests 2016/2017		
Position	Name	Description of Financial interests (Nil / Or details)
Executive Mayor	Andries Erwee Franken	Property, Livestock, Trustee, Shares
Deputy Mayor	Archibald Gabriel Klaas	Property, Trustee, Shares
Speaker	Lincoln de Bruyn	Property, Pension
Member of MayCo	Matthys Johannes Koch	Property, Trustee,
Member of MayCO	Moira Denise Opperman	Property
Member of MayCo	Helena Dorothea Coetzee	Property
Member of MayCo	Cornelius Marthinus Lamprecht	Property, Pension
Councillor	Steven Hendrikus Fourie	Nil
Councillor	Kiro Jacobie Tiemie	Livestock, Share holder (building construction)
Councillor	Isaac Mubelo Sileku	Shareholder (Events Company), Pension
Councillor	Ronald Brinkhuys	Nil
Councillor	Evelyn Sauls	Nil
Councillor	<i>Lindile Ntsabo</i>	Nil
Alderman	<i>Nicolette Botha-Guthrie</i>	Property, shareholder, trustee
Councillor	Vuyiswa Elizabeth Mentile	Property , Shareholder
Councillor	Caroline Wood	Nil
Alderman	Eve Catherine Marthinus	Property
Alderman	Ntombizine Michelle Sapepa	Shareholder, property
Councillor	Unathi Toto Sipunzi	Nil
Councillor	Jan Cornelius Gelderblom	Shareholder (Events Company), trustee
Municipal Manager	D P Beretti	Property, Shareholder, Trustee
Director Management Services/CFO	J C P Tesselaaar	Property, Shareholder, Trustee
Director Community Services	Vacant	



## APPENDICES

### APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

#### APPENDIX H (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R' 000
Vote Description	2015/16	2016/17			2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Vote 1 - Municipal Manager	10 453	9 542	9 470	8 605	-10,89%	-10,06%	
Vote 2 - Management services	64 469	58 606	63 534	64 772	9,52%	1,91%	
Vote 3 - Community and Technical services	89 049	86 363	84 181	86 037	-0,38%	2,16%	
<b>Total Revenue by Vote</b>	<b>163 971</b>	<b>154 511</b>	<b>157 186</b>	<b>159 414</b>	<b>3,08%</b>	<b>1,40%</b>	

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

#### APPENDIX H (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	2015/2016	2016/17			2016/17 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Service charges	2 396	457	550	801	43,00%	31,37%	
Rental of facilities and equipment	12 143	12 327	13 306	13 257	7,01%	-0,37%	
Interest earned - external investments	2 188	1 200	1 400	2 311	48,09%	39,43%	
Interest earned - outstanding debtors	2	0	0	-	0,00%	0,00%	
Licences and permits	95	26	120	171	84,84%	30,03%	
Agency services	6 592	8 260	8 260	8 115	-1,79%	-1,79%	
Government Grants and Subsidies - Operating	130 327	126 161	128 740	127 594	1,12%	-0,90%	
Other revenue	6 550	6 081	2 541	4 784	-27,12%	46,89%	
Gains on disposal of PPE	3 519	-	-	-	0,00%	0,00%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>163 811</b>	<b>154 511</b>	<b>154 916</b>	<b>157 034</b>	<b>1,61%</b>	<b>1,35%</b>	

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



## APPENDIX I: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

## OVERBERG DISTRICT MUNICIPALITY

## APPENDIX D (UNAUDITED)

## DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2017

	OPENING BALANCE	GRANTS RECEIVED	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
	R	R	R	R	R
<b>NATIONAL GOVERNMENT</b>					
Equitable Share	-	52 163 000	(52 163 000)	-	-
Financial Management Grant (FMG)	-	1 250 000	(1 250 000)	-	-
Expanded Public Works Program (EPWP)	-	1 000 000	(1 000 000)	-	-
Rural Roads Asset Management System	227	2 427 000	(2 427 227)	-	-
<b>Total</b>	<b>227</b>	<b>56 840 000</b>	<b>(56 840 227)</b>	<b>-</b>	<b>-</b>
<b>PROVINCIAL GOVERNMENT AND OTHER</b>					
mSCOA Support Grant	-	220 000	(220 000)	-	-
SETA Training Fund	205 189	166 010	(284 133)	-	87 066
Road Subsidy	11 374 880	65 123 786	(69 283 538)	-	7 215 129
Asset Management Grant	-	800 000	-	-	800 000
Municipal Finance Management Internship Programme	-	400 000	-	-	400 000
Health Subsidy	-	138 350	(138 350)	-	-
Greenest Municipality Competition	-	70 000	(2 327)	(67 673)	-
CDW Operational Support Grant	108 172	75 000	(116 925)	(35 400)	30 846
Local Government Graduate Internship Grant	-	60 000	(15 148)	-	44 852
Human Capacity Building Grant	-	120 000	(120 000)	-	-
Municipal Service Delivery and Capacity Building Grant	-	400 000	(7 695)	-	392 305
Municipal Finance Improvement Program	-	400 000	(400 000)	-	-
Fire Service Capacity Building Grant	-	2 200 000	-	(2 200 000)	-
Risk Management	132 400	-	(132 400)	-	0
<b>Total</b>	<b>11 820 641</b>	<b>70 173 146</b>	<b>(70 720 516)</b>	<b>(2 303 073)</b>	<b>8 970 198</b>
<b>ALL SPHERES GOVERNMENT</b>	<b>11 820 868</b>	<b>127 013 146</b>	<b>(127 560 743)</b>	<b>(2 303 073)</b>	<b>8 970 198</b>





## APPENDIX J – CAPITAL PROGRAMME BY PROJECT 2016/2017

Capital Programme by Project: Year 2016/2017					
Capital Project	Original Budget	Adjustment Budget	Actual	R' 000	
				Variance (Act - OB) %	Variance (Act - Adj) %
<b>COUNCIL</b>					
Computer Equipment		120		100,00%	0,00%
<b>ADMINISTRATION</b>					
Plant & equipment			6	100,00%	100,00%
Computer Equipment	10	10		0,00%	0,00%
Furniture and other office equipment	8	8		0,00%	0,00%
<b>ENVIROMENTAL MANAGEMENT</b>					
Computer Equipment	13	30	45	348,97%	151,22%
Fire, safety & emergency		80	9	100,00%	10,87%
Furniture and other office equipment			39	100,00%	100,00%
Plant & equipment			1	100,00%	100,00%
Intangible			7	100,00%	100,00%
<b>ENVIRONMENT PROTECTION</b>					
Computer Equipment	19	19	12	62,35%	62,35%
Furniture and other office equipment	10	10	13	132,52%	132,52%
Intangible			4	100,00%	100,00%
<b>EXECUTIVE SERVICES</b>					
Furniture and other office equipment	5	5	3	58,25%	58,25%
Computer Equipment	10	10		0,00%	0,00%
<b>FINANCE: income/Expenditure IT</b>					
Computer Equipment	525	2 675	2 441	465,01%	91,26%
Furniture and other office equipment	8	8	52	692,62%	692,62%
Intangible			102	100,00%	100,00%
<b>FINANCIAL ADMINISTRATION</b>					
Computer Equipment	10000	10	32	321,37%	321,37%
Furniture and other office equipment	5	70	23	463,41%	33,10%
Plant & equipment			14	100,00%	100,00%
Intangible			20	100,00%	100,00%
<b>IDP/LED</b>					
Computer Equipment			6	100,00%	100,00%
Furniture and other office equipment	15	15		0,00%	0,00%
Intangible			11	100,00%	100,00%
<b>KARWYDERSKRAAL</b>					
Buildings			1	100,00%	100,00%
Computer Equipment			4	100,00%	100,00%
Furniture and other office equipment			17	100,00%	100,00%
Plant & equipment			89	100,00%	100,00%
<b>PUBLIC SAFETY - FIRE BRIGADE</b>					
Computer Equipment			1	100,00%	100,00%
Fire, safety & emergency			435	100,00%	100,00%
Furniture and other office equipment			58	100,00%	100,00%
Plant & equipment	100	655	45	45,36%	6,93%
Vehicles		3 500	2 799	100,00%	79,96%
<b>RECORD MANAGEMENT</b>					
Furniture and other office equipment	5	5	4	82,46%	82,46%
<b>RESORTS</b>					
Buildings	110	110	173	156,87%	156,87%
Furniture and other office equipment	60	60	35	58,96%	58,96%
Plant & equipment	75	75	21	27,41%	27,41%
Infrastructure	100	180	112	100,00%	62,01%
<b>ROADS/ENGINEERING :Indirect Account</b>					
Computer Equipment			26	100,00%	100,00%
Furniture and other office equipment			84	100,00%	100,00%
Intangible			27	100,00%	100,00%
<b>SUPPLY CHAIN MANAGEMENT</b>					
Computer Equipment	9	9	6	65,46%	65,46%
Furniture and other office equipment	2	2			
Intangible			4	100,00%	100,00%



## Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Overberg District Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Overberg District Municipality set out on pages 3 to 103, which comprise the statement of financial position as at 30 June 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Overberg District Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the 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, 2016 (Act No. 3 of 2016) (DoRA).

#### Basis for opinion

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



### **Emphasis of matter**

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

#### Restatement of corresponding figures

7. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during the 2016-17 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2017.

### **Other matters**

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

#### Unaudited supplementary information

9. The supplementary information set out on pages 104 to 118 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

10. 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.

### **Responsibilities of the accounting officer**

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





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

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

**Report on the audit of the annual performance report**

**Introduction and scope**

- 15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to raise findings but not to gather evidence to express assurance.
- 16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2017:

Objectives	Pages in the annual performance report
Key Performance Area – Basic services and infrastructure	75 – 77

- 18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.



## APPENDICES

19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objective:

- Key Performance Area – Basic services and infrastructure

### Other matter

20. I draw attention to the matter below:

Achievement of planned targets

21. Refer to the annual performance report on pages 75 to 77 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

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

23. I did not raise material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.

### Other information

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

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

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

27. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

28. I have nothing to report in this regard.



Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon.

30. I did not identify any significant deficiencies in internal control.

*Auditor - General*

Cape Town

30 November 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*





## Annexure – Auditor-general’s responsibility for the audit

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

### Financial statements

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



**Communication with those charged with governance**

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





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

MFMA Section 71 Returns Not Made During Year 2016/2017 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date
None	

APPENDIX M – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	Yes	Not applicable
Building regulations (Fire)	Yes	
Child care facilities		
Electricity and gas reticulation		
Firefighting services	Yes	
Local tourism (Regional)	Yes	
Municipal airports		
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes, Only ferry at Malagas	
Stormwater management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
<i>Continued next page</i>		



<i>Continued from previous page</i>		
Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 5, Part B functions:</b>		
Beaches and amusement facilities	Yes	Not applicable
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities (Uilenkraalsmond and Die Dam Resorts)	Yes	
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution	yes	
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal	yes	
Street trading		
Street lighting		
Traffic and parking		



APPENDIX N – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Do not rendered basic services, e.g. water, electricity See Annual Reports of Local Municipalities	N/A
Output: Implementation of the Community Work Programme (CWP)	The municipality only Implemented EPWP programs and has not participated in the CWP.	N/A
Output: Deepen democracy through a refined Ward Committee model	Only applicable to local municipalities See Annual Reports of Local Municipalities	N/A
Output: Administrative and financial capability	Continuous improvement of administrative and financial capabilities and systems have been carried out	Not measured or quantifiable

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements 2016/2017 – Volume II of annual report

