

Overberg



District Municipality
Distriksmunisipaliteit
Umasipala Wesithili

Annual Report 2017/18

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



VOLUME I

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COMPONENT A: MAYOR’S FOREWORD



It is my privilege to present the 2017/2018 Annual Report for the Overberg District Municipality. Reflecting on the past year, there is much to be proud of and this in turn has strengthened our sense of purpose as we continue to work with our stakeholders towards the fulfillment of the municipality’s Vision and Mission statement.

Vision

Overberg – the opportunity gateway to Africa through sustainable services

Mission

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

Policy Development

The strategic goals were formulated to achieve freedom, fairness and opportunity within the community and to direct an open opportunity society through diversity and delivery of the goals. The strategic goals were aligned with Government Objectives, National Outcomes, National Development Plan, Back-to-Basics and with the Western Cape Provincial Strategic Plan. The five year strategic goals (SGs) as adopted by Council for the period 2017-2021 are:

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

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

The municipality received and maintained an unqualified audit (“Clean Audit”) for the 4th consecutive year. This achievement is the result of proper and sound financial discipline, good governance and performance systems.

Key Service Delivery Improvements

Some of the key service delivery improvements and achievements for the year included:

- The municipality was privileged to participate in the Western Cape Greenest Municipality competition and received the 2nd place in the District Municipality category.
- The fire fighting fleet expanded with five response units and additional staff were appointed to ensure that the municipality adequately responds to all emergencies in the district.
- The district municipality plays a coordinating role in terms of the Disaster Management Act. The municipality was directly involved in securing water in the Rûens East Water Scheme ensuring drinking water for 200 farms.
- The continuous improvement and maintenance of proclaimed roads were done and divisional road 1320 was upgraded from gravel to tar.



CHAPTER 1

- The limited airspace of Cell 3 at the regional landfill facility (Karwyderskraal), required of the municipality to go out on tender to provide additional landfill airspace for the next 8 years. In order to facilitate and support the additional airspace, a service level agreement was negotiated with user municipalities.
- In respect of poverty alleviation, 741 job opportunities were created through the Municipality's registered Expanded Public Works Programme (EPWP) projects during the reporting period. As part of the EPWP and health education awareness programme, jobless people were trained on how to prevent illnesses like listerioses.

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. The municipality hosts ongoing IDP and Public participation awareness campaigns throughout the region. Other communications initiatives include the Internal and External Newsletters of Council to ensure ongoing feedback. The Ward Committee and Community Participation Legislative review process is also currently underway.

Future Actions

In collaboration with Department Social Development, local municipalities and stakeholders in the Overberg, the Overberg District Municipality intends to host a District Social Development Summit. The municipality is also in the process of finalizing a Regional Economic Development & Tourism Strategy to build strong partnerships with business with the aim of boosting the Overberg economic development and tourism landscape. The implementation and monitoring of programmes are identified in the IDP of the municipality.

Conclusion

I would like to express my gratitude 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



1.1 MUNICIPAL MANAGER'S OVERVIEW



This report provides the overview 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 directives. The 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.

Concerted effort was made to improve service delivery to stakeholders, by practicing good leadership and the effective optimization of all available resources. The municipality continues to focus on efforts to strengthen governance structures through the review of policies, procedures and systems.

Although the municipality managed to improve its financial sustainability, it continues to experience financial challenges. All provisions are however not cash-backed, but the municipality succeeded in increasing the cash balance by 13%. This is mainly as a result of spending controls, cost containment measures, as well as sound financial discipline. A large advance payment was also received from Provincial Department of Transport and Public Works for the roads agency function.

The municipality is largely dependent on government grants and support, which is calculated at 79% of the total revenue of the municipality. The total revenue received for the 2017/2018 financial year, excluding capital transfers and contributions, increased by 18.52% from the 2016/2017 financial year to an amount of R186 million.

Personnel cost as a percentage of total expenditure amounted to 48.35%, which decreased from the previous year (51.36%). This is still above the national norm of 25 – 40%, although the percentage remains in line with other District Municipalities. It is a challenge to reduce the cost, as the service delivery functions are not income generating functions.

The Overberg District Municipality succeeded, for a fourth consecutive year, in being awarded an unqualified (clean) audit report 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 Risk Management Committee, under the leadership of the Municipal Manager, meets quarterly and reports to Council and the Audit and Performance Audit Committee regularly. 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, manage and mitigate the risks.

The management team functioned exceptionally well, notwithstanding that there has been a vacancy in the top structure. The Director: Community Services was appointed and commenced services in June 2018. The post of Director: Corporate Services remains vacant.

I would therefore like to thank all for having contributed to making 2017/2018 a great 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, management, staff and all stakeholders for their support and positive contribution and commitment.

D P Beretti
Municipal Manager



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 and 4 regional offices in the 4 local municipal areas.



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.

Demographics – Community Survey, 2016¹				
Population 286 786		Households 91 835		
Labour Unemployment Rate² 13.5%		Poverty² Gini Coefficient 0.60 Human Development Index 0.70		
Water² 97.90% (Pipe water)	Refuse Removal² 87.1%	Electricity² 94.6%	Sanitation² 95.7%	Housing² 81.8%
Health 19 Primary Health Care Facilities ² 4 District Hospitals 1 Private Hospital		Socio-economic Risks² Risk 1 Drought Risk 2 Financial Sustainability (Grand dependency) Risk 3 Stagnating Economic Growth		
Education³ Matric Pass Rate 2017 87.7%				

¹ Stats SA – Community Survey 2016

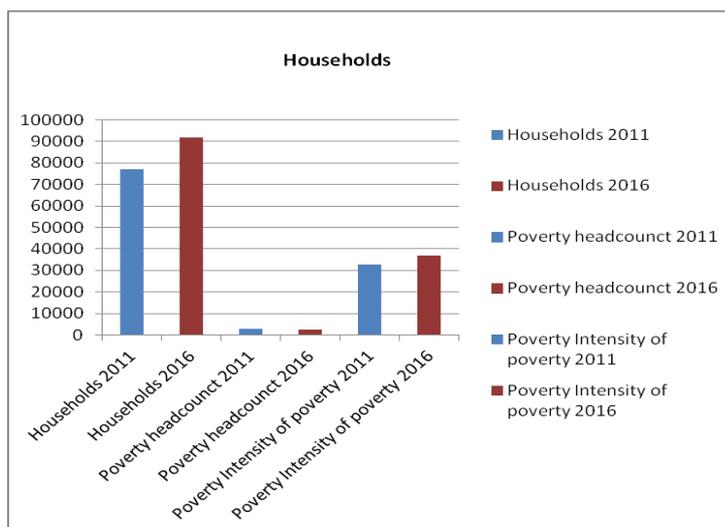
² Socio-economic Profile – Overberg District Municipality 2017

³ Western Cape – Department of Education



Person indicators							Population '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

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

COMMENTS ON BACKGROUND DATA

The municipality is committed towards social development and planning to conclude a Memorandum of Understanding with Department of Social Development to support the social development work undertaken by the Department. The municipality is currently in the process of finalizing a Regional Economic Development & Tourism Strategy to build strong partnerships with business with the aim of boosting the Overberg economic development and tourism landscape. The influx of people to more urban areas comes at a cost to the municipalities in respect of the provision of services.

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

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. For information on basic service delivery, see the annual reports of the Local Municipalities in the district.



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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 for distribution and also direct supply 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. The Overberg Rûens area was identified through a study by the Council for Scientific and Industrial Research (CSIR) as a suitable area for the placement of wind farms.

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.

1.4 – FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality submitted the Annual Financial Statements to the Auditor-General timeously. During the financial year all existing finance related policies were reviewed and an additional policy, namely Remuneration Policy, was adopted to strengthen the financial management. Even though the municipality ended the year with a cash increase from the previous financial year, current controls must still be enforced to ensure that cash resources do not deplete. All creditors were paid within 30 days. The debt collection ratio decreased from 15 to 21 days, this is mainly due to a debtor that was created for the rendering of fire services to a local municipality.

The total liabilities of the municipality amounts to R110.3 million with the current position amounting to R31.1 million and the long-term liabilities amount R79.2 million. Assets, both current and non-current, exceed liabilities indicating that the municipality will be able to cover all liabilities. The liquidity ratio of the municipality is steadily improving from year to year, ending the financial year with 2.99:1 which is above the norm.

Overall the financial viability of the Municipality is considered to be good.

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

Financial Overview – 2017/18			
	R' 000		
Details	Original budget	Adjustment Budget	Actual
<u>Income</u>			
Grants	143 599	145 314	147 427
Taxes, Levies and tariffs	11 294	12 734	15 812
Other	18 491	21 106	23 721
Sub Total	173 384	179 153	186 960
<u>Less Expenditure</u>	180 212	190 504	188 430
Net Total*	(6 828)	(11 350)	(1 470)
* Note: surplus/(deficit)			



Operating Ratios	
Detail	%
Employee Cost	48.35%
Repairs & Maintenance	42.53%
Finance Charges & Depreciation	6.19%

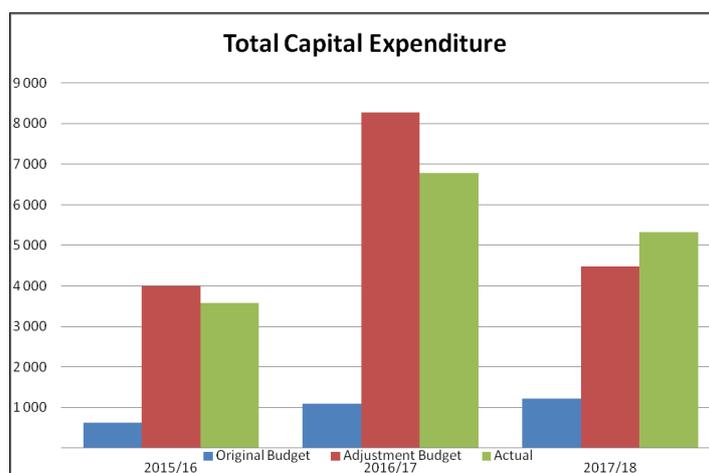
COMMENT ON OPERATING RATIOS

Employee cost represents 48.35% of total expenditure. This is above the accepted norm; however the municipality managed to decrease the percentage from the previous year.

Repairs and maintenance as disclosed, being 42.53%, which is above the accepted norm of 20%. Repairs and maintenance is no longer a line item in the financial statements, but consist of employee related cost, contracted services and other expenditure that relates to a repairs and maintenance project. It needs to be mentioned that the biggest portion of the net amount was spent on the roads agency function, which are not assets of the municipality. If the roads function is not taken into account, repairs and maintenance on municipal assets is not sufficient.

Finance Charges and Depreciation cost represent 6.19%, which is within the acceptable norm.

Total Capital Expenditure: 2015/2016 to 2017/2018			
	R'000		
Detail	2015/2016	2016/2017	2017/2018
Original Budget	629	1 097	1 221
Adjustment Budget	3 989	8 275	4 470
Actual	3 576	6 782	5 332



COMMENT ON CAPITAL EXPENDITURE

The municipality overspent (119%) on its capital budget, due to work performed by Overstrand at Karwyderskraal. This was capitalized as work in progress in the financial statements of the municipality.

1.5 – ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality’s organisational structure consists of, Finance, Corporate Services, Community Services and the Office of the Municipal Manager. The Municipal Manager, as the head of the administration, was assisted by the CFO and Director Community Services, while the position of Director Corporate Services is vacant.



CHAPTER 1

After the adoption of the reviewed organizational structure on 5 December 2016, several anomalies/gaps were identified during the placement process. The anomalies identified relate to outstanding job descriptions, job levels and gaps on the organisational structure, such as outstanding positions. This resulted in 48 employees not being placed. To address this, the organisational structure needs to be revised and outstanding job descriptions to be completed. Vacancies on the organizational structure will be filled as and when the budget allows.

1.6 AUDITOR-GENERAL REPORT

AUDITOR-GENERAL REPORT 2017/2018

The Overberg District Municipality received, for the fourth consecutive year, an unqualified audit (clean) outcome from the Auditor-General. This achievement was 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.

Financial year	Audit Opinion
2015/2016	Unqualified without findings (Clean)
2016/2017	Unqualified without findings (Clean)
2017/2018	Unqualified without findings (Clean)

See Chapter 6 - Auditor-General Audit Finding - Component A and B for the Auditor-General opinions for 2016/17 and 2017/2018. Auditor-General report on the 2017/2018 financial year– **Appendix N**

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of the next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Municipality submits annual financial statements and draft Annual Report to Auditor-General.	August
5	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	
6	Audit and Performance Audit Committee considers draft Annual 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 PT, NT and MEC for Local Government	
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. The speaker is affiliated to a political party and elected to the role of speaker through a process of nomination and closed ballot voting by the Council. Should the speaker not be available, Council will appoint a person for each meeting through the closed ballot process.

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

A Council member's experience is indicated by the title of Councillor or Alderman. Mayors can change status from Councillor to Alderman after a 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 opposition party. One of the tasks of the MPAC is to provide Council with comments and recommendations on the



CHAPTER 2

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

MUNICIPAL COUNCIL
21 Councillors

EXECUTIVE MAYOR
Ald A Franken



DEPUTY MAYOR
Cllr A L Klaas



SPEAKER
Ald L M de Bruyn



MAYORAL COMMITTEE



Cllr H Coetzee
(Chairperson: Strategic Services Portfolio Committee)



Cllr N Lamprecht
(Chairperson: Finance Portfolio Committee)



Cllr L Ntsabo
(Chairperson: Corporate Services & IGR Portfolio Committee)



Ald. M Koch
(Chairperson: Community Services Portfolio Committee)

COUNCILLORS

The Overberg District Municipality has 21 Councillors, 12 of which represent local municipalities and 9 of which are directly elected. The average age of Councillors is 49. During the year 1 Councillor resigned due to other commitments and was replaced by a new Councillor.

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

Councillors were remunerated according to "Determination of the Upper Limits for the Salaries, Allowances and Benefits of Municipal Councillors for the **2017/2018** financial year" Regulation.



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

POLITICAL DECISION-MAKING

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

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

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

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

TOP ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER

Mr D P Beretti

*BComm. MPA (UCT) MILGM FIAC IPMF
MHRP*



CHIEF FINANCIAL OFFICER

Dr J C P Tesselaa

BComm, HBPubA, MBA, DTech



DIRECTOR CORPORATE SERVICES

Vacant



DIRECTOR COMMUNITY SERVICE

Mr. P A Oliver

MPS (US)

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 Chief Financial Officer also fulfills the functions of the vacant position of Director Corporate Services in support to the municipal manager. Council is of the opinion that the arrangements in place are effective, but not ideal. The Director Community Services was appointed and commenced service on 06 June 2018.

Appendix C provides the third tier administrative structure.



INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

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

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

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

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

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

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

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

The municipality has sound relations with the Department of Transport and Public Works relating to the road agency function delivered on their behalf. 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 Committee, Karwyderskraal Landfill Monitoring Committee, District Fire Working Group, Disaster Management



CHAPTER 2

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

The benefit of the forums is that problems and solutions emanating from them can be utilized to the benefit of the community. The forums give strategic direction and development and 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.

Guided by the principles of King IV, the Overberg District Municipal Council's primary governance role and responsibilities, principles towards good corporate governance and governance outcomes are enhanced by way of (a) steering and setting the strategic direction; (b) approving policy and planning; (c) overseeing and monitoring; and (d) ensuring accountability. The benefits that the ODM derive through these good governance practices, include: ethical culture, good performance, effective control and legitimacy. For the 2017/18 period, the ODM ensured:

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

Accountability and community participation were enhanced by engagements through media, publication, electronically, and communication tools such as public participation meetings for the IDP and sector plans linked to the IDP. This is further enhanced through other direct engagements with the local municipalities and sectors in the district. In this regard, priority issues from local municipal areas are incorporated into the Integrated Development Plan of the district municipality.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Captured in the 5-year Strategic Plan, the Overberg District Municipality remains committed to its core values of: Integrity which reflects ODMs commitment to transparency and ethical business operations; Commitment to regular consultation with customers on the level of services; Transparency in accounting for our actions; Excellence by setting quality standards for service delivery and measurement thereof to improve productivity.

Communication platforms

Communication mechanisms used by the Overberg District Municipality includes:

Municipal Website • Facebook • Twitter • Notice Boards • Internal Newsletter • External Newsletter • Local and Regional Newspapers • Local Radio Station • IGR Fora • Posters • Pamphlets • Awareness Campaigns.

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. With inputs solicited from all departments across the organisation, the publication also showcased departmental or individual staff achievements and also served its purpose by communicating legislative/compliance processes.



External Newsletter

In showcasing the Overberg District Municipality's activities, educating and informing the Overberg communities, the ODM fulfills its role by bi-annually producing an External Newsletter. Information is also sourced from local municipalities in the region.

Awareness Campaigns: IDP and Public Participation

Section 16(1) of the MSA states that a municipality must develop a culture of community participation and contribute to building the capacity of the local community, councillors and staff. To this effect, the IDP & Communication Department of the Overberg District Municipality embarked on IDP and Public Participation Awareness drives and developed materials to promote participation in IDP and public participation processes and to raise awareness around planning and processes.

- ✓ Regional Booklet: "Overberg Region 2017/18 – 2021/22 Integrated Development Plans (IDP's) In a Nutshell" - serves as an introduction to the Overberg region and illustrates the IDP Planning Cycle, also highlighting the importance of public participation processes and provides the 5-year strategic direction per municipality in the Overberg. The Booklet was finalised in November 2017 and disseminated to all stakeholders across the region.
- ✓ Bookmarks: Depicting District's 5-year strategic direction – provided to all Councillors and each Staff member.
- ✓ Posters: District's 5-year strategic direction – provided to Departmental Heads and exhibited in reception areas of Head Office and District Offices.
- ✓ IDP awareness presented to District IDP Rep/PPComm Forum members on 30 November 2017.
- ✓ IDP and public participation processes, as well as the distinction between a Local and District Municipality, workshopped at the Bredasdorp Nutrition & Development Centre on 21 June 2018.

In terms of the way forward, IDP and Public Participation Awareness Campaigns are planned for October and November 2018 at the Emil Weder Secondary School in Genadendal and Agulhas School of Skills on 31 October and 2 November 2018, respectively.

Public Participation – Draft IDP Review

Following adoption of the First Draft IDP Review on 26 March 2018, the Municipality communicated its Draft IDP Review 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, progress in respect of projects captured in IDPs across the region, was presented to stakeholders on 15 May 2018, prior to final adoption thereof on 28 May 2018.

Ward Committees

The District Municipality has no direct interface with Ward Committees as this is a competence of Local Municipalities. Local municipalities in the region serve as the District's Ward Committee System. However, the District solicits inputs from the Local Municipalities in respect of Ward Committee functionality, processes and challenges, for reporting on a quarterly basis to the Provincial Public Participation Forum.

Review of Legislation Governing Ward Committees and Public Participation

The legislative framework put in place over the last decade to enhance democratic participatory governance has in most instances not yielded the desired outcomes in strengthening meaningful community participation on matters of local governance, hence the need to revisit some of these legislative frameworks. The Department of Cooperative Governance (DCoG) therefore deemed it prudent to review the current legislation pertaining to Ward Committees and Community Participation.

A National Legislative Review Steering Committee Meeting was held in November 2017, where the roles and responsibilities of Provinces and Municipalities were outlined. Various discussion papers and Guidelines were developed and circulated to all Provincial Departments for distribution to Municipalities. Constituted on 17 May 2018, the Provincial Legislative Review Steering Committee comprises four representatives from the Metropolitan Municipality, and three from each District.

District Legislative Review Steering Committee

A representative from the ODM, Cape Agulhas and Overstrand Municipalities constitute the District Legislative Review Steering Committee. Representatives are required to develop a District Work Plan outlining processes for stakeholder engagements within the District. The District is responsible for:



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- Facilitating respective municipal stakeholder engagements on the legislative review (July to September 2018);
- Obtaining Council adopted submissions from the Local Municipalities;
- Consolidating inputs and recommendations; and
- Submission and presentation to Provincial Legislative Review SC (28 September and 15 November 2018).

District IDP Structures

District IDP communication platforms include the District IDP Steering Committee, the District IDP Managers Forum and the District IDP Rep/PPComm Forum. These platforms are used to communicate processes and activities around the IDP, public participation and communication, and comprise role-players from across the region, Western Cape Department of Local Government, as well as Sector Departments. Four (4) District IDP Managers- and two (2) District IDP Rep/PPComm Forum engagements were held during the 2017/18 period. On an ad-hoc basis, the District also has on-site engagements with Municipalities in the Region.

For the 2018/19 period, instead of the District IDP Rep/PPComm Forum, Sector-focused engagements will be held during November 2018 with a view to bringing Government closer to communities to present and discuss Government footprint in the Region in respect of sector-specific matters. This information will further inform Second IDP Reviews. Matters emanating from these platforms are reported to the quarterly Provincial IDP Managers Forum.

Western Cape Districts Integrated Forum

Constituted by District IDP Managers of the Western Cape, the Western Cape Districts Integrated Forum (WCDIF) meets on an *ad-hoc* basis to discuss matters specific to a District IDP, ensure standardized IDPs and further strengthen and enhance the concept of integrated development planning. Predominant points of discussion at a WCDIF engagement held on 27 July 2017, included the Overberg Regional Booklet and IDP/Budget Time Schedules.

COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

Public participation is a key factor in effective governance and promotes accountability. Communities are afforded the opportunity to interact with elected public officials. On the other hand, the Municipality gets to know the needs of the communities and therefore develop strategies and plans to address such 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	



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 reviewed the Combined Assurance Policy Framework on 18 June 2018. 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.

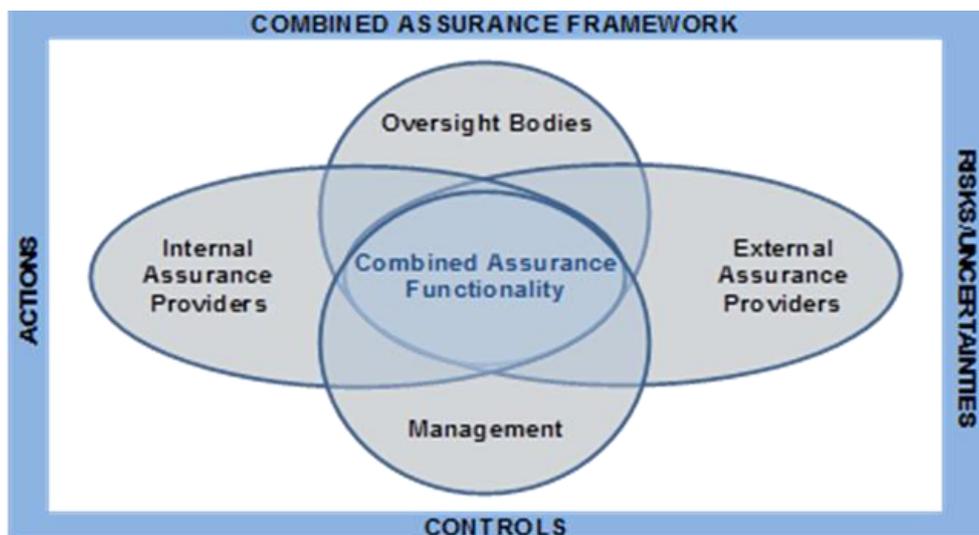
The Risk Management Committee consists of the Municipal Manager, Directors, IDP Manager, Performance Management and an independent member who is also a member of the Audit and Performance Audit Committee. Internal Audit and the Chief Risk Officer also form a fundamental part of this committee. The Risk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

Each member of the committee completed 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 Municipal Public Accounts Committee (MPAC). The Auditor-General is an external body that also provides assurance.





Dates of Risk Management Committee (RMC) and Audit and Performance Audit Committee (APAC) meetings:

Committee	Date	Quorum	Risk Management Feedback
APAC	22 August 2017	Yes	No
APAC	29 August 2017	Yes	Yes
APAC	20 September 2017	Yes	No
RMC	21 September 2017	Yes	Yes
RMC	21 November 2017	Yes	Yes
APAC	28 November 2017	Yes	Yes
APAC	20 March 2018	Yes	Yes
RMC	27 March 2018	Yes	Yes
RMC	19 June 2018	Yes	Yes
APAC	20 June 2018	Yes	Yes

Risk Management Committee and Audit and Performance Audit Committee meetings held during the 2017/18 financial year

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 2017-2018	
Risk Description	Risk Background
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.
Grading of municipalities	Grading of the municipality (grade 4) are not aligned with salary structure of its Directors (compensated on grade 2)
Unfunded mandates	Unfunded mandates for Agri Parks
Performance Reliance on Local Municipalities to improve Waste Management Activities	Waste Management not effective due to premises and processes not being managed
Calculation of Equitable Share	Equitable Share was appropriated lower than expected and affects the overall budget and planning of the municipality
Lack of revenue source	Revenue source
Climate Change	Climate change/ Environmental factors
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.
Economy	Deteriorating economic conditions
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 department. Internal Auditor uses the information in the risk registers to draft a Risk Based Audit Plan.

Council resolved with the revision of the Risk Management Policy that municipality use the standard 10X10 rating scale for 2017/2018. The Municipality has set its risk appetite level at a risk grading of 40 (out of a maximum of 100). This implies that all risks, strategic and operational, with a grading of 40 or higher will be addressed each year. However, the Municipality's risk appetite will be reassessed on an annual basis, based on the annual risk assessment exercise results and adjusted if required. The ultimate goal is to reduce the risk level of the Municipality to acceptable levels.

Planned areas for future focus from 2018/2019 includes:

- Protest Action / Civil Unrest with Urgent Mitigating Actions,
- Proper Application of Consequence Management,
- Renewed focus on Cyber Security and ICT related threats,
- Proper Development and Implementation of Business Continuity,
- Intensify the Ethics Awareness Campaign,
- Re-affirmation of Fraud Framework and Strategies,
- Deliberate focus on Financial Risk Exposure and Control Environment,
- Clear direction on the Alignment of IDP, Risk Management, Budgeting and Performance
- Consistent focus on Regional Economic Development with formulated initiatives and targets.

2.7 ANTI-CORRUPTION AND FRAUD

ANTI-CORRUPTION AND FRAUD STRATEGY/PLAN

The municipality is committed to fighting fraudulent behaviour at all levels within the organisation. The municipality has a Fraud Prevention Plan which is also supported by an Anti-Fraud, Corruption and Financial Misconduct Policy as well as a Code of Ethics. This plan and policy 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



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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. Recommendations made were pertaining to the following audit areas: SCM, Payroll Management, Leave, ICT, Assets and Contract Management.

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

Focus areas for this period included coordination of workshops on fraud and corruption and the development of decision-tree which is in the process of being developed for consequence management.

Appendix E – Report of the Audit & Performance Audit Committee. The recommendations of the committee for 2017/2018 are set out as **Appendix F**.

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

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The review of the Supply Chain Management policies was approved by Council on 28 May 2018.

Reports on the implementation of the Supply Chain Management policies are submitted monthly to the accounting officer and quarterly and annually to the Mayor. The quarterly and annual reports are available on the municipal website.

The Procurement Process is as follows:

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

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

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

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

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 - Annual Budget - Adjustment Budget	Yes	17/05/2017 07/03/2018
All current budget-related policies	Yes	Various dates
The previous annual report 2016/2017	Yes	03/04/2018
The annual report 2017/2018 to be published		February 2019
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2017/2018	Yes	Various dates
All service delivery agreements 2017/18	Yes	Various dates
All long-term borrowing contracts	Yes	01/03/2005
All supply chain management contracts above R0 value for Year 2017/18	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 2017/2018	No	-
Contracts agreed in 2017/2018 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 2017/2018	None	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2017/2018	Yes	Various dates
Note: MFMA Section 75 sets out the information that a municipality must include in its website as detailed above.		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

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

The municipality experienced website challenges during the year. This matter received high priority attention and was resolved.

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.



INTRODUCTION

This report provides an overview of the performance of the Overberg District Municipality for the period 1 July 2017 to 30 June 2018 as measured against the strategic objectives that are set out in the Integrated Development Plan (IDP) and the Key Performance Indicators (KPI's) contained in the approved Service Delivery Budget Implementation Plan (SDBIP).

The municipality performed its functions in terms of the following strategic objectives as approved in the 4th Generation Integrated Development Plan.

Strategic Goal 1 (SG1)

To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure.

Strategic Goal 2 (SG2)

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

Strategic Goal 3 (SG3)

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

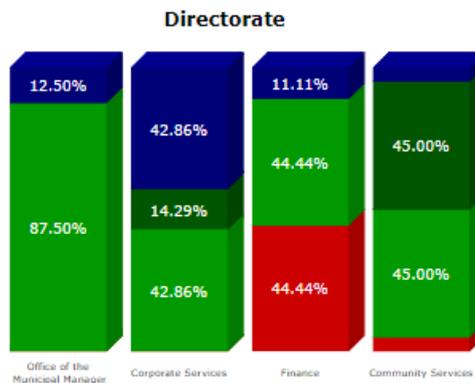
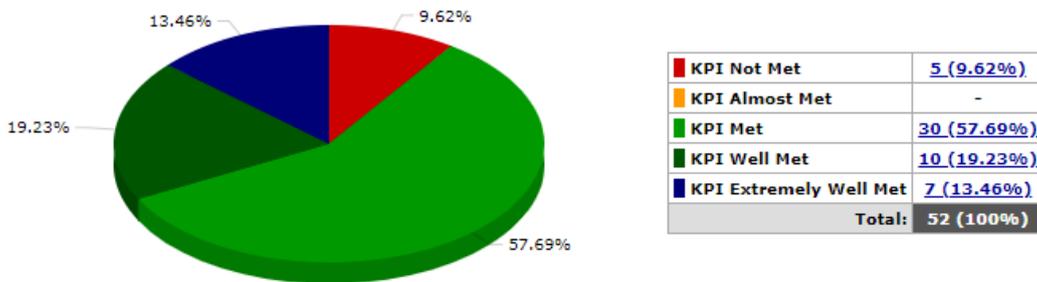
Strategic Goal 4 (SG4)

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

Strategic Goal (SG5)

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

The following graphs provide an overview of the Municipality's overall performance for the 2017/2018 financial year.



Detailed performance report for 2017/18 per strategic objective - **Component J** – Organizational Performance Score Card



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

This functions is performed in terms of Strategic Goal 1

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

The Local Government: Municipal Structures Act (Act 117 of 1998) provides for an appropriate division of functions and powers between categories of Municipalities and regulates the internal systems, structures and office bearers of the municipalities. In respect of District Municipalities, section 84(1) of the act states that:

- “(e) Solid waste disposal sites, in so far as it relates to-
- (i) the determination of a waste disposal strategy;
 - (ii) the regulation of waste disposal;
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.”

INTEGRATED WASTE MANAGEMENT:

Integrated Waste Management Plan: An external service provider was appointed for the review of the IWMP. This review will be informed by criteria as prescribed by the Department of Environmental Affairs & Development Planning together with inputs from the four local municipalities. This will ensure alignment between all spheres of government.

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 continues to actively participate in the Provincial Waste Officers Forum in order to escalate regional matters as well as alignment with provincial strategies.

Investigation into the development of a regional landfill site for Cape Agulhas and Swellendam

The investigation into the development of a regional landfill site for Cape Agulhas and Swellendam was concluded and the ODM facilitated an initial discussion between all relevant parties to discuss the proposed and future opportunities.

Proposed options:

- 1) Development of a new site;
- 2) The use of Karwyderskraal landfill as an existing site;
- 3) The use of Bredasdorp landfill as an existing site; and
- 4) The use of Swellendam landfill as an existing site.

REGIONAL LANDFILL FACILITY (KARWYDERSKRAAL)

Lease agreement: The lease agreement for the management of the Karwyderskraal Regional Landfill Facility, including cell 3, between ODM and Overstrand Municipality was extended with an interim settlement agreement signed on the 30th of June 2017. This allows for Overstrand Municipality to continue with the management of the abovementioned facility for the duration of cell 3.

Development of cell 4 at Karwyderskraal – Funding application: The ODM successfully applied for an external loan to fund the design and construction of the next waste cell. A Service level agreement was negotiated with two user



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Municipalities (Overstrand and Theewaterskloof) to be concluded in July 2018. A consulting engineer and a service provider for the construction of the waste cell were appointed.

Karwyderskraal Regional Landfill facility – permit review: Department of Environmental Affairs and Development Planning, as regulating authority, together with the ODM, successfully reviewed the Karwyderskraal Regional Landfill Facility's permit conditions. These amendments ensure that the conditions of the permit are up to date and relevant.

Organic Waste Diversion Plan: In order to comply with prescribed legislation the ODM initiated the process to draft an Organic Waste Diversion Plan in order to increase diversion from landfill.

ACHIEVEMENTS:

The ODM has played a leading role in the promotion of regionalized waste services for Karwyderskraal as well as in an investigation for a new regional landfill site serving Cape Agulhas and Swellendam. This will create an enabling environment to improve long term waste management planning and co-operation between the municipalities.

CHALLENGES:

The financial ability of municipalities to make adequate provision for waste infrastructure to address the current backlog and future demand and diversion.

This function is performed by Environmental Management Services.

Financial Performance 2017/18: Solid Waste Management Services						R'000
Details	2016/17	2017/2018				
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget	
Total Operational Revenue	740	550	550	68	-88%	
Expenditure:						
Employees	0	0	0	0	0%	
Repairs and Maintenance	0	0	0	0	0%	
Other	3 315	3 192	3 151	2 919	-9%	
Total Operational Expenditure	3 315	3 192	3 151	2 919	-9%	
Net Operational Expenditure	(2 575)	(2 642)	(2 601)	(2 851)	8%	
<i>Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						

Capital Expenditure 2017/18: Solid Waste Management Services						R' 000
Capital Projects	2017/2018					
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value	
Total All	0	0	1 164	100%		

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. The Capital expenditure relates to work performed by Overstrand Municipality on the development of Cell 4, ODM classified this as work progress in the financial statements.



COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

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

3.2 ROADS

INTRODUCTION TO ROADS

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

The function of the Roads Division at the ODM is performed from sub-district depots at Swellendam, Bredasdorp and Caledon.

The ODM focuses on normal maintenance, re-gravelling, rehabilitation, upgrading and resealing of proclaimed provincial roads. The network consisted at year end of 500.18 km tar and 3195.07 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). This project will be finalised in the 2019-2020 financial year.

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

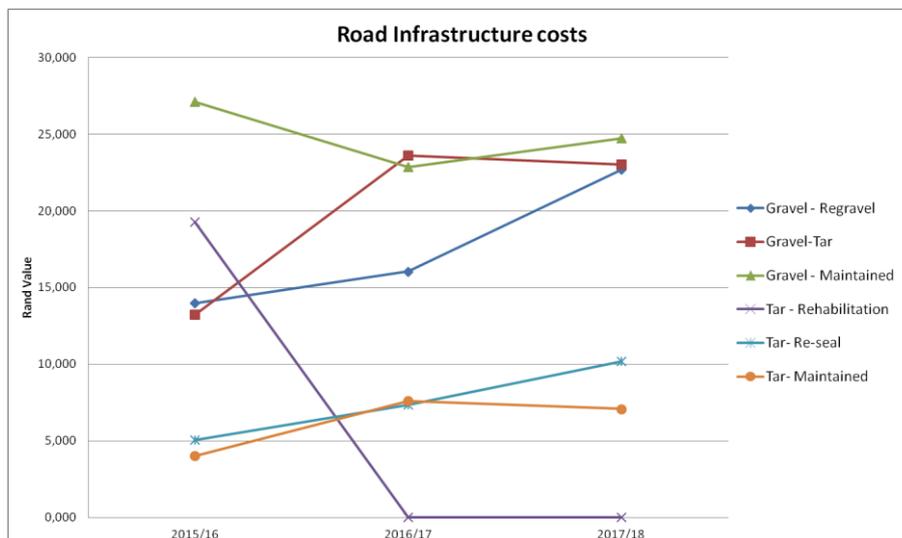
Vacant positions are continually filled through the recruitment and selection process. (Chapter 4 (4.1))

<i>Gravel Road Infrastructure</i>					<i>Kilometres</i>
<i>Financial Year</i>	<i>Total gravel Roads at beginning of financial year</i>	<i>New gravel roads</i>	<i>Gravel roads upgraded to asphalt (tar)</i>	<i>Gravel roads re-gravelled</i>	<i>Gravel roads maintained at year-end</i>
2015/16	3231.00	0	27,59	45.23	3203.41
2016/17	3203.41	0	5.02	34.84	3198.39
2017/18	3198.39	0	3.32	50.22	3195.07

<i>Tar Road Infrastructure</i>					<i>Kilometres</i>
<i>Financial Year</i>	<i>Total tar roads at beginning of financial year</i>	<i>New tar roads</i>	<i>Existing tar roads re-tarred</i>	<i>Existing as tar roads re-sheeted</i>	<i>Tar roads Maintained at year-end</i>
2015/16	464.25	27.59	19.40	5.44	491.84
2016/17	491.84	5.02	0	0	496.86
2017/18	496.36	3.32	24.55	0	500.18



Cost of Roads Infrastructure						
Financial year	Gravel			Tar		
	Regravel	Gravel-Tar	Maintained	Rehabilitation	Re-seal	Maintained
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
2017/18	22,673	23,034	24,746	0	10,176	7,076



Financial Performance 2017/2018: Road Services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	70 391	79 946	79 946	86 205	8%
Expenditure:					
Employees	29 966	35 738	34 750	33 785	-5%
Repairs and Maintenance					0%
Other	36 987	44 208	45 196	47 490	7%
Total Operational Expenditure	66 952	79 946	79 946	81 276	2%
Net Operational Expenditure	3 439	0	0	4 929	100%

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

Capital Expenditure 2017/2018: Roads					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All			6	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, has a significant impact on the total operations of the municipality.

The Department of Transport and Public Works allocates funds to the Overberg District for which an annual business plan for road maintenance is submitted to the department in line with the approved budget. The department overspent on its budget, however more roads were maintained against planned targets.



3.3 TRANSPORT

INTRODUCTION TO TRANSPORT

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

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

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

3.4 PLANNING (IDP, COMMUNICATION AND SPATIAL PLANNING)

INTRODUCTION TO PLANNING

IDP/Budget Time Schedule of Key Deadlines 2017/18

In accordance with the Municipal Finance Management Act and guided and informed by the five-year Section 27 District IDP Framework and Process Plan, adopted by Council on 26 September 2016, an IDP/Budget Time Schedule of Key Deadlines for 2017/18 was developed in preparation for the 2018/19 Annual Budget and IDP Review, which served as Council's First Review of the 5-Year IDP, adopted by Council on 15 May 2017. The Time Schedule was developed in consultation with the Chief Financial Officer, the Performance Management Officer, and Local Municipalities in the District in order to ensure the alignment of various activities on a Provincial, District and Local level.

First Review of Council's 5-Year Strategic Plan

Development of the First IDP Review was guided by the above IDP/Budget Time Schedule of Key Deadlines. The 5-year Plan, adopted by Council on 15 May 2017, contains key municipal plans and priorities for the current political term of office.

A Councillor/Management Strategic Session was held on 25 January 2018 to review the 5-year strategic direction of Council and assess progress made. Following extensive deliberations and inputs from all Councillors, the Executive Mayor confirmed that the strategic direction (Vision/Mission/Strategic Goals), as captured in the 5-year IDP, would remain as is. However, on 23 April 2018 during a Strategic Risk Assessment Meeting, the following adjustment was made:

Strategic Goal 1: "To ensure the health and safety of all in the Overberg ...", amended to read:
"To ensure the well-being of all in the Overberg ..."

The First Draft 2018/19 IDP Review was adopted by Council on 26 March 2018. Following the public input period, progress in respect of projects captured in IDPs across the region was presented to stakeholders on 15 May 2018, prior to Final IDP Review adoption by Council on 28 May 2018.

VISION: "Overberg – the opportunity gateway to Africa through sustainable service delivery"

IDP and Public Participation Awareness Campaigns

The ODM embarked on IDP and Public Participation Awareness drives and developed materials to promote participation in IDP and public participation processes and to raise awareness around planning and processes. To this effect, the Regional Booklet: "Overberg IDPs in a Nutshell", was developed and presented to District IDP Rep/PPComm Forum members on 30 November 2017. IDP and publication participation processes were also workshopped at the Bredasdorp Nutrition & Development Centre on 21 June 2018.

Going forward, ODM plans to further promote IDP awareness at the Emil Weder Secondary School in Genadendal and Agulhas School of Skills in October and November 2018, respectively.



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Communication: Internal and External Newsletters

The quarterly Internal Newsletter “Decus Nostrum”, was produced in August and November of 2017, and February and May of 2018. External Newsletters are produced on a bi-annual basis and were issued on 22 December 2017 and 30 June 2018. Copies were distributed to Local Municipalities and made available at various strategic points within the region, such as Libraries and Thusong Centres.

Review of Legislation Governing Ward Committees and Public Participation

Ward Committees and Ward Councillors are gatekeepers to local municipal wards, hence they are essential in all municipal planning activities. However, challenges are being experienced in respect of meaningful community participation on matters of local governance. CoGTA has therefore deemed it necessary to review legislation governing Ward Committees and Public Participation. To this effective, National-, Provincial- and District Legislative Review Steering Committees have been established. The Provincial Legislative Review SC was constituted on 17 May 2018. Districts have been assigned specific tasks in respect of the process.

District Legislative Review Steering Committee

A representative from the ODM, Cape Agulhas and Overstrand Municipalities constitute the District Legislative Review Steering Committee. Representatives are required to develop a District Work Plan outlining processes for stakeholder engagements within the District. The District is responsible for:

- Facilitating respective municipal stakeholder engagements on the legislative review (July to September 2018);
- Obtaining Council adopted submissions from the Local Municipalities;
- Consolidating inputs and recommendations; and
- Submission and presentation to Provincial Legislative Review SC (28 September and 15 November 2018).

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. The approved SDF is used as a guideline when comments are provided on development applications.

The Overberg District Municipality is a commenting authority and provides inputs on land use management and building plan applications to category B municipalities. The comments provided are approved strategic documents pertaining to spatial planning, environmental health, environmental management, fire- and disaster management are provided in terms of line functions performed.

Challenges: Capacity remains a huge challenge to ensure guidance during the review and effective implementation of the Spatial Development Framework. The responsibilities regarding the Spatial Development are performed by Environmental Management.

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

Financial Performance 2017/2018: IDP & Communication Services					
					R'000
Details	2016/2017	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue		0	0	0	0%
Expenditure:					
Employees		1 508	1 181	966	-36%
Repairs and Maintenance		0	0	0	0%
Other		205	186	120	-41%
Total Operational Expenditure		1 713	1 367	1 086	-37%
Net Operational Expenditure		(1 713)	(1 367)	(1 086)	-37%
<i>Variations are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					



Capital Expenditure 2017/2018: IDP & Communication					R' 000
Capital Projects	2017/2018				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All	15	15	13	-11,75%	

COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL

Planning services managed to perform their duties within service delivery demands and managed to stay within the budget. Comparative figures not available due to changes in organizational structure.

3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)

INTRODUCTION TO ECONOMIC DEVELOPMENT AND TOURISM

The Overberg District Municipality approached SALGA to assist with the development of a Regional Economic Development & Tourism Strategy. During 11-13 June 2018 a consultative process was started with all sector role-players and stakeholders. These engagements were facilitated by SALGA, WESGRO and other partners. It was well attended over the three days. This ongoing process encompassed all the municipalities in the Overberg region which will culminate in the drafting of the Regional Economic Development and Tourism Strategy for the district.

The purpose of this process is to offer the Overberg District Municipality, the private sector, and the local community, the opportunity to work together to improve the local economy. It will focus on enhancing the local business and competitive environment and thus increase sustainable growth and development in the area and ensure that this growth is inclusive of all communities. It will focus on identifying current resources and infrastructure available within the local municipal area. It will also aim to assess which skills are available, what the needs are and what needs to be done to sustainably grow the economy and generate opportunities for all the stakeholders.

The purpose of the strategy is to collate all economic information, investigate, coordinate and integrate available options, and opportunities to broaden the economic base of the Overberg. Furthermore, it is also aimed at ensuring that the municipality can efficiently and effectively facilitate the creation of an appropriate enabling environment conducive to economic development and investment.

The focus of the engagements centered on:

- tourism and services
- industry and business
- agriculture and agri-processing
- integrated transport
- environment and sustainability

Regional Economic Development and Tourism Initiatives

District SCM/LED:

The Overberg District Municipality acknowledges that supply chain is a strategic enabler for local economic development and therefore supports the combined concept of SCM and LED. Open days were held in Bredasdorp and Caledon on 3 and 9 May 2018, respectively.

EPWP Job Creation Initiatives:

Work Opportunities created during 2017/18 through the RED/Tourism Events Assistance Project executed by the municipality:



<i>Tourism and Events Work Opportunities Created</i>					
Event	Women	Men	Youth	Disabled	Total
Voet van Afrika Marathon	25	4	15	-	29
Race2Stanford	15	16	21	-	31
ODM Sports Day	4	4	3	1	8
Greyton Art walk	3	5	3	1	8
Wildebraam Berry Festival	15	22	22	3	37
Babbel en krabbel Sports Day	3	3	2	1	6
Albert Myburg Sports Day	9	5	10	-	14
Heuningberg	1	1	-	-	2
Parkrun	1	2	3	-	3
Swallows Bike Rally	57	23	16	-	80
Patat Festival	11	6	11	-	17
Bredasdorp High School Stroomop	2	4	6	-	6
FynArts	13	3	16	-	16
Die Dam Project	6	3	9		9

Sports Tourism

It is confirmed that the Provincial Department of Cultural Affairs & Sports (DCAS), in collaboration with the District, hosted a Sports Tourism Workshop on 5 April 2018 in Bredasdorp. The development of a District Sports Tourism Strategy was discussed at this engagement. A further stakeholder engagement was held on 15 May 2018 to discuss the formalising of a partnership agreement between DCAS and the District. Discussions also included an assessment of all sporting facilities and venues across the district.

DCAS is the custodian of the Sports Days. The committee shall consist of representatives from various National, Provincial and Local Government Departments. Recreational sport days consisting of various sport codes, will take place on an annual basis in the form of Better Together Games (BTG). The BTG Sport Day for 2018 will be held on 05 October 2018.

World Travel Market 18 - 20 April 2018

Following on last year’s successful event, the 3rd annual World Travel Market (WTM) Africa took place again this year from 18 to 20 April 2018. The trade show for travel professionals is part of the Africa Travel Week and was held at the Cape Town International Convention Centre (CTICC). Its primary goal is to bring the world to Africa and promote Africa to the world’s leading source markets.

This African travel expo is the leading global event for the travel industry and the must-attend business-to-business exhibition in southern Africa for the worldwide travel and tourism industry. WTM Africa attracts exhibitors from all categories of the leisure travel industry within sub-Saharan Africa as well as North African destinations.

The Overberg District Municipality, who also serves as the Regional Tourism Office (Cape Overberg), once again had an exhibition stall which they shared with their fellow Local Tourism Offices in the Overberg.

Local Job opportunities/Expanded Public Works Programme:

HIK Abalone Farm – Local Economic Development

As part of a land sale concluded between the municipality and HIK Abalone Farm a Local Economic Development Plan forms part of the sale agreement. During 2017/2018 the employment status was 75 employees and another 10 job opportunities were created.

Expanded Public Works Programme (EPWP)

The municipality has received Grant Funding and also committed of its own funding towards the EPWP Programme.

For the first time in this five year reporting cycle the municipality has achieved its predetermined EPWP work opportunity target which was set at 238 Work Opportunities(WO) and 8 Full Time Equivalents(FTE). For the reporting period 741 Work Opportunities and 57 FTE’s were created. Within the municipal structure 4 EPWP participants have been permanently employed.



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EPWP projects conducted across the municipality.

- Municipal Health - Municipal Health Education project
- Environmental Management - Alien vegetation clearing
- Resort – General maintenance
- Fire, Rescue and Disaster Management – ABI Fire Fighters
- Human Resource – Administrative Assistant
- LED Tourism – Administrative and events assistance
- Support Services – Office and administrative assistance
- Performance – Administrative assistant
- SCM – Administrative assistant

District Economy ⁴

The Overberg District is the Western Cape's (WC) second smallest economy with a 3.5 per cent contribution to the Provincial GDP in 2015. The top three economic sectors are clustered in the tertiary and secondary economic sectors, and include the finance, insurance, real estate and business services, the wholesale and retail trade, catering and accommodation, and the manufacturing sectors.

The table indicates the GDP contribution per main sector of the District and its municipal areas.

Overberg District GDP performance per sector, 2005 – 2016										
Sector	Contribution to GDP (%) 2015	R million value 2015	Trend		Real GDP growth (%)					
			2005 - 2015	2010 - 2015	2011	2012	2013	2014	2015	2016e
Primary Sector	9.9	1 700.2	1.4	1.1	-0.1	0.6	1.7	6.8	-3.5	-9.0
Agriculture, forestry and fishing	9.8	1 685	1.4	1.1	-0.1	0.6	1.7	6.8	-3.6	-9.1
Mining and quarrying	0.1	15.3	0.6	4.1	2.8	1.1	3.0	7.1	6.3	-6.6
Secondary Sector	23.8	4 073.9	4.0	2.8	3.0	2.9	3.4	2.7	1.9	1.2
Manufacturing	13.3	2 284.4	3.9	3.0	4.0	3.3	3.1	2.6	2.2	2.0
Electricity, gas and water	2.5	430.5	-0.2	-0.2	2.3	0.3	-0.7	-1.0	-1.8	-4.9
Construction	7.9	1 358.7	5.9	3.1	1.3	2.9	5.3	4.0	2.2	1.3
Tertiary Sector	66.3	11 371.1	4.1	3.6	4.7	4.0	3.6	3.2	2.7	2.1
Wholesale and retail trade, catering and accommodation	19.3	3 302.5	4.1	4.0	5.5	5.1	3.5	2.9	2.9	2.3
Transport, storage and communication	11.2	1 914.9	4.6	4.0	5.4	4.1	4.3	4.6	1.7	1.3
Finance, insurance, real estate and business services	20.2	3 471.2	4.6	3.9	4.1	4.0	3.6	3.3	4.3	3.1
General government	8.9	1 524.1	3.0	2.9	5.2	2.7	3.9	2.4	0.3	0.8
Community, social and personal services	6.8	1 158.2	2.8	2.4	2.8	3.0	2.6	2.4	1.3	1.0
Total Overberg District	100	17 145.5	3.6	3.1	3.7	3.3	3.3	3.5	1.7	0.6

Source: 2017 Social-economic Profile

All positions on organisational structure are filled. Local Economic Development forms part of the Department LED, Tourism EPWP and Resorts. (Chapter 4 (4.1))

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

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

⁴ 2017 Social-economic Profile: Overberg District Municipality



COMPONENT D: COMMUNITY AND 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 2016. Planned focus area: To sign a Memorandum of Understanding (MOU) with Department Social Development to coordinate and assist the local municipalities with social development initiatives across the region. Internal capacity will be addressed on conclusion of the MOU.

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

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

3.6 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

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

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

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

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

Section 30 incidents reported		
Nature of incident	Submission of Emergency Incident Report	Closure of Section 30 Incident
Paraffin spill into Koorncamps River, Swellendam	08 November 2017	08 December 2017

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



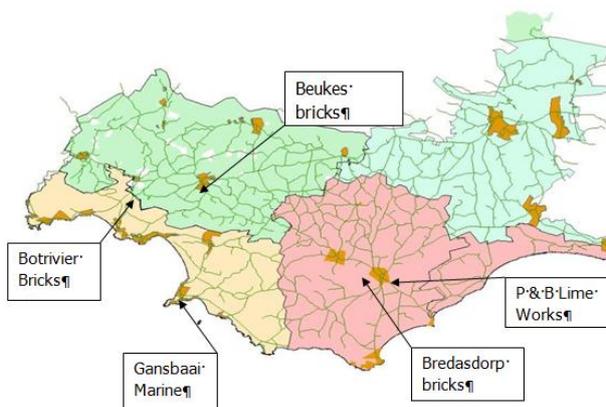
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The following Atmospheric Emission Licenses were attended to:

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 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.

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



Challenges on air quality control

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

Comment on the performance of pollution control overall

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

3.7 ENVIRONMENTAL MANAGEMENT

INTRODUCTION TO ENVIRONMENTAL MANAGEMENT

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

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



CHAPTER 3

CLIMATE CHANGE RESPONSE

The implementation of climate change programmes and projects remains an integrated function to be implemented by both public and private sector. The ODM, together with local stakeholders developed strategic frameworks to guide climate change response. The Overberg Disaster Management Advisory Forum is used as the platform to promote proactive planning and discussions regarding climate change. An Overberg District Municipality Climate Change Adaptation Summary was compiled to ensure alignment with the Integrated Development Plan with support from National Department of Environmental Affairs.

BIODIVERSITY MANAGEMENT

1) Alien vegetation control

The ODM is responsible for the management and control of alien invasive species on its properties as required by the National Environmental Management: Biodiversity Act (Act 10 of 2004) and the Conservation of Agricultural Resources Act (Act 43 of 1983). The Alien Invasive Species Monitoring, Control and Eradication Plan, was approved by Council on 18 June 2018.

Implementation report for ODM properties:

Property	Date	What	Frequency	How	Comment
Karwyderskraal Regional Landfill Facility	11/12/17 – 29/12/17	Follow up clearing	Annually	<ul style="list-style-type: none"> Physical Control Chemical control 	Contractor was appointed via SCM process

The ODM will continuously update the plan with the latest information pertaining to new properties and species. Prioritisation of properties will inform the budget cycle to ensure effective long term implementation.

EPWP projects:

Project Name	Project Description	Project Period	No. of work opportunities
Villiersdorp Alien invasive Clearing Project	Removal of alien vegetation on a portion of the Kommissiekraal River banks.	20 days	20
Nuwejaars Special Management Area Alien Invasive Clearing Project	Removal of alien vegetation as part of the Nuwejaars River Special Management Area's wetland rehabilitation project.	20 day	24

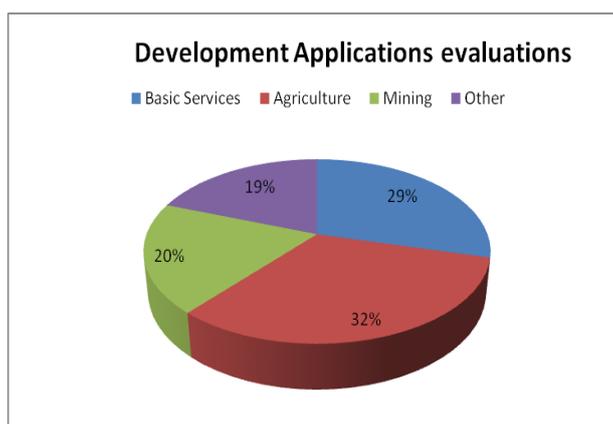
2) Local Action for Biodiversity (LAB): Wetlands South Africa

The municipality participated in the Local Action for Biodiversity: Wetland South Africa programme, rolled out by the International Council for Local Environmental initiative (ICLEI), during which time a Wetland Strategy and Action Plan was develop and approved by Council in October 2017.

A three year membership agreement was signed with the International Council of Local Environmental Initiatives (ICLEI). This membership includes: Potential access to international funding, partnerships and capacity.

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

As a commenting authority for any development application a set criteria, based on the principles of sustainability (which includes the protection and conservation of endangered/threatened ecosystems, Critical Biodiversity Areas and Ecological Support Areas), is used.



CHAPTER 3

COASTAL MANAGEMENT

The Overberg District Municipality facilitates the Municipal Coastal Committee (MCC) in order to integrate coastal management and facilitate discussion between all role-players. The MCC has representation of all spheres of government, Estuary Advisory Forums and Non Governmental Organisations (NGO's). The MCC reports on a quarterly basis to the Community Services Portfolio Committee in order to keep Council informed. ODM is represented on the Provincial Coastal Committee in order to escalate strategic matters.

Implementation of the approved Coastal Management Programme remains one of the key **challenges** due to absence of funding mechanism in the Integrated Coastal Management Act. The ODM continuously provides Department of Environmental Affairs with inputs regarding coastal management as part of the investigation related to Environmental Management Business Re-engineering and Legal Protocol (financing of the environmental mandate).

ACHIEVEMENTS

- Greenest Municipality Competition:
 - a. 1st runner-up in the District Municipality category.
 - b. Awards for outstanding performance in the following themes: Climate Change Response and Biodiversity Management
 - c. Most improved Climate Change Response and Biodiversity Management
 - d. Recognition for innovation in terms of its sustainability criteria which is used to evaluate all development applications.
- Approval of the Climate Change Response Framework
- Approval of the Overberg Wetland Strategy and Action Plan.
- Approval of the Alien Invasive Species Monitoring, Control and Eradication Plan.

Challenges:

- It remains a challenge to ensure sufficient future capacity to deliver on the functions expected from the department.
- In terms of legislative requirements the municipality is required to develop and implement strategic documents (strategies, frameworks and plans) but the lack of funding mechanisms hampers the implementations of the projects and programmes.

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

Financial Performance 2017/2018: Environmental Management						R'000
Details	2016/2017	2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget	
Total Operational Revenue	19	100	100	28	-72%	
Expenditure:						
Employees	1 643	1 999	2 040	1 800	-10%	
Repairs and Maintenance						
Other	187	368	433	272	-26%	
Total Operational Expenditure	1 830	2 367	2 473	2 072	-12%	
Net Operational Expenditure	(1 812)	(2 267)	(2 373)	(2 044)	-10%	
<i>Variations are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						

Capital Expenditure 2017/2018: Environmental Management						R' 000
Capital Projects	2017/2018					
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value	
Total All	28	98	25	-12,41%		



COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL MANAGEMENT

Environmental Management managed to stay within their budget. Funding was received during the year which resulted in the increase of adjustment budget of the capital projects. (Greenest Municipality Competition). However this funding was utilized for the replacement of lights at municipal offices to energy saving lights.

COMPONENT F: HEALTH

INTRODUCTION TO HEALTH

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

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

3.8 MUNICIPAL HEALTH SERVICES (HEALTH INSPECTION)

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

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

- 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.

The Department Municipal Health Services contributed to the achievement of: 1st runner up in the 2017 Greenest Municipality Award in the province.

A health awareness training program was launched with the emphasis on food safety and hygiene. The aim was to inform jobless people how to prevent illnesses like Listeriosis. A total of 308 people were trained, in the four sub districts of the Overberg District Municipality through the Expanded Public Works Program.

It can be reported that the quality of the different waters which were monitored, is of good quality. A total of 543 drinking water and 144 sewerage final outflow samples were taken to determine the quality.

Food quality monitoring was done through a food sample and food premises inspection program with special attention to the Listeriosis outbreak. In this regard a total of 386 samples were taken to determine the quality of food being sold to the public and 1 682 food premises were inspected to monitor hazardous substances.

Environmental Health Practitioners (EHP's), as registered health practitioners, are also required by law to engage in continued professional development activities (CPD). These activities are registered and administered by the Health Professions Council South Africa (HPCSA) and it is compulsory for all EHP's to comply with CPD requirements in order to maintain their registration with the HPCSA. The municipality empowered all its EHP's to comply with these requirements by subscribing to a service that allows EHP's to acquire the necessary CPD points by completing online training courses.

Challenges:

- To comply with the stipulations of the National Environmental Health Norms and Standards Notice 1229 of 2015
- To promote the idea that Municipal Health Services can be the spearhead of the National Health Insurance Plan and can prevent a vast number of illnesses if properly funded and for a fraction of the cost of curative health services.



CHAPTER 3

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

Financial Performance 2017/2018: Municipal Health						R'000
Details	2016/17	2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget	
Total Operational Revenue	320	271	271	490	81%	
Expenditure:						
Employees	10 813	12 294	11 579	11 249	-9%	
Repairs and Maintenance						
Other	1 142	1 332	1 444	1 152	-14%	
Total Operational Expenditure	11 955	13 626	13 023	12 401	-9%	
Net Operational Expenditure	(11 635)	(13 355)	(12 752)	(11 911)	-11%	

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

Capital Expenditure 2017/2018: Municipal Health						R' 000
Capital Projects	2017/2018					
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value	
Total All	83	33	66	-20,92%		

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

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

COMPONENT G: SECURITY AND SAFETY

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

3.9 EMERGENCY SERVICES (FIRE SERVICES)

INTRODUCTION TO FIRE SERVICES

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



CHAPTER 3

The municipality is in the process of implementing its 24 hour shift system at the highest priority station (Grabouw) by December 2018.

Training, both internal and external, was provided to staff in order to address the priorities of capacitating staff adequately. One of our fire fighters received an award for the best student during the fire fighter 1 Winter Class 2017 from the Cape Winelands Fire and Rescue Training Academy.

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, again, to secure aerial support for the district for the five months of the fire season. Aerial resources operated very effectively in an environment where the number and intensity of fires is on the increase. Aerial resources were deployed on 45 large fires in the Overberg.

On 21 December 2017 a Firefighting demonstration was held at Bredasdorp, as part of the Festive and Fire Readiness Plan, which was well attended by the community.

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

Firefighters participated in the International Firefighters' Day held on 4 and 5 May 2018 in George. Two teams competed in the team challenges of which one was an all-female team. This was the first female team in the history of the event, to take part in the challenges.

The greatest **challenge** facing the service remain 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 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. Strategic placement of resources.
4. Strategic Partnerships
 - a. Greater Overberg Fire Protection Association
 - i. Facilitating Integrated Fire Management
 - ii. Organizing and capacitating the landowner.
 - b. Working on Fire (Kishugu)
 - i. Partnering for firefighting teams at our base.
 - 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.

Vacancies in the Department Emergency Services will be filled as and when the budget allows. Three employees are yet to be placed (Chapter 4 (4.1)).



CHAPTER 3

Details	2016/2017	2017/2018	
	Actual Number	Estimate Number	Actual Number
Total fires attended in the year	1168	Can't estimate	1279
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	40	42	38
Total fire appliances at year end	20	24	24
Average number of appliance off the road during the year	3	2	2

Financial Performance 2017/2018: Emergency Services						R'000
Details	2016/2017	2017/2018				
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget	
Total Operational Revenue	1 176	3 347	3 347	2 591	-23%	
Expenditure:						
Employees	15 244	18 020	19 132	17 719	-2%	
Repairs and Maintenance						
Other	5 280	5 668	6 955	8 029	42%	
Total Operational Expenditure	20 524	23 688	26 087	25 748	9%	
Net Operational Expenditure	(19 348)	(20 341)	(22 740)	(23 158)	14%	

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

Capital Expenditure 2017/2018: Emergency Services						R' 000
Capital Projects	2017/2018					
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value	
Total All	800	3 023	2 896	261,98%		

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

Fire Services managed to stay within the adjustment budget. The municipality received additional funds during the year for the obtaining of rescue equipment and a need was identified for the replacement of outdated fire vehicles, which resulted in an increase in the budget for capital projects.

3.10 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

Overberg District Municipality performs the Disaster Management function according to the act and Disaster Management Framework approved by Council. There is good institutional integration between all role-players enhancing the limited capacity due to budget constraints. The four pillars of the Disaster Management continuum, Prevention, Mitigation, Preparedness and Rehabilitation are addressed, especially regarding our three main risks of Fire, Drought and Civil Unrest.



CHAPTER 3

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 and Council during December 2017 and not as planned in September 2017, due to stakeholders' processes that influence the plan. 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.

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 assists the municipality with disaster management.

The focus was on **drought and drought intervention**. Theewaterskloof municipal area was declared a Disaster Area due to the drought. Relief efforts and mitigation measures were coordinated through various role-players. The closest to an Overberg day Zero scenario was in the Rûensveld East Water Scheme where storage capacity dropped to two days. Financial assistance and innovative projects prevented this from happening. Water security initiatives that remain in place include:

- Water Restrictions
- Awareness
- Boreholes sunk and commissioned
- Water Treatment Package Plants commissioned
- Berms in Rivieronderend dams raised to increase storage capacity
- Investigating strategic new dams

As per **Circular 2 of 2018: LAPSE OF THE NATIONAL STATE OF DISASTER FOR DROUGHT IN TERMS OF SECTION 27(5)(a) OF THE DISASTER MANAGEMENT ACT, 2002**, the municipality started departing from the "Response Phase" of the drought to the "Resilience building phase" In this phase attention was and will be given to:

- Augmenting supply to meet future demand
- Mainstreaming water conservation
- Adapting farming practices
- Research into implementable adaptable solutions
- Re-evaluating and reinforcing drought policies
- Addressing backlogs and fast tracking bulk water projects
- Use existing recovery plans: B2B, MISA

Evacuation plan exercises were done on request; the centre is only statutory obligated to enforced major hazardous installation evacuation drills.

Overberg District Disaster Risk Profile



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

DETAIL	2016/2017	2017/2018
	Actual No.	Actual No.
Public awareness campaigns	110	35
Emergency evacuation plans	25	13

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL

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

COMPONENT H: SPORT AND RECREATION

3.11 RESORTS

INTRODUCTION TO RESORTS

The depressed economic climate and high fuel cost had a marginal impact on the holidaying public hence we noticed a slight decline in the number of visitors to our resorts, however during the festive season a demand for tent and caravan space was experienced. It is and remains our commitment to provide affordable and decent quality facilities to encourage more visitors to our resorts. A centralized administrative office for Uilenkraalsmond and Die Dam was established at Uilenkraalsmond to optimise client services and sound financial management.

Maintenance and upkeep at the resorts:

The municipality managed to execute an average of 93% of its maintenance plan, which effectively contributed towards the improvement of facilities, increased revenue and efficiency.

Complaints

There has been a decline in the complaints from the day-to-day holiday population compared to the previous year. The complaints received from semi-lessees are mostly with regard to the illegal building of structures and the keeping of dogs.

Challenges:

The primary challenge in the resorts remains the ageing infrastructure and insufficient funds for total renovation and upgrading.

No one is allowed to build a structure without an approved building plan, lessees have been notified that the building of structures and work are not allowed until the zoning of the resort has been resolved. The main challenge as identified by the municipality is the proliferation of illegal building structures and uncontrolled building work by semi-permanent lessees. The land ownership at Uilenkraalsmond still remains unresolved as the municipality is not the registered owner.

The enforcement of the Semi-permanent lease contract and the Resort Rules remain a challenge due to non-adherence. This is currently receiving attention.

Notwithstanding the challenges, the municipality experienced an increase in applications for the 2018 festive season which indicates that the resorts are a well-sought-after holiday destination.

The organizational structure for resorts needs to be reviewed to ensure optimal service delivery. The employees of this division will be placed after the organisational structure revision. (Chapter 4 (4.1))



Accommodation per year occupied				
				Days
Resort	Type of accommodation	Quantity	2016/2017	2017/2018
Uilenkraalsmond	Chalets	40	4908	5207
	Camping Sites	110	4179	4215
	Hall	1	24	12
Die Dam	Chalets	2	377	352
	Camping Sites	83	2674	2774

Financial Performance 2017/18: Resorts					
					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	13 531	14 555	15 994	15 843	9%
Expenditure:					
Employees	5 009	5 582	5 838	5 200	-7%
Repairs and Maintenance					
Other	8 443	7 366	10 065	12 374	68%
Total Operational Expenditure	13 452	12 947	15 903	17 574	36%
Net Operational Expenditure	79	1 607	90	(1 731)	-208%

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

Capital Expenditure 2017/18: Resorts					
					R' 000
Capital Projects	2017/2018				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All	205	302	265	29,48%	

COMMENT ON THE PERFORMANCE OF RESORT OVERALL

EPWP, LED and Tourism budget also forms part of the resorts budget. The budget was overspent due to an unforeseen large invoice for municipal service specifically at the Uilenkraalsmond Resorts. The occupancy rate for the chalets at Die Dam and Uilenkraalsmond was 48% and 36% respectively.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES, ETC.

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

3.12 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

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



CHAPTER 3

A strategic session was held on 25 January 2018 to inform the 2018/19 IDP review on the 4th Generation IDP. A follow-up session was held on 23 April 2018 where a strategic risk assessment was conducted as well as to revise, re-evaluate and re-assess the Key Performance Indicators for the 2018/2019 financial year.

Council provides 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. A new Audit and Performance Audit Committee was appointed as the term of the previous committee came to an end on 28 November 2017.

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 Mayor provides feedback to Council on all decisions taken by the Executive Mayoral Committee.

The Director Community Services was appointed and commenced services in June 2018. As the position of Director Corporate Services is still vacant the municipality will embark on a recruitment process in the next financial year.

Quarterly Audit and Performance Audit Committee meetings were held to fulfill their role as an oversight committee.

DCF and DCF Tech Committee meetings were held on a quarterly basis which ensured sound intergovernmental relations and cooperative interaction between the municipalities in the district. Points of discussion were the investigation to extend the shared services model to include ICT and Legal Services, Fire and Disaster Management, Drought, Regional Economic Development, Security and Safety and landfill sites.

Challenge: The primary challenge is to mitigate the top strategic risks, which includes ensuring sustainable revenue enhancement which will promote Council fulfilling its constitutional mandate on optimizing service delivery with limited resources as well as ensuring the continuous sustainability of the municipality for the future.

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

Financial Performance 2017/2018: The Executive and Council					
					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	8 605	8 533	11 148	10 871	27%
Expenditure:					
Employees	4 604	3 828	3 145	2 847	-26%
Repairs and Maintenance					
Other	7 150	6 895	7 582	8 777	27%
Total Operational Expenditure	11 755	10 722	10 727	11 624	8%
Net Operational Expenditure	(3 150)	(2 190)	421	(753)	-66%
<i>Variations are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Capital Expenditure 2017/18: The Executive and Council					
					R' 000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All	15	15	16	8,09%	

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Executive and Council slightly overspent on their allocated budget.



Financial Performance 2017/18: Internal Audit					
					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	1 065	1 084	1 110	1 091	1%
Repairs and Maintenance					
Other	53	74	74	46	-38%
Total Operational Expenditure	1 118	1 157	1 184	1 137	-2%
Net Operational Expenditure	(1 118)	(1 157)	(1 184)	(1 137)	-2%

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Internal Audit managed to stay within its allocated budget.

3.13 FINANCIAL SERVICES

INTRODUCTION TO FINANCIAL SERVICES

Although the municipality is experiencing limited financial resources to fulfill its mandatory functions to its full capacity, all reports in terms of the Municipal Finance Management Act have been submitted, all creditors were paid.

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

It must be highlighted that the municipality is operating a very successful and interactive Finance Portfolio Committee with open sessions to jointly seek solutions and best practices. All existing financial- and budget related policies were reviewed and a Remuneration Policy was added to the list. Council approved the review of the Long-Term Financial Plan to ensure alignment with the Integrated Development Plan.

mSCOA was fully implemented and the planned focus for the next financial year is to expand the seamless integration to asset management and Annual Financial Statements.

To promote regional economic development in the district, suppliers were encouraged to register on the municipality's database and LED/SCM open days were held during the year. Planned focus area: To address human capacity at SCM to ensure effective service delivery.

The municipality received, for the third consecutive year, a clean audit award from the Auditor-General for the financial year 2016/2017.

Vacancies in the directorate will be filled as and when the budget allows. Five employees are yet to be placed and job descriptions need to be finalized. (Chapter 4 (4.1)).



Debt Recovery								
R' 000								
Details of the types of account raised and recovered	2016/17		2017/18			2018/19		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Municipal Services	2 396	102,62%	801	802	100,11%	75	73	97,45%
Other	12 143	101,14%	14 357	14 578	101,54%	18 237	17 308	94,91%

Financial Performance 2017/2018: Financial Services					
R'000					
Details	2016/2017	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	66 856	65 770	67 645	71 196	8%
Expenditure:					
Employees	7 985	8 093	8 633	8 187	1%
Repairs and Maintenance					
Other	12 913	8 729	12 727	11 807	35%
Total Operational Expenditure	20 898	16 822	21 360	19 994	19%
Net Operational Expenditure	45 958	48 948	46 284	51 202	5%

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

Capital Expenditure 2017/18: Financial Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All	51	894	779	1442,37%	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

Financial Services stayed within their budget. The municipality was presented with an opportunity to purchase second hand vehicles from City of Cape Town for a reasonable price which led to an increase in the capital budget.



3.14 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resource strategy helps to unify and direct the behaviour and actions of all people and their overall development, in accordance with the needs of the organisation. The municipality wants to achieve objectives in the field of human resources and human capital management and development in the organisation. To reach goals set by the Department Human Resources requires meaningful planning and management of all work in and with human resources.

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

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

Comprehensive training was provided to staff, of which some was free of charge. The Workplace Skills Plan for 2017/2018 was submitted on 16 April 2018 to LGSETA as per requirement. Future focus area: to capacitate managers with skills to improved Labour Relations knowledge and interaction, by means of training.

A workshop took place in the compilation of the Employment Equity Plan and was submitted within the legislative timeframe to Department of Labour at the end of November 2017.

The Head Human Resources is a member of the Overberg District Job Evaluation Unit and evaluation of positions will be an ongoing process.

Interactive Local Labour Forums, Training-, Health & Safety- and Employment Equity Committee meetings took place during the year. As part of the Health and Safety responsibilities the municipality conducted three successful evacuation drills at head office.

The unit also gave ongoing support to managers regarding Labour Relations and Occupational Health and Safety to improve Employee relations. During the beginning of 2018 an Occupational Health and Safety Risk Assessment was conducted by a service provider.

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

On 5 December 2017 'Long Service Certificates' were handed out to employees with more than 30 years service. During the Council meeting the Skills Development Facilitator was awarded a LGSETA Excellence award for Skills Development.

Vacancies in the Department will be filled as and when the budget allows. Three employees are yet to be placed (Chapter 4 (4.1)).



Financial Performance 2017/18: Human Resource Services					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	0	0	0	0	100%
Expenditure:					
Employees	1 375	1 359	1 448	1 428	5,13%
Repairs and Maintenance					
Other	376	583	1 229	495	-15,00%
Total Operational Expenditure	1 751	1 942	2 677	1 924	-0,91%
Net Operational Expenditure	(1 751)	(1 942)	(2 677)	(1 924)	-0,91%
<i>Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Capital Expenditure 2016/17: Human Resource Services					R' 000
Capital Projects	2017/18				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	
Total All	2	2	1	-25,59%	

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 department is situated in the Corporate Directorate, and is capacitated with two permanent employees. The unit is responsible for the ICT infrastructure at 15 premises with a total of 182 end-users. The effectiveness of technology and information management is monitored by regularly reporting against the ICT implementation plan to the ICT Steering Committee.

The top priorities of the unit are the financial system, e-mails and internet access. No data was lost on the financial system and backups are performed daily. The financial program, performance management and the information management system of roads are maintained by outside organisations. The department received 1019 support request from end-users, of which the majority related to the resetting of passwords.

The following achievements need to be highlighted:

The network for the new administration building at Uilenkraalsmond was implemented. The ICT Strategic Plan was approved by the ICT Steering Committee for the next three years.

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 still needs to be rolled out. Risk related challenges were identified on the implementation of the approved ICT Policies. A planned area of future focus is to fully implement Office 365.



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

Financial Performance 2017/18: ICT					R'000
Details	2017/18	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	0	0	0	0	100%
Expenditure:					
Employees		990	974	903	-8,72%
Repairs and Maintenance					
Other		737	1 790	1 724	133,95%
Total Operational Expenditure		1 726	2 764	2 627	52,17%
Net Operational Expenditure		(1 726)	(2 764)	(2 627)	52,17%
<i>Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Capital Expenditure 2017/2018 ICT					R' 000
Capital Projects	2017/18				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	
Total all		50	49	100%	

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The unit performed well and managed within limited resources and managed to perform their duties within their budget. Comparative figures not available due to changes in the organizational structure.

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

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

SUPPORT, COMMITTEE SERVICES, RECORD MANAGEMENT AND COUNCILLOR SUPPORT

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

The circulation of agendas for Council, Section 80 Committee and Mayco meetings is ensured five days prior to meetings. This resulted in Councillors having sufficient time to prepare for meetings.

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



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

As a support to Council, an effective reprographic service is rendered to ensure the prompt making of photocopies, binding of agendas, and administrative support. Migration from paper to an Electronic System was implemented in certain departments to reduce reprographic and delivery costs.

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

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

Municipal properties are listed in the Asset Register with their classification, location, value, etc.

Council identified eight properties not needed for basic municipal services which could be sold. The selling of some of the properties could not be finalized during the financial year, due to unforeseen circumstances. The selling and transfer of the properties will be finalised in the next financial year. The revenue generated from the selling of these properties will be used exclusively for capital projects and enhancing service delivery.

Challenges experienced include the ownership of certain properties, dealing with objections, transfer of properties and clause extractions from title deeds. Properties not needed for basic municipal service delivery can be sold to fund much needed capital projects.

LEGAL

The municipality has no internal legal capacity and makes use of external legal assistance.

A Labour Court review application, related to TASK job evaluations was initiated, which will be finalised in the next financial year. A liability claim for the injury of a child at a state approved childcare facility is also pending.

RISK MANAGEMENT (SHARED SERVICES)

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 18 June 2018.

- Combined Assurance Policy Framework (*Review*)
- Risk Implementation Plan for 2018/2019 (*Review*)
- Risk Management Committee – Terms of Reference (*Review*)
- Risk Management Strategy and Policy (*Review*)

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 Chief Risk Officer was also shortlisted in the national category of "Risk Manager of the Year 2017/2018" presented by the Institute of Risk Management of South Africa (IRMSA).

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

- Introduced bi-annual risk assessments to ensure the risk register is thoroughly reviewed by the managers at least once after the initial risk assessment. This is in addition to the periodic reviews conducted by management on their own initiatives;
- Comprehensive annual departmental risk assessments, involving the heads of department which contributed to the compilation of the most detailed risk register to date;
- Strategic risk assessment with the Risk Management Committee and Council (Mayco);
- Fraud and Risk Detection workshop was held on 12 & 13 April 2018 and started with a district fraud and corruption event library for use during fraud and corruption risk assessments;



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- Continuous emphasis on fraud and corruption risks and the related risk action plans;
- Compilation and monitoring of a district risk management implementation plan;
- Compilation of a District Cross-Cutting Report containing the transversal risks of the municipalities in the Overberg district;
- Introduced several Standard Operating Procedures to formalise and explain the risk management processes;
- Engaging and involving all levels of management with the risk management activities;
- Monthly updates on risk action plans by managers and monitoring by the Risk Management Unit.
- Quarterly compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by Council;
- Comprehensive review of the Risk Management Strategy and Risk Management Policy to incorporate the new COSO framework *Enterprise Risk Management Integrating with Strategy and Performance* and document the established risk management processes in the municipality. Annual review of the Combined Assurance Policy Framework;
- Participation in the Overberg District Internal Audit and Risk Management Forum;
- Performed a Risk Management Maturity Assessment to determine the Municipality's maturity level;
- Skills development of the Risk Officer Intern in the area of enterprise risk management and combined assurance through attendance and successful completion of a short course. In addition, the Risk Officer Intern attended a CIGFARO seminar and a fraud and risk detection training workshop;
- Improved co-operation between the Risk Management Unit and Internal Audit, reducing duplication, increasing the sharing of risk information and improving assurance coverage, while respecting Internal Audit's independence;
- Risk Management Committee performance evaluation through individual assessments by the members in the form of a questionnaire;
- Adding value of "best practice" developments to the Risk Management Committee (RMC). Review of the risk register, incident and emerging risks and corrupt, fraudulent and unethical incidents are now standard agenda items for Risk Management Committee meetings.
- Regular communication and daily updates from the Institute of Risk Management South Africa;
- Provided recommendations for improvement of the software being utilised (Ignite Risk Assist Module);
- Risk management is now a standing agenda item at the Audit and Performance Audit Committee meetings, where the Chairperson of the RMC, Independent Audit Committee member of RMC and Chief Risk Officer provide feedback.
- Risk management information session with the Audit and Performance Audit Committee, where the risk assessment methodology was discussed and refined for future risk assessments.
- Risk management progress reports and related risk management activities were submitted to the quarterly Strategic Portfolio Committee meeting (and if required to Council).

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

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

No formal evaluation was done by Council of its own performance and that of its committees, the Speaker and its individual members. Performance evaluations may be implemented in the future. Training was attended to strengthen the knowledge and trends on performance management during the year.

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



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

Procurement Services – Part of Financial Services - nr. 3.13

Financial Performance 2017/2018 Support, Committee Services, Record Management and Property Management R'000					
Details	2016/2017	2017/2018			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue	48	24	24	28	17,68%
Expenditure:					
Employees	3 654	5 703	5 373	4 853	-14,91%
Repairs and Maintenance					
Other	2 743	3 144	2 913	1 861	-40,82%
Total Operational Expenditure	6 397	8 847	8 287	6 714	-24,12%
Net Operational Expenditure	(6 350)	(8 824)	(8 263)	(6 686)	-24,23%
<i>Variations are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Capital Expenditure 2017/18 Support, Support, Committee Services, Record Management and Property Management R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All	23	68	45	98,09%	

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

Support Services managed to perform their functions within its allocated operating budget.

Financial Performance 2017/18: Risk Management (Shared Services) and Performance & Risk Management R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	% Variance to Budget
Total Operational Revenue		1 089	1 089	531	-51,22%
Expenditure:					
Employees	488	1 126	1 195	1 084	-3,75%
Repairs and Maintenance					
Other	62	389	360	252	-35,31%
Total Operational Expenditure	550	1 515	1 555	1 336	-11,86%
Net Operational Expenditure	(550)	(426)	(465)	(804)	88,81%
<i>Variations are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					



Capital Expenditure 2017/18: Risk Management Shared Services, Performance & Risk Management					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	% Variance from original budget	Total Project Value
Total All	0	15	7	100%	

COMMENT ON THE PERFORMANCE OF PERFORMANCE AND RISK MANAGEMENT SERVICES OVERALL

Performance and Risk Management (Shared Services) did manage to perform their functions within the allocated operating budget.



COMPONENT J: ORGANISATIONAL PERFORMANCE SCORE CARD

DETAILED PERFORMANCE REPORT FOR 2017/18 PER STRATEGIC OBJECTIVE/GOALS

Strategic Goal 1 (SG1)

To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure

Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL33	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	All	474	460	115	115	115	115	460	543	G 2	543 Samples were taken. Additional 2 samples were due to the non compliance of water quality in municipal areas, which needed follow-up monitoring	None Required
TL34	Take food samples to monitor the quality of Food ito the FCD Act and legislative requirements	Number of samples taken per annum	All	389	380	95	95	95	95	380	386	G 2	386 samples were taken. Food borne diseases required that extra samples be taken	None Required
TL35	Inspect waste management sites wrt generators and couriers of medical waste according to Municipal Health By-Law of Council	Number of sites inspected per annum	All	132	120	0	60	0	60	120	153	G 2	153 inspections were executed. The opening of new premises resulted in more inspections done than planned	None Required
TL36	Take water sample at Sewerage Final Outflow to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	All	130	140	35	35	35	35	140	144	G 2	144 samples were taken. Extra monitoring was needed in the Swellendam area	None Required



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Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL37	Inspect Food Premises to monitor hazardous substances according to National Health Act	Number of food Premises inspected per annum	All	1487	1,600	400	400	400	400	1,600	1,682	G 2	1682 premises were inspected. The applications for new food premises resulted in more inspections done than planned	None Required
TL38	Coordinate one Air Quality awareness campaigns in each local municipal areas of the Overberg by June 2018	Number of Air Quality Awareness campaigns per annum	All	New KPI	4	0	0	0	4	4	5	G 2	Sessions were held on: 20/10/2017 (Swellendam) 07/11/2017 (Cape Agulhas Municipal Area) 14&15/05/2018 (TWK) 23&24/05/2018 (Swellendam) 28/06/2018 (Overstrand) During the EPWP training held in May at Swellendam, air quality awareness was also included in the program which resulted in target being exceeded by 1	None Required
TL39	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee	Number of reports submitted per annum	All	3	4	1	1	1	1	4	4	G	4 Quarterly reports were submitted to the Community Services Portfolio Committee meetings	None Required



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Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL40	Report quarterly to the Community Portfolio Committee on the outcomes of Karwyderskraal Landfill Committee and adherence to the permit conditions	Number of reports submitted per annum	All	3	3	1	1	1	0	3	4	G 2	4 Quarterly reports were submitted. The additional report tabled was to inform the committee on the change in the permit condition communicated to stakeholders and the result of the external audit Karwyderskraal landfill site	None Required
TL41	Report quarterly to the Community Portfolio Committee on the activities of the Regional Waste Forum	Number of reports submitted per annum	All	3	4	1	1	1	1	4	4	G	4 quarterly reports were submitted	None Required
TL43	Table the revised Disaster Risk Management Plan to Council by 30 June 2018	Revised Disaster Management Plan tabled to Council	All	1	1	0	0	0	1	1	1	G	Revised Plan tabled to Council on 18/06/2018, Item A256	None Required
TL44	Table to Council the revised Disaster Management Framework by 30 June 2018	Revised Disaster Management Framework tabled to Council	All	1	1	0	0	0	1	1	1	G	Revised Framework tabled to Council on 18/06/2018, Item A255	None Required
TL45	Revised Safer Communities Project Plan and tabled to Community Services Portfolio Committee by 30 September 2017	Revised Safer Community Project Plan tabled	All	1	1	1	0	0	0	1	0	R	Plan not submitted on target date. However, plan was tabled to the Community Portfolio Committee meeting held on 05/12/2017, item 9.2	Target date to be set to accommodate external factors that influence the inputs to the plan



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Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL46	Present Revised Festive and Fire Season Readiness Plan by 1 December 2017 to DCFTech	Revised Festive and Season Readiness plan presented	All	1	1	0	1	0	0	1	1	G	Plan was presented to DCF Tech meeting held on 10/11/2017, Item 5.3	None Required
TL47	Upgrading of road DR 1320 to tar road by 30 June 2018	Number of kilometers road upgraded per annum	All	5.02km (DR 1318 & DR 1239)	3.32	0	0	0	3.32	3.32	3.32	G	Project completed	None Required
TL48	Kilometers of gravel roads to be regavelled	Number of kilometers road regavelled per annum	All	34,84	46.08	12	10.08	12	12	46.08	50.22	G	50.22 km of roads were regavelled. 2 Additional km regavelled as a result of project extension	None Required
TL49	Kilometers of gravel roads to be bladed	Number of kilometers roads bladed per annum	All	6284,38	6,000	1,700	1,400	1,200	1,700	6,000	6,242.50	G	6242.50 km of roads were bladed. Due to weather and road conditions extensive blading was required	None Required
TL50	Submit annually business plan for provincial roads budget allocation to Dept of Transport and Public Works by 31 March 2018	Annual business plan submitted	All	1	1	0	0	1	0	1	1	G	Business plan was submitted on 1/03/2018	None Required



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Strategic Goal 2 (SG2)

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

Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL2	Create temporary job opportunities through the municipality's EPWP programme as per FTE target, by 30 June 2018 (Reg)	Number of Full-Time Equivalents (FTE's) created during the financial year	All	41	8	0	0	0	8	8	57	B	57 FTE's were created during the financial year. Target was exceeded due to participants being employed for longer periods of time, e.g. Fire, which is a specialised program	None Required
TL31	Coordinate and facilitate two SCM/LED Open days by 30 June 2018	Number of SCM/LED open days coordinated and facilitated per annum	All	New KPI	2	0	0	0	2	2	2	G	Open days held on 03/05/2018 and 09/05/2018	None Required
TL32	Invite service providers to register on the suppliers database by 30 March 2018	Invitation placed on ODM website	All	1	1	0	0	1	0	1	0	R	Not achieved on target date. However, action was performed on 17/04/2018	Timeously start with preparations to ensure that invitation be placed on the ODM Website on time
TL42	Create temporary job opportunities through the alien vegetation clearing initiatives by 30 June 2018	Number of job opportunities created per annum	All	New KPI	10	0	0	0	10	10	44	B	44 Work Opportunities were created through the Alien vegetation cleaning project. The Over achievement was as a result of an additional project identified during the year and employment of shorter periods due to weather conditions	None Required



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Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL51	Review Municipal Policy on EPWP and table to Council by 30 June 2018	Revised Municipal EPWP Policy tabled to Council	All	1	1	0	0	0	1	1	1	G	Policy was tabled to Council on 18/06/2018, Item A258	None Required
TL52	Coordinate the revision of the District RED/Tourism strategy with stakeholders by 30 June 2018	Revision of District RED/Tourism Strategy coordinated	All	New KPI	1	0	0	0	1	1	1	G	Workshops were held with stakeholders on 11/06/2018, 12/06/2018 and 13/06/2018	None Required

Strategic Goal 3 (SG3)

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

Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL3	People from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan, by 30 June 2018 (Reg)	Number of people employed in the three highest levels of management per annum	All	0	1	0	0	0	1	1	1	G	The Director Community Services was appointed	None Required
TL17	Coordinate Local Labour Forum (LLF) meetings in accordance with the Main Collective Agreement	Number of LLF meetings coordinated per annum	All	7	10	3	2	2	3	10	10	G	10 LLF Meetings were held during the year	None Required



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Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL18	Percentage of identified Staff to be trained as per Workplace Skills Plan by 30 April 2018	% of identified staff trained per annum (Staff received training /Number of staff identified)	All	110%	80%	0%	0%	0%	80%	80%	83.80%	G 2	Staff identified = 179 Staff received training = 150 = 83.80% Free training opportunity resulted in more staff receiving training than expected	None Required
TL19	Compile and submit Workplace Skills Plan to LG Seta by 30 April 2018	Workplace Skills Plan compiled and submitted to LG Seta	All	1	1	0	0	0	1	1	1	G	Workplace Skills Plan was submitted on 19/04/2018	None Required
TL20	Coordinate health & safety evacuation drills at ODM workstations by 30 June 2018	Number of drills coordinated per annum	All	3	2	0	0	0	2	2	3	B	Evacuation drills were held on: 29/11/2017 04/06/2018 18/06/2018 The evacuation drill performed on 18/06/2018 was also to expose Councillors to the evacuation procedures	None Required
TL21	Percentage of Municipal budget actually spend on the implementation of the Workplace Skills Plan by 30 June 2018 (Reg)	% of budget spent on the WSP per annum (Actual spent on Training/Total Budget)	All	0,23%	0.15%	0%	0%	0%	0.15%	0.15%	0.35%	B	R668214,90/190503706 = 0.35% Higher % spent due to large outstanding invoice received for MMC Training	None Required



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Strategic Goal 4 (SG4)

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

Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL24	Measured financial viability in terms of the municipality's ability to meet it's service debt obligations by 30 June 2018 (Debt coverage) (Reg)	% the municipality was able to meet it's Debt obligation ((Total operating revenue received - operating grants)/debt service payments))	All	18,43%	30%	0%	0%	0%	30%	30%	14,24%	R	(R186959940.24- R147426967) /R2775261.66 = 14.24% A greater part of loans will be repaid in 2018/2019. Long term loans come to an end which means a greater short term portion	Revenue will be increased by rendering of Landfill services to Local Municipalities
TL25	Measured financial viability in terms of the available cash to cover fixed operating expenditure by 30 June 2018 (Cost coverage) (Reg)	Number of days Cash was available to cover fixed operating expenditure ((All available cash at a particular time + investments)/monthly fixed operating expenditure)	All	72,73 days	30	0	0	0	30	30	72,7	B	R36715385/R15385708 = 2.39 = 72.70 days Large Road advance payment received	None Required
TL26	Measured financial viability in terms of percentage outstanding service debtors by 30 June 2018 (Service Debtors) (Reg)	% Outstanding service debtors per annum (Total outstanding service debtors/annual revenue received for services)	All	8,24%	10%	0%	0%	0%	10%	10%	11,75%	R	R2151024/R18311917 = 11,75 = Fire Service Debtor - Municipalities (One payment received in July)	Must analyse all debtors to enforce appropriate actions to recover income



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Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL27	Report on Percentage Capital budget actually spend on capital projects by 30 June 2018 (Reg)	% of capital budget actually spent on capital projects for the annum (Actual spent on capital projects/Total capital budget)	All	88%	95%	0%	0%	0%	95%	95%	119.29%	R	R5331903/R4469730 = 119,29% Overspending due to transfer of capitalised WIP from Overstrand municipality with regards to Karwyderskraal.	Monthly monitoring of capital expenditure by submitting monthly reports to Directors for discussion and follow-up at Directors meeting
TL28	Submit reviewed financial Policies to Council by 31 May 2018	% of reviewed financial policies submitted to Council (Number of policies reviewed/Total existing financial policies at the beginning of financial year)	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	21 Policies at beginning of financial year 5 policies needed amendments 16 policies - no amendments needed	None Required
TL29	Align long-term Financial Plan with Final 2017/2021 IDP and table to the Finance Portfolio Committee by 30 June 2018	Long-term Financial Plan aligned with IDP and tabled to Finance Portfolio Committee	All	New KPI	1	0	0	0	1	1	1	G	Plan tabled to Finance Portfolio Committee meetings held on 18/06/2018, item F603	None Required
TL30	Submit bi-annually a report to Council on the performance of service providers for quotations and tenders for services rendered above R30000	Number of reports submitted to Council per annum	All	New KPI	2	0	1	0	1	2	2	G	Reports were tabled to Council on 30/10/2017, Item A143 & 28/05/2018, Items A235 & A236	None Required



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Strategic Goal (SG5)

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

Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL1	Facilitate quarterly DCF Tech meetings to enhance IGR in the Overberg	Number of DCF Tech meetings facilitated per annum	All	4	4	1	1	1	1	4	4	G	4 Quarterly meetings were held	None Required
TL4	Coordinate quarterly Audit and Performance Audit Committee meetings	Number of quarterly Audit & Performance Audit Committee meetings coordinated per annum	All	4	4	1	1	1	1	4	4	G	4 Quarterly meetings were held	None Required
TL5	Develop a Risk-based Audit Plan (RBAP) for 2018/19 financial year by June 2018	Annual RBAP developed	All	1	1	0	0	0	1	1	1	G	Risk Based Audit Plan was approved on 20/03/2018, item O3	None Required
TL6	Execute audit projects in terms of the Risk Base Audit Plan (RBAP) excluding the quarterly performance reviews	Number of audits executed per annum	All	New KPI	10	2	3	3	2	10	18	B	18 audits were executed. Adhoc requests resulted in more internal audits	None Required
TL7	Facilitate awareness campaigns on the IDP by June 2018	Number of awareness campaigns facilitated per annum	All	New KPI	2	0	0	0	2	2	2	G	IDP Awareness' presented at: *District IDP Rep/PPComm Forum meeting held on 30/11/2017 *Bredasdorp Nutrition & Development Project on 21/06/2018	None Required



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Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL8	Publishing of External Newsletters bi-annually to Stakeholders	Number of external newsletters published per annum	All	2	2	0	1	0	1	2	2	G	2 External newsletters were published	None Required
TL9	Table to Council by May 2018 the 1st Review of the 4th Generation IDP	Final IDP tabled to Council	All	1	1	0	0	0	1	1	1	G	IDP Review - approved by Council on 28/05/2018, Item A229	None Required
TL10	Prepare Top Layer SDBIP for approval by Mayor within 28 days after the adoption of 2018/19 budget	Top Layer SDBIP submitted to Mayor for approval	All	1	1	0	0	0	1	1	1	G	Top Layer SDBIP approved by Mayor on 21/06/2018	None Required
TL11	Review annually the Top Layer SDBIP to inform Council should a revised Top Layer SDBIP be necessary	SDBIP reviewed by January 2018	All	New KPI	1	0	0	1	0	1	1	G	SDBIP reviewed and tabled to Council on 29/01/2018, Item A186 (Mid-year Report)	None Required
TL12	Compilation and submission of Annual Financial Statements (AFS) and Draft Annual Report to the Auditor-General by 31 August 2017	Draft AFS and Draft Annual Report submitted	All	New KPI	1	1	0	0	0	1	1	G	Submitted Annual Financial Statements and Draft Annual Report to the Auditor-General on 31/08/2017	None Required
TL13	Coordinate quarterly Risk Management Committee meetings	Number of quarterly Risk Management Committee meetings coordinated per annum	All	4	4	1	1	1	1	4	4	G	4 Quarterly Risk Management Meetings were held	None Required



CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Previous year Results	Target	Quarterly Target				Overall Performance for Sep 2017 to Jun 2018				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments/ Corrective measures	Corrective measure
TL14	Submit quarterly risk reports to each municipality in the district on the critical risks (Operational and Project) and its impact	Number of reports submitted per annum	All	New KPI	20	5	5	5	5	20	20	G	Quarterly Reports were submitted to each municipality in the district	None Required
TL15	Review Risk Management policies of all the municipalities in the District by 31 March 2018	Number of Risk Management Policies reviewed per annum	All	New KPI	5	0	0	5	0	5	5	G	ODM - 27/03/2018, Item R120 Overstrand - 22/03/2018, Item R102 CAM - 19/03/2018, Item R74 TWK - 20/03/2018, Item RM07 Swellendam - 20/03/2018, Item RM55	None Required
TL16	Report quarterly to the DCF Tech on the Shared Services Risk management function	Number of reports submitted per annum	All	4	4	1	1	1	1	4	4	G	Quarterly reports were submitted to the DCF Tech	None Required
TL22	Coordinate quarterly Ordinary Council meetings	Number of Council meetings coordinated per annum	All	4	4	1	1	1	1	4	8	B	8 Ordinary Council meetings were held. The Speaker declared all Council meetings as Ordinary Council meetings which resulted in over achievement of the target	
TL23	Review Records Management Policy and table to Council by 31 December 2017	Reviewed Records Management policy tabled to Council	All	New KPI	1	0	1	0	0	1	1	G	Policy approved by Council on 05/12/2017, item A174	None Required



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COMPONENT K: PERFORMANCE ASSESSMENT OF GOODS AND SERVICE PROVIDERS

Performance assessments were done throughout the 2017/2018 financial year on Providers who tendered or quoted on various tenders or quotations, or provided a service or product through other SCM processes (all expenditure above R 30 000).

The following service providers were assessed.

Name of Service Provider	Goods & Services Supply
ABSA	Banking Services
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
Mubesko Africa	Accounting Services
Altimax	Accounting Services
Siyanda Business Solutions	Accounting Services
Bytes Technology	SLA – SAMRAS System
Ignite Advisory Services	SLA – Performance Management & Compliance System
The Business Zone	Annual Tender – Fuel
Moov Fuel	Annual Tender – Oils & Grease
Startune (Pty) Ltd	Annual Tender – Grader Blades
AWV Project Management	Annual Tender – Grader Blades
Soetmuis Agtien CC	Annual Tender – Cleaning Agents
Kleen It Factory Shop	Annual Tender – Cleaning Agents
Outeniqua Plastics	Annual Tender – Black Refuse Bags
Startune (Pty) Ltd	Annual Tender – Bolts & Nuts
AWV Project Management	Annual Tender – Bolts & Nuts
Cape Otto Signs	Annual Tender – Road Signs with Road Signs Bolts & Nuts
TVM Konstruksie	Annual Tender – Hire of Road Implements
Uitkyk Diggers CC	Annual Tender – Hire of Road Implements
Salandra Park	Annual Tender – Hire of Road Implements
Aveng 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
Soetmuis Agtien CC	Annual Tender – Supply of Cement
Glencape Resources CC	Annual Tender – Supply of Bags with Tar Product
Ithuba Industries	Annual Tender – Supply of Guardrail Sheets & Poles
Ithuba Industries	Annual Tender – Road Sign and Fencing Poles
Groenland Boeredienste	Annual Tender – Mechanical Services
Overberg Marine	Annual Tender – Mechanical Services



CHAPTER 3

Arina Wilson	Annual Tender – Translations & Editing
Arina Wilson	Annual Tender – Advertisements
Lithotech	Annual Tender –Paper
Soetmuis Agtien CC	Annual Tender – Printing & Eyeline Paper
Hermanus Fire Extinguishers	Annual Tender – Servicing of Fire Extinguishers
Marce Projects	Annual Tender – Hoses, Nozzles & Foam
Hermanus Fire Extinguishers	Annual Tender – Hoses, Nozzles & Foam
Diesel Electric – Worcester	Supplies and Services - Filters
Afrimat Aggregates Operations	Supplies and Services – Road Surfacing Material
TVM Konstruksie	Supplies and Services – Road Surfacing Material
Uitkyk Diggers CC	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
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
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
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
Datategra	Anti-Virus Software
FFA Aviation (Pty) Ltd	Provision of Fully Equipped Working on Fire crew for Fire Protection measures
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
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.
SMEC South Africa	The Management and Implementation of the Rural Road Asset Management System within Cape Winelands for a period of Three Years
Pienaar Brothers (Pty) Ltd	Supply and Delivery of Protective Clothing and Footwear for a 3 Year Period
Working on Fire (Pty) Ltd	Fire fighting Helicopter and Spotter Aircraft for the period 01 December 2017 to 30 April 2018
Tourvest Travel Services	Travel Agency
Eveline Makatong	Cleaning Services



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Defkor Security Solutions	Guarding and Security Services at the Overberg District Municipality's Resorts
Ignite Advisory Services (Pty) Ltd	The Appointment of a Service Provider to Develop an ICT Shared Service Model for the Overberg District
Nico Swart Consultancy (Pty) Ltd	Short – Term Insurance
JPCE (Pty) Ltd	Appointment of Consultants for Various Engineering and Groundwater Projects in the Overstrand Municipal area for a Contract Period ending 30 June 2019
Winterberg Mountain Inn	Catering For Fire Fighting course
Spinning Your Web (Pty) Ltd	Fire Station Web Based Application
Innovo Networks	Microphone System Support for Council Chambers
Marce Projects	Supply and Delivery of Uniform and Personal Protective Equipment for the Period 01 January 2017 to 30 June 2019
Sparks & Ellis (Pty) Ltd	Supply and Delivery of Uniform and Personal Protective Equipment for the Period 01 January 2017 to 30 June 2019
Stevenridge CC	Supply and Delivery of Uniform and Personal Protective Equipment for the Period 01 January 2017 to 30 June 2019
Water Solutions Southern Africa (Pty) Ltd	Pumps
RTC Control Systems (Pty) Ltd	Water Treatment: Chemicals – Eoxide LQ 85%
The Dunes at Arniston	Venue and Conference Facility Hire
Arcrite Engineering (Pty) Ltd	Replacement of Diesel Tanks at Die Dam Resort
Summat Institute	Supervisory Skills Training
Fire Body Worx	Repairs to Vehicle
IMESA (Pty) Ltd	Asset Management Manuals
FG Uniforms Cc	Supply and Delivery of Uniform and Personal Protective Equipment for the Period 01 July 2016 to 30 June 2019
Invuyani Safety	Supply and Delivery of Uniform and Personal Protective Equipment for the Period 01 July 2016 to 30 June 2019
Marce Projects	Supply and Delivery of Uniform and Personal Protective Equipment for the Period 01 July 2016 to 30 June 2019
Sparks & Ellis (Pty) Ltd	Supply and Delivery of Uniform and Personal Protective Equipment for the Period 01 July 2016 to 30 June 2019
Stevenridge CC	Supply and Delivery of Uniform and Personal Protective Equipment for the Period 01 July 2016 to 30 June 2019
Overberg Aviation Services (Pty) Ltd	Ad Hoc Aerial Fire Fighting Services
Savannah Helicopters (Pty) Ltd	Ad Hoc Aerial Fire Fighting Services
IX Engineers (Pty) Ltd	Occupational Health & Safety Risk Assessment
Rodney Jacobs Holdings (Pty) Ltd t/a Auto Electro Dynamics	Mechanical, Refurbishment and Auto Electrical Services for the Fire Fighting Vehicles for the period ending 30 June 2019
Hein's Auto Electrical CC t/a Molotek	Mechanical, Refurbishment and Auto Electrical Services for the Fire Fighting Vehicles for the period ending 30 June 2019
Fire Body Worx (Pty) Ltd	Mechanical, Refurbishment and Auto Electrical Services for the Fire Fighting Vehicles for the period ending 30 June 2019
Komatsu	Spares & Parts (Deviation)
Babcock Equipment	Spares & Parts (Deviation)
Macnay CC	Spares & Parts (Deviation)
Babcock Africa Services (Pty) Ltd	Supply and Deliver Spares, and Service, Repair and Overhaul Of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020



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Barloworld Equipment	Supply and Deliver Spares, and Service, Repair and Overhaul Of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
ELB Equipment Holdings Limited	Supply and Deliver Spares, and Service, Repair and Overhaul Of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
High Power Equipment Africa Pty Ltd	Supply and Deliver Spares, and Service, Repair and Overhaul Of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
ITR South Africa	Supply and Deliver Spares, and Service, Repair and Overhaul Of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Kemach Cape (Pty) Ltd	Supply and Deliver Spares, and Service, Repair and Overhaul Of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Komatsu South Africa Pty Ltd	Supply and Deliver Spares, and Service, Repair and Overhaul Of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
NCC Environmental Services (Pty) Ltd	Provision Of Ground Fire Fighting Resources
Sikhumbuze Arborist and General Service	Cutting & Removal Of Vegetation within Designated Sites at Salmons Dam Nature Reserve
Impendulo – ICT (Pty) Ltd	Retrofitting of Overberg District Municipality’s Main Office Building: Energy Efficient Lighting
Secma International Security	Security Services
B & M Ford Bredasdorp	Canopies
Linda Potgieter	Legal Services
TB Vorster & Associates	Legal Services
Inново Networks	Server Support
Enderstein Van Der Merwe	Legal Assistance
Kruger & Blignaut Attorneys	Legal Opinion
LRV Security Services	Security Services

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



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

The Municipality's organisational development function is as follows:

Office of the Municipal Manager <ul style="list-style-type: none"> • Performance & Risk Management • Internal Audit • IDP & Communication 		
Directorate Finance <ul style="list-style-type: none"> • Income, Expenditure • Financial Services • Supply Chain Management 	Directorate Corporate Services <ul style="list-style-type: none"> • Human Resources • Information Services • Support, Committee Services, Records Management and Council Support 	Directorate Community Services <ul style="list-style-type: none"> • Roads (Agency function) • Municipal Health • Environmental Management • Social Development • Emergency Services • LED, Tourism, Resorts and EPWP

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	2016/2017	2017/2018			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Roads	163	204	174	30	15%
Planning (IDP/Communications)	2	3	1	2	67%
Environmental Management	3	4	4	0	0%
Municipal Health Services	20	37	21	16	43%
Emergency, Fire and Disaster Services	41	102	48	54	53%
Social Development	0	1	0	1	100%
LED, Tourism, Resorts and EPWP	25	33	24	9	27%
Office of Municipal Manager/Executives	2	7	3	4	57%
Internal Audit	2	3	2	1	33%
Finance	16	28	16	12	43%
Human Resources	3	5	3	2	40%
Legal Services		1	0	1	100%
Support Services, Committee Services, Records Management & Council Support	8	14	9	5	36%
ICT Services	1	3	1	2	66%
Performance Management & Risk Management	1	2	1	1	50%
Shared Services – Risk Management	1	2	1	1	50%
No position / Org structure not clear			* 3		
Totals	288	449	311	141	31%

Calculation: Employees and Approved posts number at 30 June 2018
*1 Resorts, 1 at Finance Department and 1 Secretary MAYCO Support



CHAPTER 4

On 30 June 2018, 48 employees are not placed and 15 positions are without a job description, as a result of the revision of the organizational Structure as approved on 5 December 2016. The position of Secretary, Mayoral Committee Support, does not reflect on the organisational structure, and therefore the incumbent was not placed.

Occupational levels

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

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

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	1	0	2	0	0	0	0	0	0	3
Senior Management	0	0	0	4	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	0	2	0	7	1	2	0	2	0	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	22	0	15	2	12	0	8	0	0	62
Semi-skilled and discretionary decision making	39	62	1	7	4	18	0	4	0	0	135
Unskilled and defined decision making	18	37	0	6	14	16	0	2	0	0	93
TOTAL PERMANENT	60	124	1	41	21	48	0	16	0	0	311
Temporary employees	7	51	0	7	9	15	0	1	0	0	90
GRAND TOTAL	67	175	1	48	30	63	0	17	0	0	401

The number of EPWP employees at 30 June 2018 forms part of the temporary employees.

Turn-over Rate			
Details	Total Appointments from beginning of Financial Year No.	Terminations during the Financial Year No.	*Turn-over Rate
2015/2016	15	21	7.19%
2016/2017	25	32	11%
2017/2018	43	12	4%
*Calculation: Terminations/by total number of active employees at 30 June 2018			

COMMENT ON VACANCIES AND TURNOVER

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

Vacancies: Implementation of shift systems in the Departement Emergency Services will be phased in as and when budgeted.



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

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. Policies will be reviewed as and when necessary.

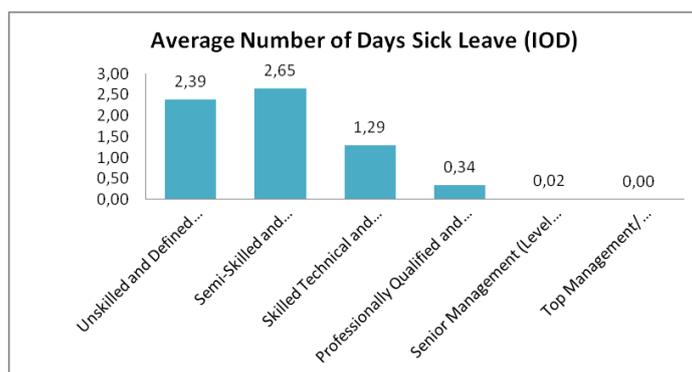


4.3 INJURIES, SICKNESS AND SUSPENSIONS

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	106	25	23,58%	21,2	R50
Temporary total disablement					
Permanent disablement					
Fatal					
Total	106	25	23,58%	21,2	R50

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	Without medical certification (Days)
	Days	%	No.	No.	Days	R' 000	
Unskilled and Defined Decision making (Levels 1-3)	742	8%	42	92	2,39	R275	119
Semi-Skilled and Discretionary Decision making (Levels 4-8)	824	6%	112	138	2,65	R478	66
Skilled Technical and Academically Qualified/Jnr Management/Supervisors/Foreman/Superintendent (Levels 9-13)	401	9%	45	61	1,29	R462	30
Professionally Qualified and Experience Specialists / Mid Management (Levels 14-17)	106	8%	12	14	0,34	R184	7
Senior Management (Level 18-22)	7	2%	2	4	0,02	R 13	0
Top Management/ Executive (Level 23-26)	0	0%	0	2	0,00	R 0	0
Total	2080	11%	213	311	6,69	R 1 412	222

* Number of employees in post at year-end



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. The sick leave days decreased from the previous year. (2017 – 2296 days). 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
Head Supply Chain Management	Misconduct	15/12/2017	Ongoing	Ongoing

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 assessments of the Municipal Manager and directors were dealt with in terms of their Performance Agreements. Performance Agreements were signed with personnel on recognized and placed positions and assessments are done bi-annually. The Performance Agreement of S57 appointees specify if a performance bonus is applicable. There is no performance incentive system in place for the rest of 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).



4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2018	Number of skilled employees required and actual as at 30 June 2018											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of 2017	Actual: End of 2018	Target	Actual: End of 2017	Actual: End of 2018	Target	Actual: End of 2017	Actual: End of 2018	Target	Actual: End of 2017	Actual: End of 2018
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	0	1	1	0	1	0	0	2	1	0
Councillors, senior officials and managers	Female	11	0	0	0	2	3	1	2	1	0	4	4	1
	Male	21	0	0	0	8	9	8	8	0	0	16	9	8
Technicians and associate professionals	Female	1	0	0	0	1	1	1	0	1	1	1	2	2
	Male	3	1	0	0	1	0	2	0	0	0	2	0	2
Professionals	Female	14	0	0	0	9	12	9	1	0	0	10	12	9
	Male	18	0	0	0	11	13	11	4	0	0	15	13	11
Sub total	Female	26	0	0	0	12	16	11	3	2	1	15	18	12
	Male	45	1	0	0	21	23	21	13	0	0	35	23	21
Total		71	1	0	0	33	39	32	16	2	1	50	41	33



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))
Financial Officials						
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
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	25	0	25	24	1	24

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. Additional 3 Financial Interns are currently busy with applicable training. Thirteen Employees are on Adult Education Training (AET).

A total amount of R280 960 was originally allocated for training, of which R668 215 was spent in the financial year, mainly due to a large invoice received for minimum competency training.

The ODM reported on its Skills Development Plan to LGSETA on 19 April 2018, and the 2018/19 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 determination on the payment of Expanded Public Works Programme (EPWP) employees. The Human Resource policies do not allow variable remuneration incentive schemes.

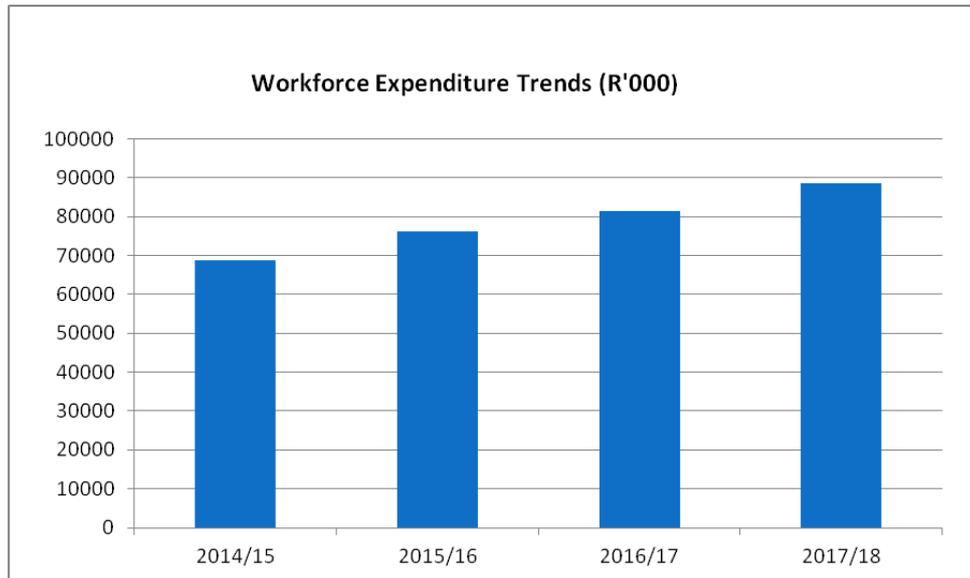


CHAPTER 4

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

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

4.6 EMPLOYEE EXPENDITURE



COMMENT ON WORKFORCE EXPENDITURE

The workforce expenditure for the year under review was 48% 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.

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
Finance	T6	1 July 2017	1	Financial Intern permanently appointed after 3 year internship

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

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

DISCLOSURES OF FINANCIAL INTERESTS

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



INTRODUCTION

During the period under review the municipality managed to maintain a stable environment. The cash position enables the municipality to deliver on operational commitments. The municipality closed the year with a positive working capital surplus, however not all provisions are cash-backed. The cash balance increased by 13%, mainly due to a large advance received from Provincial Department of Transport and Public Works for the roads agency function.

The municipality is mainly dependant on government grants, any fluctuations in the Equitable Share, allocations per the Division of Revenue Act, will impact directly on service delivery requirements from a perspective that 79% of the revenue source is funded from grants and transfer funding.

The total assets of the municipality amounts to R124.2 million with the current assets amounting to R41.6 million and the non-current assets amounting to R82.7 million respectively. The current assets mainly comprised of short-term investments and cash and cash equivalents and the non-current assets comprising mainly of property, plant and equipment.

The total liabilities of the municipality amounts to R110.3 million with the current position amounting to R31.1 million and the long-term liabilities amount R79.2 million. Assets, both current and non-current, exceed liabilities indicating that the municipality will be able to cover all liabilities.

This chapter comprises four components:

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Cash Flow Management and Investment

Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

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

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



5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	2016/17	Current Year: 2017/18		2017/18 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Service charges	801	550	550	75	-86.41%	-86.41%
Investment revenue	2 311	1 400	1 400	2 937	109.75%	109.75%
Transfers recognised - operational	127 561	142 799	144 354	146 537	2.62%	1.51%
Other own revenue	26 327	27 835	31 889	36 522	31.21%	14.53%
Total Revenue (excluding capital transfers and contributions)	157 000	172 584	178 193	186 070	7.81%	4.42%
Employee costs	83 193	97 324	96 399	91 113	-6.38%	-5.48%
Remuneration of councillors	5 150	5 461	5 762	6 142	12.47%	6.58%
Debt impairment	110	-	-	15	100.00%	100.00%
Depreciation & asset impairment	3 254	3 101	3 102	3 695	19.13%	19.10%
Finance charges	7 778	5 335	5 350	7 999	49.94%	49.52%
Transfers and grants	120	-	0	120	0.00%	1199900.00%
Other expenditure and materials	62 367	68 991	79 891	79 347	15.01%	-0.68%
Total Expenditure	161 971	180 212	190 504	188 430	4.56%	-1.09%
Surplus/(Deficit)	(4 971)	(7 628)	(12 310)	(2 360)	-69.06%	-80.83%
Transfers recognised - capital	2 303	800	960	890	11.25%	-7.29%
Contributions recognised - capital & contributed assets	111	-	-	-	0.00%	0.00%
Surplus/(Deficit) after capital transfers & contributions	(2 557)	(6 828)	(11 350)	(1 470)	-78.47%	-87.05%
Share of surplus/ (deficit) of associate	-	-	-	-		0.00%
Surplus/(Deficit) for the year	(2 557)	(6 828)	(11 350)	(1 470)	-78.47%	-87.05%
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	2 303	800	960	890	0.00%	0.00%
Public contributions & donations	111	-	-	-	0.00%	0.00%
Borrowing	2 074	-	-	-	0.00%	0.00%
Internally generated funds	2 293	421	3 510	4 442	955.59%	26.56%
Total sources of capital funds	6 782	1 221	4 470	5 332	336.75%	19.29%
Financial position						
Total current assets	38 391	21 044	29 688	41 562	97.50%	39.99%
Total non current assets	82 650	83 307	82 766	82 665	-0.77%	-0.12%
Total current liabilities	23 090	13 323	21 931	31 069	133.19%	41.67%
Total non current liabilities	82 561	93 492	86 696	79 238	-15.25%	-8.60%
Community wealth/Equity	15 391	(2 464)	3 827	13 920	-665.01%	263.74%
Cash flows						
Net cash from (used) operating	15 666	3 110	(5 972)	9 441	203.52%	-258.08%
Net cash from (used) investing	(4 596)	(1 221)	(1 854)	(3 795)	210.88%	104.65%
Net cash from (used) financing	(1 169)	(907)	(876)	(1 206)	32.93%	37.66%
Cash/cash equivalents at the year end	32 276	18 012	23 574	36 715	103.84%	55.75%
Cash backing/surplus reconciliation						
Cash and investments available	32 276	18 012	23 574	36 715	103.84%	55.75%
Application of cash and investments	8 970	-	8 261	12 905	100.00%	56.21%
Balance - surplus (shortfall)	23 306	18 012	15 312	23 811	32.20%	55.50%
Asset management						
Asset register summary (WDV)	54 218	54 875	54 333	54 233	-1.17%	-0.18%
Depreciation & asset impairment	3 254	3 101	3 102	3 669	18.32%	18.29%
Renewal of Existing Assets	3 576	344	1 226	2 387	593.77%	94.61%
Repairs and Maintenance	69 088	83 837	87 155	80 139	-4.41%	-8.05%



Financial Performance of Operational Services							R '000
Description	2016/17	2017/18			2017/18 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Waste Management	3 315	3 192	3 151	2 919	-9.37%	-7.96%	
Component A: sub-total	3 315	3 192	3 151	2 919	-9.37%	-7.96%	
Roads	66 952	79 946	79 946	81 276	1.64%	1.64%	
Component B: sub-total	66 952	79 946	79 946	81 276	1.64%	1.64%	
Planning	1 475	1 713	1 367	1 086	-57.80%	-25.90%	
Component C: sub-total	1 475	1 713	1 367	1 086	-57.80%	-25.90%	
Human Development	-	-	-	-	-	-	
Component D: sub-total	-	-	-	-	-	-	
Environmental Mangement	1 830	2 367	2 473	2 072	-14.25%	-19.37%	
Component E: sub-total	1 830	2 367	2 473	2 072	-14.25%	-19.37%	
Health	11 955	13 626	13 023	12 401	-9.88%	-5.01%	
Component F: sub-total	11 955	13 626	13 023	12 401	-9.88%	-5.01%	
Fire Services and Disaster Management	20 524	23 688	26 087	25 748	8.00%	-1.32%	
Component G: sub-total	20 524	23 688	26 087	25 748	8.00%	-1.32%	
Sport and Recreation	13 452	12 947	15 903	17 574	26.33%	9.51%	
Component H: sub-total	13 452	12 947	15 903	17 574	26.33%	9.51%	
Executive & Council	11 755	10 722	10 727	11 624	7.75%	7.72%	
Internal Audit	1 118	1 157	1 184	1 137	-1.81%	-4.15%	
Financial Services	20 898	16 822	21 360	19 994	15.87%	-6.83%	
Human Resource Services	1 751	1 942	2 677	1 924	-0.92%	-39.13%	
Support Services	6 397	8 847	8 287	6 714	-31.78%	-23.43%	
Performance Management	550	1 515	1 555	1 336	-13.46%	-16.41%	
ICT Services	-	1 726	2 764	2 627	34.28%	-5.22%	
Component G: sub-total	42 469	42 732	48 553	45 355	5.78%	-7.05%	
Total Expenditure	161 971	180 212	190 504	188 430	4.36%	-1.10%	

5.2 GRANTS

COMMENT ON OPERATING TRANSFERS AND GRANTS

The Municipality received grants from the National and Provincial Government during the 2017/2018 financial year.

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 future.

Appendix J indicates conditional grants received.



Grants Received From Sources Other Than Division of Revenue Act (DoRA)				
Details of Donor	Actual Grant 2016/17	Actual Grant 2017/18	Date Grant terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals				
SETA	166 010	137 348	On-going	Training as per WSP
Municipal Disaster Management		90 000	Once-off	Provincial allocation for disaster management
MFIP	400 000	500 000	Once-off	Funding for various MFMA improvement and compliance projects
mSCOA Support Grant	220 000	280 000	Once-off	Funding for implementation of mSCOA regulation
Asset Management	800 000		Once-off	Development of an asset Management framework (District)
Human Capacity Building	60 000	66 000	Once-off	Provincial allocation for capacity building
Municipal Services Delivery and Capacity Building	120 000	240 000	Once-off	Provincial allocation for bursaries for financial student
CDW Operational Support	75 000	56 000	Once-off	Provincial allocation for community development workers
Greenest Municipality	70 000	70 000	Once-off	Provincial allocation
Fire Services Capacity Building	2 200 000	800 000	Once-off	Provincial allocation for Fire Services Capacity Building
Municipal Finance Management Internship Program	400 000		Once-off	Provincial allocation for capacity building
ICT Shared Services	400 000		30/06/2018	Provincial allocation for Shared Services investigation

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

Asset Management 2017/18						
R thousands	2014/15	2015/16	2016/17	2017/18		
	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjustment budget	Audited outcome
Capital expenditure on new assets by Asset Class/Sub-class						
Infrastructure	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-
Community	-	93	-	-	3 000	-
Heritage assets	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other assets	1 646	167	1 182	877	3 423	2 945
Agricultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Intangibles	99	99	174	-	33	-
TOTAL CAPITAL EXPENDITURE ON NEW ASSETS	1 745	360	1 357	877	6 456	2 945
Capital expenditure on renewal/upgrading of existing assets by Asset Class/Sub-class						
Infrastructure	-	88	-	-	24	-
Infrastructure - Road transport	-	-	-	-	24	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	88	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-
Community	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other assets	-	3 129	5 425	344	1 697	2 373
Agricultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Intangibles	-	-	-	-	553	14
Total capital expenditure on renewal/upgrading of existing assets	-	3 216	5 425	344	2 275	2 387
Total capital expenditure						
Infrastructure	-	88	-	-	24	-
Infrastructure - Road transport	-	-	-	-	24	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	88	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-
Community	-	93	-	-	3 000	-
Other assets	1 646	3 296	6 607	1 221	5 120	5 318
Intangibles	99	99	174	-	587	14
Total capital expenditure - asset class	1 745	3 576	6 782	1 221	8 731	5 332
Asset register summary						
Infrastructure	24 678	22 119	20 419	11 827	11 101	17 776
Infrastructure - Road transport	560	402	2 344	344	2 214	2 200
Infrastructure - Electricity	366	332	382	382	349	358
Infrastructure - Water	1 078	1 040	1 019	1 019	982	956
Infrastructure - Sanitation	5 970	5 726	2 986	4 986	2 686	2 802
Infrastructure - Other	16 705	14 619	13 689	5 096	4 871	11 460
Community	1 127	1 210	30	1 791	3 015	29
Investment properties	1 253	261	261	-	-	1 199
Other assets	25 760	26 695	32 065	31 566	34 704	34 841
Intangibles	314	352	450	167	956	388
TOTAL ASSET REGISTER SUMMARY	53 131	50 636	53 226	45 352	49 776	54 233
EXPENDITURE OTHER ITEMS						
Depreciation & asset impairment	2 355	2 747	3 254	3 101	3 101	3 695
Repairs and Maintenance by asset class	55 342	72 893	69 088	83 837	88 587	80 139
Infrastructure	48 951	48 951	48 951	48 951	48 951	48 951
Infrastructure - Road transport	48 414	64 609	60 191	79 265	79 320	71 376
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-
Infrastructure - Other	538	1 947	548	-	1 589	569
Community	-	-	-	-	-	-
Other assets	6 391	6 337	8 349	4 572	7 678	8 194
TOTAL EXPENDITURE OTHER ITEMS	57 697	75 640	72 342	86 938	91 688	83 833



CHAPTER 5

COMMENT ON ASSET MANAGEMENT

Maintenance of the assets of the municipality is not satisfactory 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, however the municipality is in the process replacing these vehicles and equipment. Another concern is the infrastructure assets at the resorts.

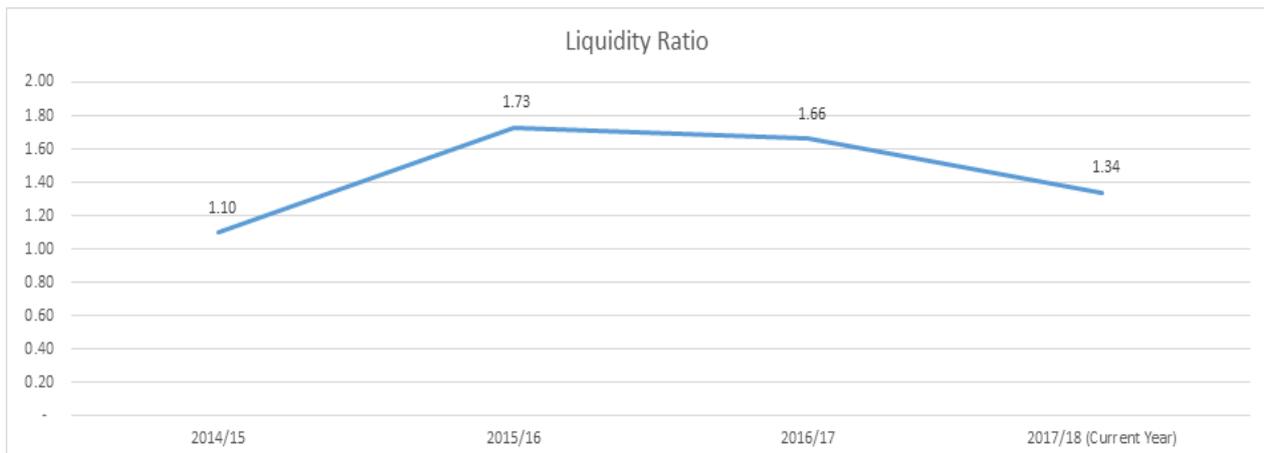
Repair and Maintenance Expenditure: 2017/2018				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	83 837	87 155	80 139	-4,41%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

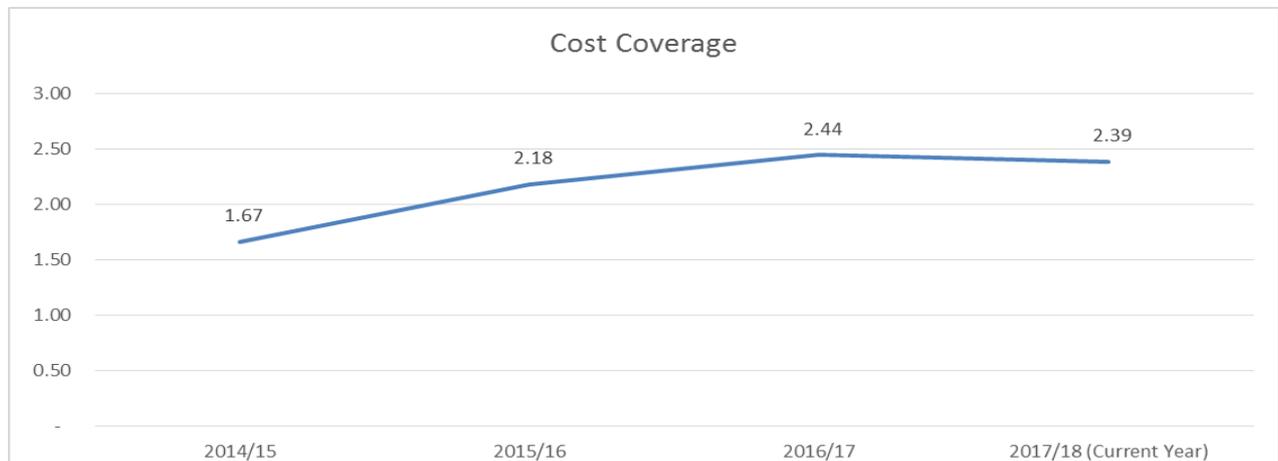
The under spending on repairs and maintenance relates mainly to the Roads agency function.

It is important to note that most of the repairs and maintenance reported are for the roads agency function and not for the municipality's own assets

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

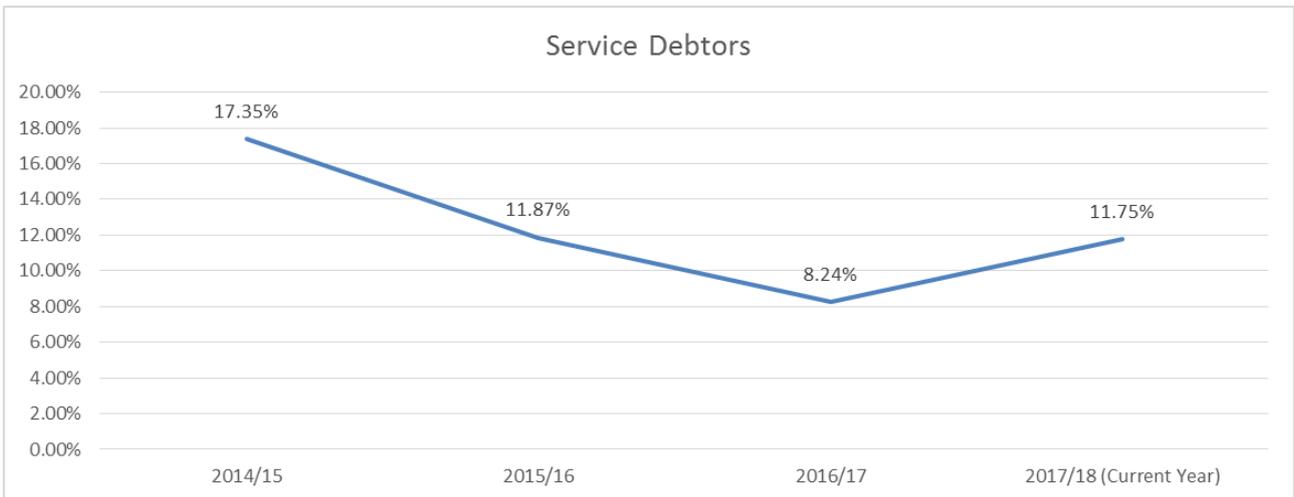


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

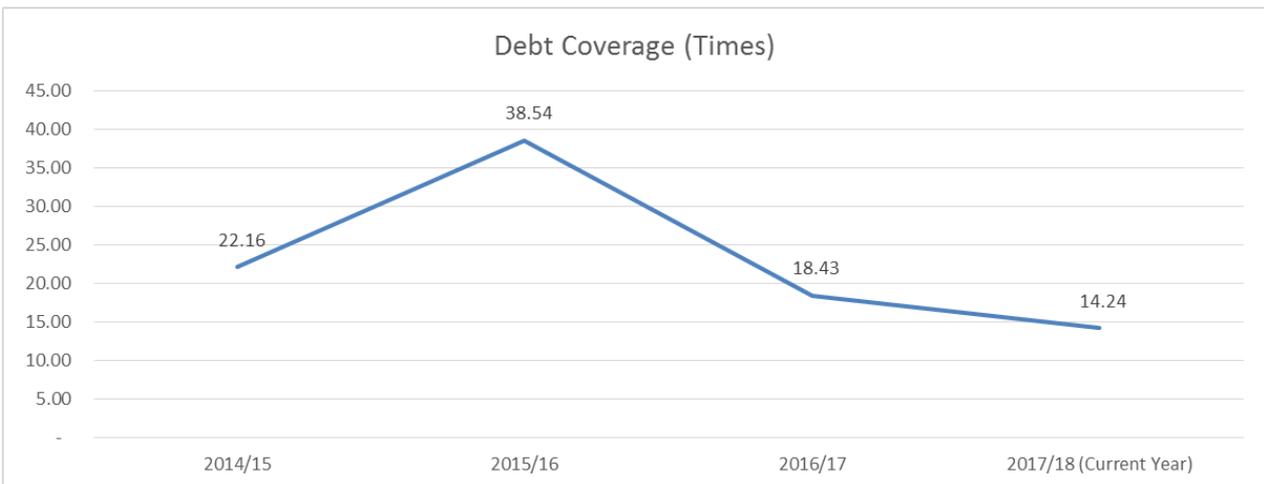


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants

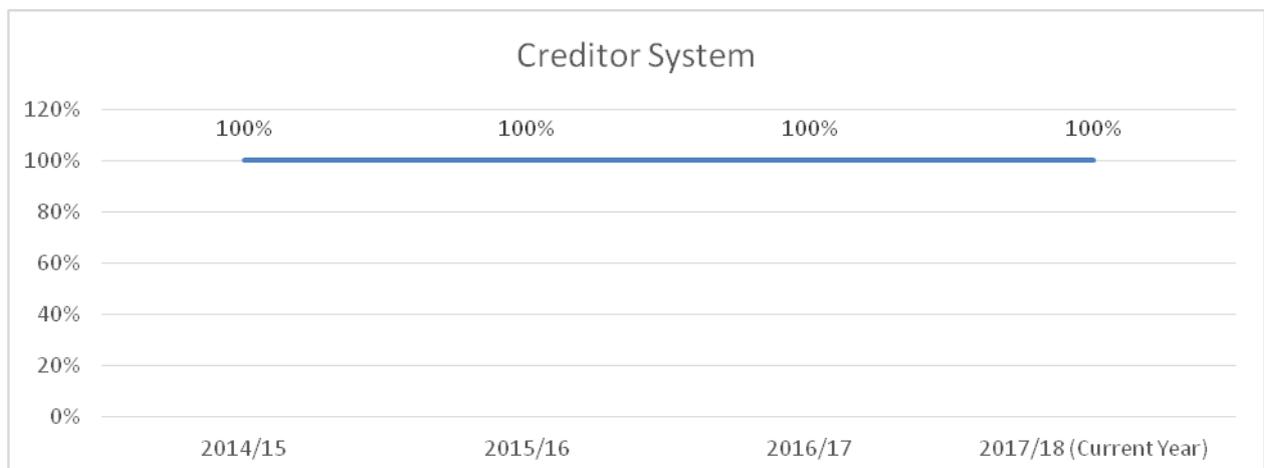




Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

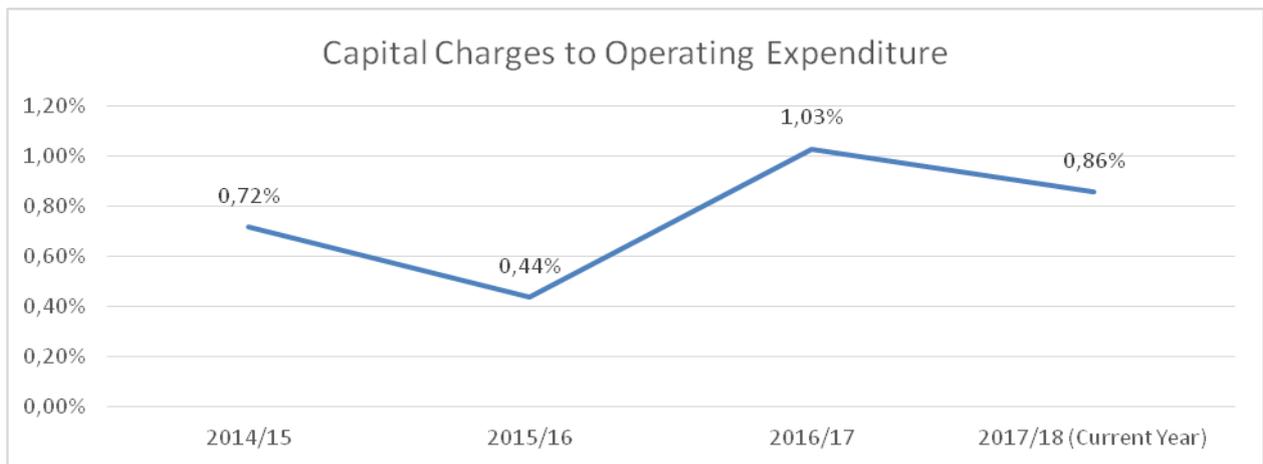


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

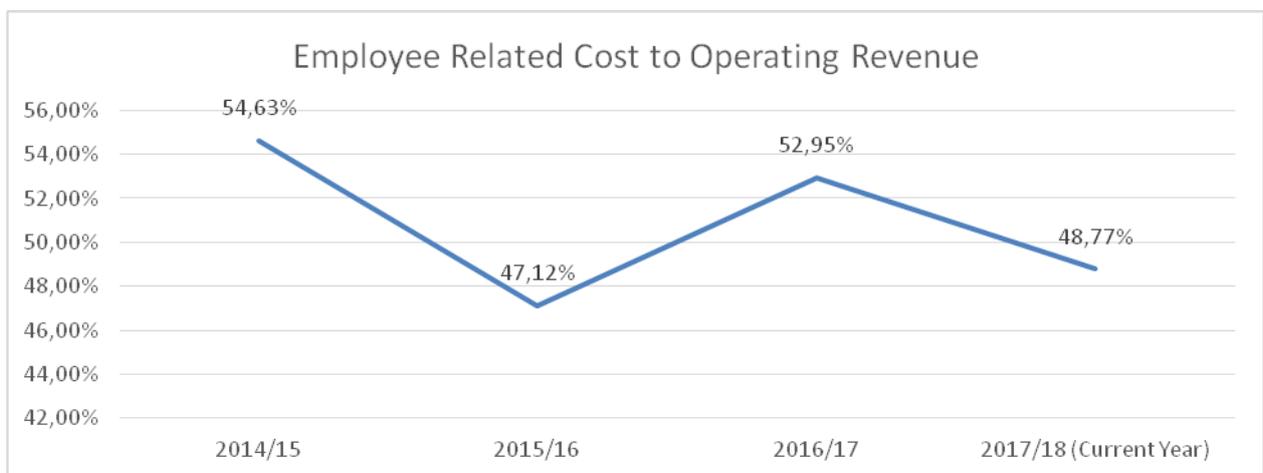


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

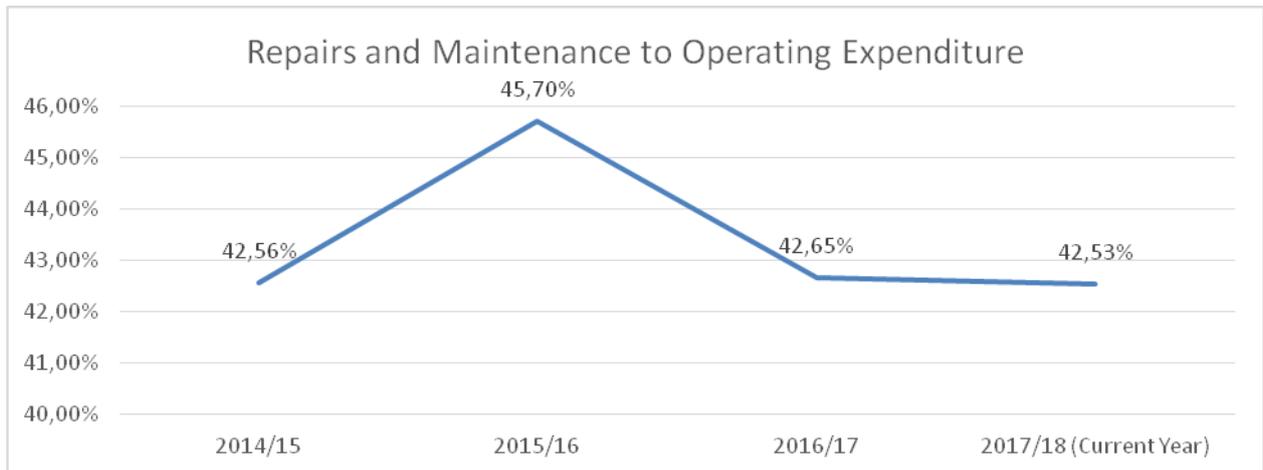




Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.



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



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance by total operating expenditure.

COMMENT ON FINANCIAL RATIOS

The liquidity ratio is steadily improving from year to year. 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 has a huge influence on expenditure incurred. The services debtors’ ratio increased significantly due to an outstanding debtor at year end for fire services rendered to a Local Municipality. The municipality managed to decrease the % spent on employee related cost.



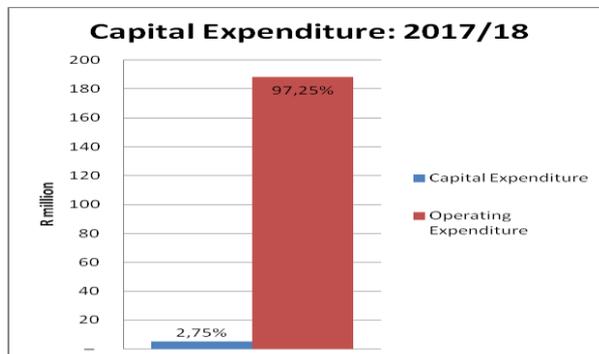
CHAPTER 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

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

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 2016/17 to 2017/18							R' 000
Details	2016/17	2017/18					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	2 074				0,00%	0,00%	
Public contributions and donations	111				0,00%	0,00%	
Grants and subsidies	2 303	800	960	890	20,00%	11,25%	
Other	2 293	421	3 510	4 442	734,06%	955,59%	
Total	6 782	1 221	4 470	5 332	266,13%	336,75%	
Percentage of finance							
External loans	30,59%	0,00%	0,00%	0,00%	0,00%	0,00%	
Public contributions and donations	1,63%	0,00%	0,00%	0,00%	0,00%	0,00%	
Grants and subsidies	33,96%	65,53%	21,48%	16,69%	7,52%	3,34%	
Other	33,82%	34,47%	78,52%	83,31%	275,83%	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				6	0,00%	0,00%	
Other	6 782	1 221	4 470	5 326	266,13%	336,30%	
Total	6 782	1 221	4 470	5 332	266,13%	336,75%	
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%	0,11%	0,00%	0,00%	
Other	100,00%	100,00%	100,00%	99,89%	100,00%	99,86%	

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 and grant funding.

As per the Service level agreement between the municipality, Theewaterskloof and Overstrand Municipality, work performed by Overstrand in the development of Karwyderskraal was transferred to Overberg District Municipality. The municipality classified this as Work in Progress in the financial statements.



CHAPTER 5

The municipality managed to procure a Fire brigade vehicle and second hand vehicles from City of Cape Town to enhance service delivery.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS

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

Appendix L refers to capital programme per by department

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Not applicable.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

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

5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2016/17	2017/18		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Service charges	802	550	550	73
Other revenue	28 150	27 835	29 274	28 979
Government - operating	124 710	142 799	143 645	150 472
Government - capital	2 303	800	960	890
Interest	2 311	1 400	1 400	2 937
Dividends				
Payments				
Suppliers and employees	(141 995)	(169 950)	(181 463)	(173 603)
Finance charges	(495)	(323)	(338)	(406)
Transfers and Grants	(120)			(120)
NET CASH FROM/(USED) OPERATING ACTIVITIES	15 666	3 110	(5 972)	9 221
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE			2 615	1 537
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(4 596)	(1 221)	(4 470)	(5 332)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 596)	(1 221)	(1 854)	(3 795)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(1 169)	(907)	(876)	(1 206)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 169)	(907)	(876)	(1 206)
NET INCREASE/ (DECREASE) IN CASH HELD	9 900	982	(8 703)	4 220
Cash/cash equivalents at the year begin:	22 376	17 029	32 276	32 276
Cash/cash equivalents at the year end:	32 276	18 012	23 574	36 496



CHAPTER 5

COMMENT ON CASH FLOW OUTCOMES

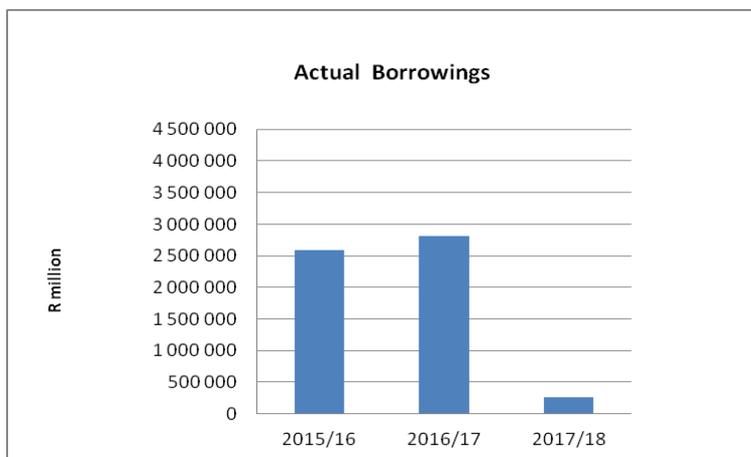
The cash flow position of the municipality remained stable during the year under review. The increase in cash balance is mainly due the advance received for the Road Agency function.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

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

Actual Borrowings 2015/16 to 2017/18			
	R' 000		
Instrument	2015/16	2016/17	2017/18
Municipality			
Long-Term Loans (annuity/reducing balance)	473	297	104
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	2 115	2 518	154
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Municipality Total	2 588	2 815	258



Municipal Investments			
	R' 000		
Investment type	2015/16	2016/17	2017/18
	Actual	Actual	Actual
Municipality			
Deposits - Bank	22 371	32 271	36 489
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	22 371	32 271	36 489



CHAPTER 5

COMMENT ON BORROWING AND INVESTMENTS

Borrowing consists of finance leases and an annuity loan. Long term portion decreased significantly due to the agreements coming to an end in the next financial year.

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.

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality has no Public Private Partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

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

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

No Councillor forms part of the bid process.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

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

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



CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

INTRODUCTION

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

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

COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2016/17

6.1 AUDITOR-GENERAL REPORT 2016/2017

Auditor-General Report on Financial Performance Year 2016/2017	
Audit Report Status*:	Unqualified without findings (Clean)
Non-Compliance Issues	Remedial Action Taken
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
Internal Control Deficiencies	Remedial Action Taken
No deficiencies in internal control were identified.	None
Emphasis of matters	Remedial Action Taken
Restatement of corresponding figures: 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 for the year ended, 30 June 2017	It was rectified during the Audit
Auditor-General report on service delivery performance 2016/17	
Audit Report Status:	Unqualified without findings (Clean)
Non-Compliance Issues	Remedial Action Taken
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.	
Achievement of planned targets: 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	

COMPONENT B: AUDITOR-GENERAL OPINION 2017/18

6.2 AUDITOR-GENERAL REPORT 2017/18

Auditor-General Report on Financial Performance Year 2017/18	
Audit Report Status*:	Unqualified without findings (Clean)
Non-Compliance Issues	Remedial Action Taken
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
Internal Control Deficiencies	Remedial Action Taken
No deficiencies in internal control were identified.	None



CHAPTER 6

Emphasis of matters	Remedial Action Taken
<p><u>Restatement of corresponding figures:</u> As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of errors discovered during the 2017-2018 financial year in the Financial statements of the municipality at, and for the year ended, 30 June 2018</p> <p><u>Underspending of grants:</u> As disclosed in note 21.08 of the financial statements, the municipality materially underspent on conditional grant by R12,9 million (2016-17: R8, 9 million).</p>	<p>It was rectified during the Audit</p> <p>This was mainly due to an advance receipt at year-end from the Western Cape Department of Transport and Public Works for the roads agency function.</p>

Auditor-General report on service delivery performance 2017/18	
Audit Report Status:	Unqualified without findings (Clean)
Non-Compliance Issues	Remedial Action Taken
<p>There were no material findings on the usefulness and reliability of the reported performance information for the selected development priorities.</p> <p>Strategic objective 1 – To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure.</p> <p>Attention is drawn to the Achievement of planned targets:</p> <p>Refer to the annual performance report on page 56-59 for information on the achievement of planned targets for the year.</p>	

AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2017/2018

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

COMMENTS ON AUDITOR-GENERAL'S OPINION 2017/2018

The municipality received an unqualified audit opinion without any findings (clean) from the Auditor-General. This recognition indicates to the citizens of the Overberg, that the municipality is well managed. 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 O - declaration of returns not made in due time.



GLOSSARY AND ACRONYMS

GLOSSARY

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



GLOSSARY AND ACRONYMS

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

ACRONYMS

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

Glossary and acronyms



GLOSSARY AND ACRONYMS

<i>DM</i>	<i>District Municipalities</i>
<i>DORA</i>	<i>Division of Revenue Act</i>
<i>EHP's</i>	<i>Environmental Health Practitioners</i>
<i>EPIP</i>	<i>Environmental Protection and Infrastructure Programme</i>
<i>EPMDS</i>	<i>Employee Performance Management and Development System</i>
<i>EPWP</i>	<i>Expanded Public Works Programme</i>
<i>FTEs</i>	<i>Full-Time Equivalents</i>
<i>GDPR</i>	<i>Gross Domestic Product Review</i>
<i>GRAP</i>	<i>Generally Recognised Accounting Practices</i>
<i>HPCSA</i>	<i>Health Profession Council South Africa</i>
<i>ICLEI</i>	<i>International Council for Local Environmental Initiative</i>
<i>ICT</i>	<i>Information and Communication Technology</i>
<i>IDP</i>	<i>Integrated Development Plan</i>
<i>IGR</i>	<i>Intergovernmental Relations</i>
<i>IIWG</i>	<i>IDP Indaba Working Group</i>
<i>IRMSA</i>	<i>Institute of Risk Managements South Africa</i>
<i>ISO</i>	<i>International Organisation for Standardisation</i>
<i>ITP</i>	<i>Integrated Transport Plan</i>
<i>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 & 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>
<i>WTM</i>	<i>World Travel Market</i>



APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	Party Represented	Percentage Council Meetings Attendance %	Percentage Apologies for non-attendance %
Andries Erwee Franken (Executive Mayor)	FT	Mayoral Committee, Council	DA	100	0
Archibald Gabriel Klaas (Deputy Mayor)	FT	Mayoral Committee / Strategic Services, Council	DA	100	0
Lincoln De Bruyn (Speaker)	FT	Council Speaker	DA	100	0
Matthys Koch (Alderman)	FT	MAYCO Member / Council / Chairperson Community Portfolio	DA	100	0
Lindile Ntsabo	PT	MAYCO Member / Council / Chairperson Corporate & IGR Portfolio	DA	87	13
Isaac Sileku	PT	Council / Corporate Portfolio member	DA	75	25
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	87	13
Charmain Resandt	PT	Council / Finance 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 / Corporate Portfolio	DA	100	0
Mario Hilton Witbooi	PT	Council / Strategic Services Portfolio	ANC	87	13
Jan Cornelius Gelderblom	PT	Council / Community Services Portfolio member	ANC	75	25
Unathi Toto Sipunzi	PT	Council / Corporate Portfolio member	ANC	62	38
Eve Catherine Marthinus	PT	Council / Finance Services Portfolio member	ANC	87	13
Ntombizine Michelle Sapepa (Alderman)	PT	Council / Corporate Services Portfolio member	ANC	75	25
Caroline Wood	PT	Council / Finance Portfolio member	ANC	75	25
Vuyiswa Elizabeth Mentile	PT	Council/ Strategic Services Portfolio member	ANC	100	0

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 in total



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)	SALGA – Governance and IGR & District Provincial Health Forums
Archibald Gabriel Klaas (Deputy Mayor)	SALGA - Municipal Innovations and Information Technology, Overstrand Liaison Committee Local Labour Forum Employment Equity Training Committee Strategic Services Portfolio
Lincoln De Bruyn (Speaker)	Speakers Forum
Matthys Koch	Drosdy Museum Swellendam Training Committee Swellendam Liaison Committee Local Labour Forum Employment Equity Community Services Portfolio Disciplinary Committee SALGA – Capacity Building and Institutional Resilience
Lindile Ntsabo	Corporate Services Portfolio Local Labour Forum Training Committee Employment Equity meeting SALGA – Capacity Building and Institutional Resilience
Isaac Sileku	SALGA – Human Settlements and Municipal Planning Farmworker Development Corporate Services Portfolio
Ronald Brinkhuys	Provincial Development Council SALGA – Environmental Planning and Climate change Firework Group Community Services Portfolio
Cornelus Marthinus Lamprecht	SALGA – Municipal Finance Finance Portfolio & Budget Steering Committee
Steven Hendrikus Fourie	Section 32 Committee Municipal Accounts Committee (MPAC) Community Services Portfolio SALGA - Public Transport
Kiro Jacobie Tiemie	SALGA : Water sanitation and waste management Caledon Museum Theewaterskloof Liaison Committee Finance Portfolio
Chairmain Resandt	Municipal Accounts Committee (MPAC) Section 32 Committee Finance Portfolio Meeting
Helena Dorothea Coetzee	SALGA - Womens Commission Bredasdorp Shipwreck Museum Strategic Services Portfolio Alleged Breaches Committee Disciplinary Committee
Evelyn Sauls	Strategic Portfolio
Moir Denise Opperman	Corporate Service Portfolio
Mario Hilton Witbooi	Strategic Service Portfolio
Jan Cornelius Gelderblom	Chairperson Municipal Accounts Committee (MPAC) Community Services Portfolio Old Harbour Museum - Hermanus
Unathi Toto Sipunzi	Training Committee & Corporate Service Portfolio
Eve Catherine Marthinus	Koggelberg Biosphere & Finance Portfolio
Ntombizine Michelle Sapepa	Corporate Service Portfolio
Caroline Wood	Section 32 Committee, Genadendal Museum & Finance Portfolio
Vuyiswa Elizabeth Mentile	Local Labour Forum Strategic Service Portfolio Employment Equity Committee Disciplinary Committee



APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees			
Municipal Committees	Purpose of Committee	Composition	Number of meetings held during the year
Section 80 Committee	The Section 80 Committees assist the Executive Mayor and Executive Mayoral Committee in respect of Community Services, Financial Services, Corporate & IGR Services and Local Economic Development & Tourism. This Committee has no statutory powers and reports to the Executive Mayoral Committee.	Councillors	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	7
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	3
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	10
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	2
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
Budget Steering Committee	To provide technical assistance to the mayor in discharging the Responsibilities set out in section 53 of the Act (MFMA)	Chairperson Finance Portfolio Committee & CFO and Management	3



APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

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

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



APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	Not applicable
Building regulations (Fire)	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	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities (Uilenkraalsmond and Die Dam Resorts)	Yes	
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution	yes	
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal	yes	
Street trading		
Street lighting		
Traffic and parking		



OVERBERG DISTRICT MUNICIPALITY: ANNUAL OVERSIGHT REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

INTRODUCTION

The Audit and Performance Audit Committee presents its report for the year ended 30 June 2018 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.

AUDIT COMMITTEE MEMBERS

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

Mr A Pienaar (Chairperson)	Mr PAL Strauss – Chairperson Appointed 28/11/2017
Mr H V Liebenberg	Mr CCC Pieterse - Appointed 28/11/2017
Mr H J Jansen van Rensburg	
Mr D M Farenhem.	

The Chairperson, Mr. A Pienaar and another member, Mr. HV Liebenberg's term in office expired on 28 November 2017, and through a recruitment process, was replaced by two new members, Mr. P A L Strauss (Chairperson) and Mr. CCC Pieterse.

MEETINGS

Committee meetings	
<u>Date</u>	<u>Reason</u>
22/8/2017	Review of annual financial statements 2016/17
29/8/2017	Quarterly meeting
20/9/2017	Auditor General's engagement letter and strategic audit plan
28/11/2017	Quarterly meeting
28/11/2017	Auditor General and Council – Review of management report and draft annual report 2016/17
20/3/2018	Quarterly meeting
20/6/2018	Quarterly meeting

AUDIT COMMITTEE RESPONSIBILITIES

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

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

- Year-end stock count report;
- Performance Management report, 3rd quarter of 2016/17;
- Performance Management report, 4th quarter 2016/17;



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- Performance Management report, 1st quarter of 2017/18;
- Performance Management report, 2nd quarter of 2017/18;
- Performance Management report, 3rd quarter of 2017/18;
- Performance Management report, Draft Annual Report;
- mSCOA Project review (2 reports) self-assessment validations;
- Report, Supply Chain Management;
- Report, Supply Chain Management (Segregation of duties)
- Report on Tariffs;
- Report on progress on Audit Plan;
- Follow up review – Risk Management;
- Report on ICT Controls;
- Report on compliance model – Eunomia Municipal manager;
- Report on compliance model – Eunomia Supply Chain Management;
- Report on verification of OPCAR;
- Division of Revenue Act.

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

- 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;
- Performance Assessments of Municipal manager and Director: management Services;
- Progress Reports on Risk management and combined assurance;
- Financial reports and quarterly reports;
- Risk Management documents;
 - Enterprise Risk management Policy;
 - Enterprise Risk management Strategy;
 - Fraud prevention plan;
 - Anti-Corruption Policy;
 - Risk Management Highlights;
- Quarterly feed-back on status of Dennehof Resort;
- Mid-year Budget and Performance Assessment report;
- Feed-back report on IIA Conference;
- Progress reports on 2017/18 audit plan and unresolved matters;
- Local Government Audit Committee Forum - Member competency framework;
- Local Government Audit Committee Forum – Guidance paper on A/C Reporting;
- 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;
- Attending Strategic session;
- Attending Fraud detection workshop;
- Combined Assurance Policy Framework;
- Approval of Risk Based Internal Audit Plan for 2018/19;
- Review and approval of:
 - Audit Committee Charter and Roles/ Responsibilities;
 - External Quality Assessment proposal/ Framework;
 - Internal Audit Charter, Strategy and work procedures.
 - Audit Policy;

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



THE EFFECTIVENESS OF INTERNAL CONTROL

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

MEETING WITH MAYCO

During the year the audit committee recommended that the Chairperson meet with the MAYCO of the Municipality to give feedback on its activities, findings and recommendations. This meeting has been scheduled for October 2018

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 and corrective measures.

Performance evaluation of Section 56/57 employees

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

The annual appraisal of 2016/17 of the Municipal Manager as well as the Director: Management Services/ CFO, was carried out by a properly constituted panel on 22 November 2017, and attended by the former Chairperson, Mr. A Pienaar. The mid-year appraisal of both the Municipal Manager and Director: Management Services/CFO for 2017/18 was carried out on 13 April 2018, and was attended by the newly appointed Chairperson, Mr. P Strauss. 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 KPI's 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 KPI's should be more outcome orientated with the focus on achievement rather than compliance.



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AUDIT REPORT

The Auditor-General issued the annual Management Report and his Final Audit Report in respect of the 2017/2018 financial year to management on 30 November 2018, and presented it to the Audit and Performance Audit Committee on 5 December 2018. 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 fourth year in succession achieved a clean audit report. The Council, Executive Mayor, Municipal Manager, Chief Financial Officer and supporting staff members are congratulated on this achievement.

THANKS

We thank the Executive Mayor and management for their cooperation and for accepting the Committee as an essential component in the structures of the municipality. We also thank Mr Flippie Coetzee and Ms Marietjie Dunn for their loyalty and assistance.

PAL STRAUSS

Chairman: Audit and Performance Audit Committee
2018



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APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE 2017/18

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2017/2018	Recommendations adopted (enter Yes) If not adopted (provide explanation)
22 August 2017	Presentation and discussions of the Annual Financial Statements for 2016/17	Yes
29 August 2017	Recommendations pertaining to Internal Audit Report on Performance Information for the 3 rd Quarter of 2016/2017.	Yes
29 August 2017	Recommendations pertaining to Internal Audit Report on Supply Chain Management for 2016/2017 financial year.	Yes
29 August 2017	Report on new Tariffs for 2017/18 financial year.	Yes
29 August 2017	Report on Year-end stock count for 2016/17 financial year.	Yes
29 August 2017	Report on mSCOA Project Review.	Yes
28 November 2017	Recommendations pertaining to Internal Audit Report on Performance Information for the 4 th Quarter of 2016/2017.	Yes
28 November 2017	Recommendations pertaining to Internal Audit Report on Risk Management for 2017/2018 financial year.	Yes
28 November 2017	Recommendations pertaining to Ad-hoc Internal Audit Report on SCM Segregation of Duties for 2017/2018 financial year.	Yes
28 November 2017	Report on Eunomia Compliance and Action Report for 2017/2018 financial year.	Yes
20 March 2018	Approval of Internal Audit Plan for 2018/2019 financial year.	Yes
20 March 2018	Recommendations pertaining to Internal Audit Report on Supply Chain Management for 2017/2018 financial year.	Yes
20 March 2018	Report on OPCAR validation and status: 2016/17 Audit.	Yes
20 March 2018	Recommendations pertaining to Internal Audit Report on Performance Information for the 1 st Quarter of 2017/2018.	Yes
20 March 2018	Observations pertaining to Internal Audit Report Follow up on Risk Management.	Yes
20 March 2018	Recommendations pertaining to Internal Audit Report on Performance Information for the 1 st Quarter of 2016/2017.	Yes
20 June 2018	Recommendations pertaining to Internal Audit Report on Eunomia Compliance Model for Supply Chain Management of 2017/18.	Yes
20 June 2018	Review on the mSCOA Project implementation checklist for 2017/18.	Yes
20 June 2018	Recommendations pertaining to the Internal Audit Report on ICT Controls for 2017/18.	Yes



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APPENDIX G – 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	Estimated monetary value R
JVZ Construction Pty. Ltd	Construction of new cell 4 at Karwyderskraal Landfill site	19/06/2018	31/03/2019	F Kotze	R 22 843 000.00
Jan Palm Consulting Engineers	Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area for a contract period ending 30 June 2019	15/08/2017	30/06/2019	F Kotze	R 2 500 000.00
Swift Silliker	Food and water sample analysis	15/07/2017	30/06/2019	R du Toit	R 569 900.00
Avis Fleet Service	Rental of Vehicles	01/04/2016	31/03/2019	A Thompson	R 979 590.00
Mubesko Africa	Accounting Services	01/07/2016	30/06/2019	W Stassen	R 443 470.00
Siyanda Business Solutions	Accounting Services	01/07/2016	30/06/2019	W Stassen	R 1 125 800.00
Altimax	Accounting Services	01/07/2016	30/06/2019	W Stassen	R 2 511 400.00
Ignite Advisory Services	Performance Management, SDBIP, Compliance electronic System and Risk Management	01/07/2016	30/06/2019	M Dunn	R 489 860.00
Hybricode Pty	Rental of Printers	01/09/2016	31/08/2019	J Snyman	R2 791 200.00
Nico Swart Consultancy Pty. Ltd	Short-term Insurance	01/09/2017	31/08/2020	W Stassen	R 400 000.00
TWK Communications	Internet, telephone, e-mail service provider	01/09/2018	31/08/2021	A Thompson	R 1 821 200.00
ABSA	Banking Service	01/07/2013	30/06/2018	CFO	R280 000.00



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APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests 2017/2018		
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, share holder, directorship, partnership
Member of MayCO	Moira Denise Opperman	Property
Member of MayCo	Helena Dorothea Coetzee	Property
Member of MayCo	Cornelius Marthinus Lamprecht	Property, Pension
Member of Mayco	Lindile Ntsabo	Nil
Councillor	Steven Hendrikus Fourie	Nil
Councillor	Kiro Jacobie Tiemie	Livestock, Share holder (building construction)
Councillor	Isaac Mubelo Sileku	Shareholder (Events Company), Pension
Councillor	Ronald Brinkhuys	Nil
Councillor	Evelyn Sauls	Nil
Councillor	Mario Hilton Witbooi	Nil
Councillor	Charmain Resandt	Property
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	Shareholder
Councillor	Jan Cornelius Gelderblom	Shareholder (Events Company), Trustee
Municipal Manager	D P Beretti	Property, Investment, Trust
CFO	J C P Tesselaar	Property, Shares, Investment Trust
Director Community Services	P A Oliver	Investment, Property



APPENDICES

APPENDIX I: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX I (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R' 000
Vote Description	2016/17	2017/18			2017/18 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Municipal Manager	8 605	9 622	12 238	11 402	15.61%	-7.32%	
Corporate Services	-	24	24	28	15.03%	15.03%	
Finance	-	64 970	66 685	70 306	7.59%	5.15%	
Community Services	-	98 769	100 208	105 224	6.13%	4.77%	
Management Services	64 772	-	-	-	-	-	
Community & Technical Services	86 037	-	-	-	-	-	
Total Revenue by Vote	159 414	173 384	179 153	186 960	7.26%	4.18%	

APPENDIX I (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	2016/2017	2017/18			2016/17 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Service charges	801	550	550	75	-635.76%	-635.76%	
Rental of facilities and equipment	13 257	10 744	12 184	15 737	31.73%	22.58%	
Interest earned - external investments	2 311	1 400	1 400	2 937	52.32%	52.32%	
Interest earned - outstanding debtors	-	0	0	-	0.00%	0.00%	
Licences and permits	171	128	128	326	60.82%	60.82%	
Agency services	8 115	8 401	8 401	9 388	10.52%	10.52%	
Government Grants and Subsidies - Operating	127 561	142 799	144 354	146 537	2.55%	1.49%	
Other revenue	4 784	8 562	8 562	9 588	10.70%	10.70%	
Gains on disposal of PPE	-	-	2 615	1 483	0.00%	0.00%	
Total Revenue (excluding capital transfers and contributions)	157 000	172 584	178 193	186 070	7.25%	4.23%	

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



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APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management	1 250	1 250	1 250	0,00%	0,00%	Interns and financial management program
EPWP Incentive	1 142	1 142	1 142	0,00%	0,00%	Extended Public Works Program
Rural Roads Asset Management Grant	2 775	2 775	2 643	-4,76%	-4,76%	Assessment on roads in the district
Roads Subsidy	79 806	79 806	86 637	8,56%	8,56%	Repairs and maintenance of roads
Seta	100	100	137	37,35%	37,35%	Training
Health Subsidy	143	144	164	14,28%	14,18%	Comprehensive Health Services
Financial Management Support Grant		780	780	100,00%	0,00%	Management Support
Greenest Municipality		70	70	100,00%	0,00%	Provincial allocation
CDW Operational Support Grant	56	56	56	0,00%	0,00%	Provincial allocation for community development workers
Local Government Graduate Internship Grant		66	66	100,00%	100,00%	Interns HR
Human Capacity Building Grant	240	240	240	0,00%	0,00%	Bursary
Fire Capacity Building Grant	800	800	800	0,00%	0,00%	Fire Services Capacity
Disaster Management Grant		90	90	100,00%	100,00%	Disaster management purposes
Total	86 313	87 319	94 076	8,99%	7,74%	



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

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

Capital Expenditure - New Assets Programme							
Description	2016/17	2017/18			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2018/19	2019/20	2020/21
R '000							
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	-	-	-
Infrastructure: Road transport - Total	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-
Infrastructure: Water - Total	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-	-
Infrastructure: Other - Total	-	-	-	-	-	-	-
<i>Waste Management</i>	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
Community - Total	-	-	100	-	-	1 400	-
<i>Parks & gardens</i>	-	-	-	-	-	-	-
<i>Sportsfields & stadia</i>	-	-	-	-	-	-	-
<i>Swimming pools</i>	-	-	-	-	-	-	-
<i>Community halls</i>	-	-	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-	-	-
<i>Recreational facilities</i>	-	-	-	-	-	-	-
<i>Fire, safety & emergency</i>	-	-	100	-	-	1 400	-
<i>Security and policing</i>	-	-	-	-	-	-	-
<i>Buses</i>	-	-	-	-	-	-	-
<i>Clinics</i>	-	-	-	-	-	-	-
<i>Museums & Art Galleries</i>	-	-	-	-	-	-	-
<i>Cemeteries</i>	-	-	-	-	-	-	-
<i>Social rental housing</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
<i>Table continued next page</i>							



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Capital Expenditure - New Assets Programme*								R '000
Description	2016/17	2017/18			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2018/19	2019/20	2020/21	
Capital expenditure by Asset Class								
Heritage assets - Total	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Investment properties - Total	-	-	-	-	-	-	-	
Housing development	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Other assets	1 182	877	3 110	2 945	3 849	221	221	
General vehicles	267	-	-	-	-	-	-	
Specialised vehicles	-	-	-	-	-	-	-	
Plant & equipment	111	845	3 021	2 794	3 698	215	215	
Computers - hardware/equipment	-	15	15	13	-	-	-	
Furniture and other office equipment	804	2	2	-	13	6	6	
Abattoirs	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	
Civic Land and Buildings	-	-	-	-	88	-	-	
Other Buildings	-	15	72	138	50	-	-	
Other Land	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventor	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Agricultural assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Biological assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Intangibles	174	-	33	-	-	-	-	
Computers - software & programming	174	-	33	-	-	-	-	
Other (<i>list sub-class</i>)	-	-	-	-	-	-	-	
Total Capital Expenditure on new asset	1 357	877	3 243	2 945	3 849	1 621	221	
Specialised vehicles	-	-	-	-	-	-	-	
Refuse	-	-	-	-	-	-	-	
Fire	-	-	-	-	-	-	-	
Conservancy	-	-	-	-	-	-	-	
Ambulances	-	-	-	-	-	-	-	



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

Capital Expenditure - Upgrade/Renewal Programme							
Description	2016/17	2017/18			Planned Capital		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2018/19	2019/20	2020/21
R '000							
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	19	-	27 477	1 615	50
Infrastructure: Road transport -Total	-	-	19	-	-	-	-
<i>Roads, Pavements & Bridges</i>			19				
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-	-	-	400	200	50
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>					400	200	50
Infrastructure: Sanitation - Total	-	-	-	-	100	-	-
<i>Reticulation</i>					100	-	-
<i>Sewerage purification</i>	-						
Infrastructure: Other - Total	-	-	-	-	26 977	1 415	-
<i>Waste Management</i>					26 977	1 415	-
<i>Transportation</i>					-	-	-
<i>Gas</i>					-	-	-
<i>Other</i>					-	-	-
Community	-	-	-	-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-	-	-	-	-	-
Buildings							
Other							

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Capital Expenditure - Upgrade/Renewal Programme								R '000
Description	2016/17	2017/18			Planned Capital			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2018/19	2019/20	2020/21	
Capital expenditure by Asset Class								
Investment properties	-	-		-	-	-	-	
Housing development								
Other								
Other assets	5 425	344	1 208	2 373	1 415	519	369	
General vehicles	2 823	-	844	740				
Specialised vehicles								
Plant & equipment			-					
Computers - hardware/equipment		152	147	182	440	197	197	
Furniture and other office equipment	2 602	117	142	136	215	72	72	
Abattoirs			-					
Markets			-					
Civic Land and Buildings			-		240	-	-	
Other Buildings		75	75	1 315	520	250	100	
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
Agricultural assets	-	-	-	-	-	-	-	
List sub-class								
Biological assets	-	-		-	-	-	-	
List sub-class								
Intangibles	-	-		14	-	-	-	
Computers - software & programming				14				
Other (list sub-class)								
Total Capital Expenditure on renewal of existing assets	5 425	344	1 226	2 387	28 892	2 134	419	
Specialised vehicles	-	-	-	-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								



APPENDICES

APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2017/2018

Capital Programme by Department: 2017/18						R' 000
Capital expenditure per department	Original Budget	Adjustment Budget	Actual	Variance (Act - OB) %	Variance (Act - Adj) %	
1.1 - Executive	15	15	16	8,09%	8,09%	
1.5 - IDP & Communication	15	15	13	-11,75%	-11,75%	
1.6 - Performance & Risk Management		15	7	100,00%	-54,31%	
3.2 - Corporate Support	18	18	45	154,69%	154,69%	
3.3 - Human Resources	2	2	1	-25,59%	-25,59%	
3.4 - Committee, Records & Councillor Support	5	50		-100,00%	-100,00%	
3.5 - Information Services		50	49	100,00%	-1,37%	
4.3 - Financial Services	21	864	758	3599,01%	-12,24%	
4.5 - Expenditure	20	20	11	-41,14%	-41,14%	
4.6 - Supply Chain Management	11	11	9	-13,13%	-13,13%	
5.3 - Municipal Health	83	33	66	-20,92%	98,90%	
5.5 - Environmental Management	28	98	25	-12,41%	-74,97%	
5.6 - Solid Waste			1 164	100,00%	100,00%	
5.7 - Emergency Services	800	3023	2 896	261,98%	-4,21%	
5.8 - LED, Tourism, Resorts & EPWP	205	302	265	29,48%	-12,12%	
5.9 - Roads			6	100,00%	100,00%	

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

Declaration of Loans and Grants made by the municipality: 2017/2018				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	2017/2018	2016/2017
Bursaries	Bursaries to non employees	Enrolled at a credited in	120 000	120 000



Report of the auditor-general to 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 4 to 105, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget 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 2018, 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, 2017 (Act No. 3 of 2017) (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 this auditor's 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) and 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 matters

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

Restatement of corresponding figures

7. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of errors discovered during the 2017-18 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Underspending of grants

8. As disclosed in note 21.08 of the financial statements, the municipality materially underspent on conditional grants by R12,9 million (2016-17: R8,9 million).

Other matters

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



Unaudited supplementary schedules

9. The supplementary information set out on pages 106 to 120 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 in the financial statements. 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 for the financial statements

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 Overberg District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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 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 this 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 the selected strategic objectives presented in the annual performance report. I performed procedures to identify 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 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



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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 strategic objective presented in the annual performance report of the municipality for the year ended 30 June 2018:

Strategic objective	Pages in the annual performance report
Strategic objective 1 – To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure	56 – 59

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.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for this strategic objective:
- Strategic objective 1 – To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 56 to 59 for information on the achievement of planned targets for the year.

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 identify 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 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. The other information does not include



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the financial statements, the auditor's report and those selected strategic objectives presented in the annual performance report that have been specifically reported in this 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 strategic objectives 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 on the other information obtained prior to the date of this auditor's report, 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 on it.
30. I did not identify any significant deficiencies in internal control.

Auditor - General

Cape Town

30 November 2018



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 objective 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 this 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 Overberg District 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 this auditor’s report. However, future events or conditions may cause a municipality to cease operating 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.



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

MFMA Section 71 Returns Not Made During Year 2017/2018 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date
None	N/A

APPENDIX P – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

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

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