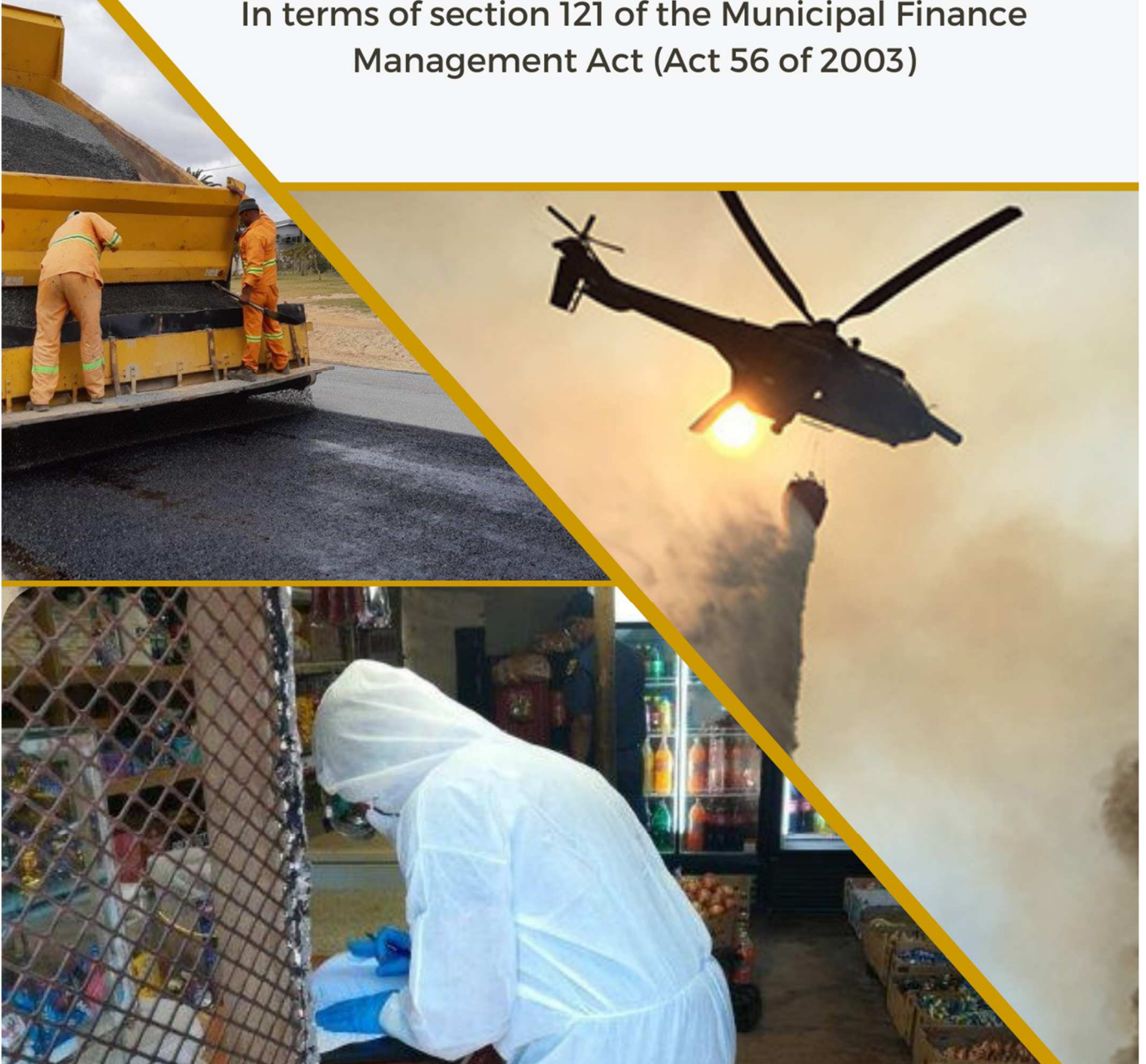




# ANNUAL REPORT 2020/21

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



**CONTENTS**

**VOLUME I**

	<b>PG</b>
<b>LIST OF TABLE &amp; FIGURES</b>	<b>3</b>
TABLES	3
FIGURES	5
<b>ACRONYMS</b>	<b>5</b>
<b>CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY</b>	<b>8</b>
<b>COMPONENT A: MAYOR’S FOREWORD</b>	<b>8</b>
<b>COMPONENT B: EXECUTIVE SUMMARY</b>	<b>10</b>
1.1 MUNICIPAL MANAGER’S OVERVIEW	10
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	11
1.3 SERVICE DELIVERY OVERVIEW	14
1.4 FINANCIAL HEALTH OVERVIEW	14
1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW	16
1.6 AUDITOR-GENERAL REPORT	17
1.7 STATUTORY ANNUAL REPORT PROCESS	17
<b>CHAPTER 2 - GOVERNANCE</b>	<b>18</b>
<b>COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE</b>	<b>18</b>
2.1 POLITICAL GOVERNANCE	18
2.2 ADMINISTRATIVE GOVERNANCE	20
<b>COMPONENT B: INTERGOVERNMENTAL RELATIONS</b>	<b>21</b>
2.3 INTERGOVERNMENTAL RELATIONS	21
<b>COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION</b>	<b>22</b>
2.4 PUBLIC MEETINGS	22
2.5 IDP PARTICIPATION AND ALIGNMENT	25
<b>COMPONENT D: CORPORATE GOVERNANCE</b>	<b>26</b>
2.6 RISK MANAGEMENT	26
2.7 ANTI-CORRUPTION AND FRAUD	28
2.8 SUPPLY CHAIN MANAGEMENT	29
2.9 BY-LAWS	30
2.10 WEBSITES	30
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	31
<b>CHAPTER 3 - SERVICE DELIVERY PERFORMANCE</b>	<b>32</b>
<b>COMPONENT A: BASIC SERVICES</b>	<b>33</b>
3.1 SOLID WASTE MANAGEMENT	33
<b>COMPONENT B: ROAD TRANSPORT</b>	<b>37</b>
3.2 ROADS	37
3.3 TRANSPORT	39
<b>COMPONENT C: PLANNING AND DEVELOPMENT</b>	<b>39</b>
3.4 PLANNING (IDP, COMMUNICATION AND SPATIAL PLANNING)	39
3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)	41
<b>COMPONENT D: COMMUNITY AND SOCIAL SERVICES</b>	<b>44</b>
<b>COMPONENT E: ENVIRONMENTAL PROTECTION</b>	<b>45</b>
3.6 POLLUTION CONTROL	45
3.7 ENVIRONMENTAL MANAGEMENT	47

<b>COMPONENT F: HEALTH</b>	<b>49</b>
3.8 MUNICIPAL HEALTH SERVICES (HEALTH INSPECTION)	49
<b>COMPONENT G: SECURITY AND SAFETY</b>	<b>51</b>
3.9 EMERGENCY SERVICES (FIRE SERVICES)	51
3.10 DISASTER MANAGEMENT	53
<b>COMPONENT H: SPORT AND RECREATION</b>	<b>54</b>
3.11 RESORTS	54
<b>COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES</b>	<b>56</b>
3.12 EXECUTIVE AND COUNCIL	56
3.13 FINANCIAL SERVICES	58
3.14 HUMAN RESOURCE SERVICES	60
3.15 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	61
3.16 SUPPORT: SUPPORT, COMMITTEE SERVICES, RECORD MANAGEMENT, LEGAL, PROPERTY MANAGEMENT, RISK MANAGEMENT, PERFORMANCE MANAGEMENT AND PROCUREMENT SERVICES	62
<b>COMPONENT J: ORGANISATIONAL PERFORMANCE</b>	<b>66</b>
<b>COMPONENT K: PERFORMANCE ASSESSMENT OF GOODS AND SERVICE PROVIDERS</b>	<b>74</b>
<b>CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE</b>	<b>79</b>
<b>COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL</b>	<b>79</b>
4.1 EMPLOYEE TOTALS; TURNOVER AND VACANCIES	79
<b>COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE</b>	<b>81</b>
4.2 POLICIES	81
4.3 INJURIES, SICKNESS AND SUSPENSIONS	82
4.4 PERFORMANCE REWARDS	83
<b>COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE</b>	<b>83</b>
4.5 SKILLS DEVELOPMENT AND TRAINING	84
<b>COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE</b>	<b>85</b>
4.6 EMPLOYEE EXPENDITURE	85
<b>CHAPTER 5 - FINANCIAL PERFORMANCE</b>	<b>87</b>
<b>COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE</b>	<b>87</b>
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	88
5.2 GRANTS	90
5.3 ASSET MANAGEMENT	92
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	94
<b>COMPONENT B: SPENDING AGAINST CAPITAL BUDGET</b>	<b>96</b>
5.5 CAPITAL EXPENDITURE	96
5.6 SOURCES OF FINANCE	97
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	97
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW	98
<b>COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS</b>	<b>98</b>
5.9 CASH FLOW	98
5.10 BORROWING AND INVESTMENTS	99
5.11 PUBLIC PRIVATE PARTNERSHIPS	100
<b>COMPONENT D: OTHER FINANCIAL MATTERS</b>	<b>100</b>
5.12 SUPPLY CHAIN MANAGEMENT	100
5.13 GRAP COMPLIANCE	100
<b>CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS</b>	<b>101</b>

<b>COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2019/2020</b>	<b>101</b>
6.1 AUDITOR-GENERAL REPORT 2019/2020	101
<b>COMPONENT B: AUDITOR-GENERAL OPINION 2020/2021</b>	<b>102</b>
6.2 AUDITOR-GENERAL REPORT 2020/2021	102
<b>GLOSSARY</b>	<b>104</b>
<b>APPENDICES</b>	<b>106</b>
<b>APPENDIX A (I) – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE</b>	<b>106</b>
<b>APPENDIX A (II) – DISCLOSURES AND FINANCIAL INTERESTS 2020/2021</b>	<b>107</b>
<b>APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES</b>	<b>108</b>
<b>APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE</b>	<b>109</b>
<b>APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY</b>	<b>110</b>
<b>APPENDIX E – REPORT OF AUDIT AND PERFORMANCE AUDIT COMMITTEE</b>	<b>111</b>
<b>APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE 2020/2021</b>	<b>114</b>
<b>APPENDIX G – LONG-TERM CONTRACTS (LARGEST CONTRACTS)</b>	<b>115</b>
<b>APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS</b>	<b>116</b>
<b>APPENDIX I – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE</b>	<b>117</b>
<b>APPENDIX I (I) – REVENUE COLLECTION PERFORMANCE BY VOTE</b>	<b>117</b>
<b>APPENDIX I (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE</b>	<b>117</b>
<b>APPENDIX J – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG</b>	<b>118</b>
<b>APPENDIX K – CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROGRAMMES</b>	<b>119</b>
<b>APPENDIX K (I) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME</b>	<b>119</b>
<b>APPENDIX K (II) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMMES</b>	<b>121</b>
<b>APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2020/2021</b>	<b>123</b>
<b>APPENDIX M – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY</b>	<b>123</b>
<b>APPENDIX N – AUDITOR-GENERAL REPORT ON FINANCIAL STATEMENTS AND PERFORMANCE REPORT 2020/2021</b>	<b>124</b>
<b>APPENDIX O – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71</b>	<b>130</b>
<b>APPENDIX P – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT</b>	<b>130</b>
<b>VOLUME II: ANNUAL FINANCIAL STATEMENTS 2020/2021</b>	<b>130</b>

<b>LIST OF TABLE &amp; FIGURES</b>	<b>PG</b>
------------------------------------	-----------

<b>TABLES</b>	
Table 1: Number of indigent households <sup>2</sup> .....	13
Table 2: Natural Resources .....	13
Table 3: Financial Overview 2020/21.....	15
Table 4: Operating Ratios .....	15
Table 5: Total Capital Expenditure: 2018/19 to 2020/21 .....	15
Table 6: Audit Opinions.....	17
Table 7: Statutory Annual Report Process .....	17
Table 8: District and Provincial integrated municipal engagements .....	22
Table 9: IDP Participation and Alignment Criteria .....	25
Table 10: Dates of Fraud & Risk Management Committee and Audit & Performance Audit Committee meetings .....	27
Table 11: Top Five Strategic Risks .....	27
Table 12: Audit committee member’s appointments.....	29
Table 13: Summary of B-BBEE awards during the financial year for formal quotations and tenders .....	30
Table 14: Website Checklist.....	30
Table 15: Implementation of the Integrated Waste Management Plan goals and objectives .....	33
Table 16: Total waste volumes per user disposed at Karwyderskraal Regional Landfill for the 2020/2021 .....	35

CONTENT

Table 17: Financial Performance: Solid Waste Management .....	35
Table 18: Capital Expenditure: Solid Waste Management .....	36
Table 19: Solid waste adjustment of actual surplus .....	36
Table 20: Gravel Roads Infrastructure .....	37
Table 21: Tar Road Infrastructure .....	37
Table 22: Cost of Roads Infrastructure .....	37
Table 23: Financial Performance: Road Services .....	38
Table 24: Capital Expenditure: Roads Services .....	38
Table 25: Joint District / Metro Approach – project implementation .....	39
Table 26: Financial Performance: Planning Services .....	40
Table 27: Capital Expenditure: Planning .....	41
Table 28: List of initiatives which were rolled-out .....	41
Table 29: Overberg: GDPR performance per sector <sup>3</sup> .....	42
Table 30: GDPR forecast per sector, Overberg District, 2020 – 2021 (%) .....	43
Table 31: Section 30 Incidents .....	45
Table 32: Atmospheric Emission License Holders .....	46
Table 33: Environmental Management - EPWP projects .....	48
Table 34: Financial Performance: Environmental Management .....	49
Table 35: Capital Expenditure: Environmental Management .....	49
Table 36: Financial Performance: Municipal Health .....	50
Table 37: Capital Expenditure: Municipal Health .....	51
Table 38: Fire Services Data .....	52
Table 39: Financial Performance: Emergency Services .....	52
Table 40: Capital Expenditure: Emergency Services .....	52
Table 41: Resorts Occupancy Rate .....	55
Table 42: Financial Performance: LED, Tourism, Resorts and EPWP .....	56
Table 43: Capital Expenditure: LED, Tourism, Resorts and EPWP .....	56
Table 44: Financial Performance: The Executive and Council .....	57
Table 45: Capital Expenditure: The Executive and Council .....	57
Table 46: Financial Performance: Internal Audit .....	58
Table 47: Capital Expenditure: Internal Audit .....	58
Table 48: Debt Recovery .....	59
Table 49: Financial Performance: Financial Services .....	59
Table 50: Capital Expenditure: Financial Services .....	60
Table 51: Financial Performance: Human Resources Services .....	60
Table 52: Capital Expenditure: Human Resources Services .....	61
Table 53: Financial Performance: ICT .....	62
Table 54: Capital Expenditure: ICT .....	62
Table 55: Financial Performance: Support Services .....	64
Table 56: Capital Expenditure Support .....	65
Table 57: Service providers assessed during the year .....	74
Table 58: Employees Total .....	79
Table 59: Occupational Levels .....	80
Table 60: Turn-over Rate .....	80
Table 61: Human Resources Policies and Plans .....	81
Table 62: Number of days leave for Injuries on Duty .....	82
Table 63: Number of days of Sick Leave (excluding injuries on duty) .....	82
Table 64: Suspensions .....	83
Table 65: Disciplinary Action Taken on Cases of Financial Misconduct .....	83
Table 66: Skills Matrix .....	84
Table 67: Financial Competency Development: Progress Report .....	84
Table 68: Employees appointed to posts not approved .....	86
Table 69: Financial Summary .....	88
Table 70: Financial Performance of Operational Services .....	89
Table 71: Grant Performance .....	90
Table 72: Grants Received from Sources other than Division of Revenue Act .....	91
Table 73: Asset Management 2020/2021 .....	92
Table 74: Repair and Maintenance Expenditure: 2020/21 .....	93
Table 75: Capital Expenditure - Funding Sources: 2019/20 to 2020/21 .....	97

## CONTENT

Table 76: Capital Expenditure of 5 largest projects .....	97
Table 77: Cash Flow Outcomes.....	98
Table 78: Actual Borrowings: Year 2018/19 to 2020/21.....	99
Table 79: Municipal Investments.....	100
Table 80: Auditor-General Report on Financial Performance Year 2019/2020.....	101
Table 81: Auditor-General Report on Service Delivery Performance 2019/2020 .....	101
Table 82: Auditor-General Report on Financial Performance Year 2020/2021 .....	102
Table 83: Auditor-General Report on Service Delivery Performance 2020/2021 .....	102

## FIGURES

Figure 1: Map - Overberg District .....	11
Figure 2: Overberg: At a Glance.....	12
Figure 3: Person indicators .....	13
Figure 4: Total Capital Expenditure.....	16
Figure 5: Macro Organisational Structure .....	16
Figure 6: Combined Assurance Framework.....	27
Figure 7: Performance per Strategic Objective.....	32
Figure 8: Projected vs estimated available air space for Cell 4.....	34
Figure 9: Roads Infrastructure Costs.....	38
Figure 10: The top activities undertaken by visitors in die Overberg District in 2019 <sup>4</sup> .....	43
Figure 11: Geographical distribution of Atmospheric Emission License holders.....	46
Figure 12: Development applications assessed per sector.....	48
Figure 13: COVID-19 cases in the Overberg December 2020 – June 2021 .....	53
Figure 14: Average number of days sick leave.....	82
Figure 15: Workforce Expenditure Trend .....	85
Figure 16: Management of Assets – Repair & Maintenance and Depreciation & Asset Impairment over Total Assets ....	93
Figure 17: Repair and Maintenance (Excl. Roads) over Operating Expenditure.....	93
Figure 18: Liquidity Ratio .....	94
Figure 19: Cost Coverage Ratio.....	94
Figure 20: Service Debtors Ratio.....	94
Figure 21: Debt Coverage Ratio .....	95
Figure 22: System Efficiency Ratio .....	95
Figure 23: Capital Charges to Operating Expenditure Ratio .....	95
Figure 24: Employee Related Cost to Operating Revenue.....	96
Figure 25: Capital Expenditure 2019/2020 .....	96
Figure 26: Actual Borrowing .....	99

## ACRONYMS

<i>AEL</i>	<i>Atmospheric Emission License</i>
<i>AFS</i>	<i>Annual Financial Statements</i>
<i>AG</i>	<i>Auditor-General</i>
<i>ALD</i>	<i>Alderman</i>
<i>ANC</i>	<i>African National Congress</i>
<i>ASB</i>	<i>Accounting Standards Board</i>
<i>APAC</i>	<i>Audit and Performance Audit Committee</i>
<i>CDW</i>	<i>Community Development Worker</i>
<i>CFO</i>	<i>Chief Financial Officer</i>
<i>CLLR</i>	<i>Councillor</i>
<i>COMAF</i>	<i>Communication of Audit Finding</i>
<i>COSO</i>	<i>Committee of Sponsoring Organisations of the Treadway Commission</i>
<i>CommTech</i>	<i>Communications Technical</i>
<i>CPD</i>	<i>Continuing Professional Development</i>
<i>CRO</i>	<i>Chief Risk Officer</i>

## CONTENT

<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>DFFE</i>	<i>Department of Forestry, Fisheries and Environment</i>
<i>DFRI</i>	<i>District Funding Research Initiative</i>
<i>DDM</i>	<i>District Development Model</i>
<i>DLG</i>	<i>Department Local Government</i>
<i>DM</i>	<i>District Municipalities</i>
<i>DORA</i>	<i>Division of Revenue Act</i>
<i>DPW</i>	<i>Department Public Works</i>
<i>DSD</i>	<i>Department Social Development</i>
<i>DTPW</i>	<i>Department of Transport and Public Works</i>
<i>DWS</i>	<i>Department of Water and Sanitation</i>
<i>ECD</i>	<i>Early Childhood Development</i>
<i>EHP's</i>	<i>Environmental Health Practitioners</i>
<i>EPIP</i>	<i>Environmental Protection and Infrastructure Programme</i>
<i>EPMDS</i>	<i>Employee Performance Management and Development System</i>
<i>EPWP</i>	<i>Expanded Public Works Programme</i>
<i>FTEs</i>	<i>Full-Time Equivalents</i>
<i>FARMC</i>	<i>Fraud and Risk Management Committee</i>
<i>GDPR</i>	<i>Gross Domestic Product Review</i>
<i>GRAP</i>	<i>Generally Recognised Accounting Practices</i>
<i>GBV</i>	<i>Gender Base Violence</i>
<i>HAZMAT</i>	<i>Hazardous materials</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>IWMP</i>	<i>Integrated Waste Management Plan</i>
<i>JDA</i>	<i>Joint District Approach</i>
<i>JDMA</i>	<i>Joint District &amp; Metro Approach</i>
<i>JOC</i>	<i>Joint Operational Centre</i>
<i>KPI</i>	<i>Key Performance Indicator</i>
<i>Km</i>	<i>Kilometre</i>
<i>LAB</i>	<i>Local Action for Biodiversity</i>
<i>LED</i>	<i>Local Economic Development</i>
<i>LG</i>	<i>Local Government</i>
<i>LG MTEC</i>	<i>Local Government Medium Term Expenditure Committee</i>
<i>LGSETA</i>	<i>Local Government Sector Education and Training Authority</i>
<i>LLF</i>	<i>Local Labour Forum</i>
<i>LM</i>	<i>Local Municipality</i>
<i>LTO</i>	<i>Local Tourism Offices</i>
<i>MCC</i>	<i>Municipal Coastal Committee</i>
<i>MEC</i>	<i>Member of the Executive Council</i>
<i>MERO</i>	<i>Municipal Economic Review and Outlook</i>
<i>MFIP</i>	<i>Municipal Financial Improvement Program</i>
<i>MFMA</i>	<i>Municipal Finance Management Act</i>
<i>MGRO</i>	<i>Municipal Governance Review &amp; Outlook</i>
<i>MHS</i>	<i>Municipal Health Services</i>
<i>MIG</i>	<i>Municipal Infrastructure Grant</i>

## CONTENT

<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>MTREF</i>	<i>Medium Term Budget and. Expenditure Framework</i>
<i>Munics</i>	<i>Municipalities</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>NFEPA</i>	<i>National Freshwater Ecosystem Priority Areas</i>
<i>ODM</i>	<i>Overberg District Municipality</i>
<i>PAA</i>	<i>Public Audit Act</i>
<i>PACA</i>	<i>Participatory Appraisal of Competitive Advantage</i>
<i>PAEL</i>	<i>Provincial Atmospheric Emission license</i>
<i>PDOs</i>	<i>Predetermined Development Objectives</i>
<i>PPE</i>	<i>Property Plant and Equipment</i>
<i>PPP</i>	<i>Public Private Partnership</i>
<i>PG</i>	<i>Page</i>
<i>PT</i>	<i>Provincial Treasury</i>
<i>Rep/PPCOMM</i>	<i>Representative Public Participation and Communication Forum</i>
<i>RED</i>	<i>Regional Economic Development</i>
<i>RRAMS</i>	<i>Rural Roads Asset Management System</i>
<i>RSC</i>	<i>Regional Service Council</i>
<i>RTO</i>	<i>Regional Tourism Office</i>
<i>SALGA</i>	<i>South African Local Government Association</i>
<i>SALGBC</i>	<i>South African Local Government Bargaining Council</i>
<i>SANS</i>	<i>South African National Standard</i>
<i>SANDF</i>	<i>South African National Defence Force</i>
<i>SARS</i>	<i>South African Revenue Services</i>
<i>SAPS</i>	<i>South African Police Service</i>
<i>SCM</i>	<i>Supply Chain Management</i>
<i>SDF</i>	<i>Spatial Development Framework</i>
<i>SDBIP</i>	<i>Service Delivery and Budget Implementation Plan</i>
<i>SEP</i>	<i>Socio Economic Profile</i>
<i>SMMEs</i>	<i>Small, Micro and Medium Enterprises</i>
<i>SPLUMA</i>	<i>Spatial Planning and Land Use Management Act</i>
<i>TWK</i>	<i>Theewaterskloof</i>
<i>VAT</i>	<i>Value added tax</i>
<i>WC</i>	<i>Western Cape</i>
<i>WCED</i>	<i>Western Cape Education Department</i>
<i>WCG</i>	<i>Western Cape Government</i>
<i>WCDIF</i>	<i>Western Cape District Integrated Forum</i>
<i>WESGRO</i>	<i>Western Cape Tourism, Trade and Investment Promotion Agency</i>
<i>WOs</i>	<i>Work Opportunities</i>
<i>WOSA</i>	<i>Whole of Society Approach</i>
<i>WTM</i>	<i>World Travel Market</i>
<i>YCOP</i>	<i>Young Civilians on Patrol</i>



COMPONENT A: MAYOR’S FOREWORD



It gives me great pleasure to present the 2020/2021 Annual Report for the Overberg District Municipality.

**Vision**

Overberg – the opportunity gateway to Africa through sustainable services

**Mission**

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

**Policy Development**

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

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

- **SG 1** To ensure well-being of all in the Overberg through the provision of **efficient basic services and infrastructure**.
- **SG 2** To **promote regional economic development** by supporting initiatives in the district for the development of a sustainable district economy.
- **SG 3** To ensure **municipal transformation and institutional development** by creating a staff structure that would adhere to the principles of employment equity and promote skills development.
- **SG 4** To attain and maintain **financial viability** and sustainability by executing accounting services in accordance with National policy and guidelines.
- **SG 5** To ensure **good governance practices** by providing a democratic and pro-active accountable government and ensuring **community participation** through Intergovernmental relation 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 an unqualified audit (Clean) for the year under review. This achievement is the result of proper and sound financial discipline, good governance and performance systems.

**Key Service Delivery Improvements**

Some of the key achievements during the year included: The Municipality developed a draft policy for Social Development, with the aim of providing strategic guidance in terms of functions, mandates, and ways of engaging the community. The development of an Economic Recovery Plan resulted in the recovering of jobs losses caused by the COVID-19 pandemic. This was done through the implementation of short-term initiatives. A successful LED/SCM open day was held in collaboration with Swellendam Municipality. This initiative aims to empower the community to do business with government. An Overberg Climate Change and Biodiversity Forum was established to support local municipalities in terms of climate change and biodiversity. A training centre was established at the Emergency Department at Bredasdorp. The first focus will be on fire safety training leading up to the summer fire season. The Municipality maintained a high standard in the operation of Karwyderskraal Regional Landfill Site and the compliance with the license conditions.

Despite the many challenges of the Covid-19 pandemic, the Municipality has managed to provide an uninterrupted service to our customers by executing our functions. The District Joint Operations Centre was managed responsibly and effectively to create a healthy and safe environment for all our citizens.

### **Public Participation**

Public Participation is of utmost importance to our District and therefore we created an opportunity for our clients, the four Local Municipalities and other stakeholders through various platforms. However, traditional public participation processes were compromised by the COVID-19 pandemic and the Municipalities were challenged in respect of public representations as documents could not be published at the usual community access points. Municipalities were therefore obliged to improvise and seek alternative methods of communicating with stakeholders and communities at large. Social media platforms and online platforms were therefore optimally utilised to invite public representations.

### **Agreements/Partnerships**

Partnerships were established and maintained during the year under review. The district will continue to build on strategic partnerships through the Joint District/Metro Approach which will rebuild the economy and improve the livelihoods of residents in the Overberg. Strategic partnerships also exist with the Greater Overberg Fire Protection Association, Working on Fire, National Sea Rescue Institute, Commercial Agricultural and private sector. Partnerships with various stakeholders were formed in order to integrate environmental planning, implementation and funding for such as climate change and alien vegetation clearing.

### **Future Actions**

The COVID-19 pandemic has had an overwhelmingly negative effect on the economic and social life of all in the Overberg. An Economic Recovery Plan was developed for the district, with a strong focus on:-

- Job creation and economic development.
- Community Safety.
- Dignity and well-being of our citizens.

The Municipality will address these focus areas by means of identified projects and programs through its Supply Chain Management mechanisms, job creation programs and by empowering SMME's through LED/SCM open days.

### **Conclusion**

I want to convey my sincere gratitude to all Councillors and the members of the external Audit and Performance Audit Committee for their effective oversight of the Municipality's operations. Without your invaluable inputs, we would have not achieved what we have achieved. To our partners in provincial and national government and our communities, thank you for the unfailing support. To the administration, for your contribution and diligence to serve the Municipality and our communities and stakeholders.

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

1.1 MUNICIPAL MANAGER'S OVERVIEW



This Annual Report provides an overview of the performance and progress made by the Overberg District Municipality in fulfilling its strategic objectives and priorities, as aligned with the Integrated Development Plan (IDP), Budget as well as National and Provincial Government strategic directives.

Reflecting on the 2020/2021 financial year, this report captures the considerable effort made by the Overberg District Municipality to advance the efficiency and effectiveness of service rendering to the community and stakeholders.

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

The past year offered some unique challenges. The Municipality mitigate the risks caused by the COVID-19 pandemic to ensure that the impact on doing business is low. For a greater part of the year, alternative methods such as working from home were implemented, but with the announcement of Lockdown level 1 all staff return to office. The municipality continues to conduct its meetings and contact sessions on a virtual platform as far as possible.

The Municipality is mainly dependent on government grants and support. The total revenue received for the 2020/2021 financial year amounted to R255,2 million, with a total expenditure of R248,6 million, resulting in a net surplus of R6.6 million. The total liabilities of the Municipality amounted to R120,7 million (current liabilities R43 million, long-term liabilities R77,7 million). The overall status of the financial health for the Municipality continues to reflect positively. This is largely due to the cash balances at year-end, the net surplus, favorable liquidity and solvency positions as well as the Municipality's ability to effectively manage its working capital. Building on the successes of the past, the Municipality achieved an unqualified audit (Clean) opinion.

Considering the economic, social and financial realities in the area we have to implement innovative strategies to address the socio-economic and infrastructure challenges, without compromising the financial viability and sustainability of the Municipality. A strong focus will certainly be to further strengthen strategic partnerships and merging of resources in order to create an enabling policy environment that will facilitate development and establish an effective and efficient administration that will continue to respond to the needs of the community.

To strengthen our partnership in the Joint District and Metro (JDMA) approach process. The key principle of the JDMA is collaboration, which entails co-planning, co-budgeting and co-implementation.

Fire services are delivered on a shared service and a co-operative model to the local municipalities in the district. The Risk Management function is also provided through a shared services function to three local municipalities.

The Risk Management Committee, under the leadership of the Municipal Manager, meet quarterly as well as the Audit and Performance Audit Committee. During the financial year, formal risk assessments of all departments were completed and measured to mitigate all identified risks affecting the Municipality. The risks were included in a Risk-Based Action Plan for monitoring and management purposes.

The Municipality remains committed to an accountable and ethical governance with no tolerance towards fraud and corruption. I am proud to state that there was no mismanagement of funds during the year under review and consider the Administration to be committed and competent.

Lastly, I would like to extend my sincere appreciation to the Executive Mayor, Council and all our officials and stakeholders for their support and commitment to the Overberg District Municipality.

**Nantes Kruger**  
**Acting 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 is bordered by the Indian and Atlantic Oceans to the south, and Cape Town (Cape Metro), Cape Winelands District and Garden Route District to the west, north and east respectively. The District covers 12,241 square kilometers and is known for its coastline and vast farmlands. The Overberg District Municipality's head office is in Bredasdorp.

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





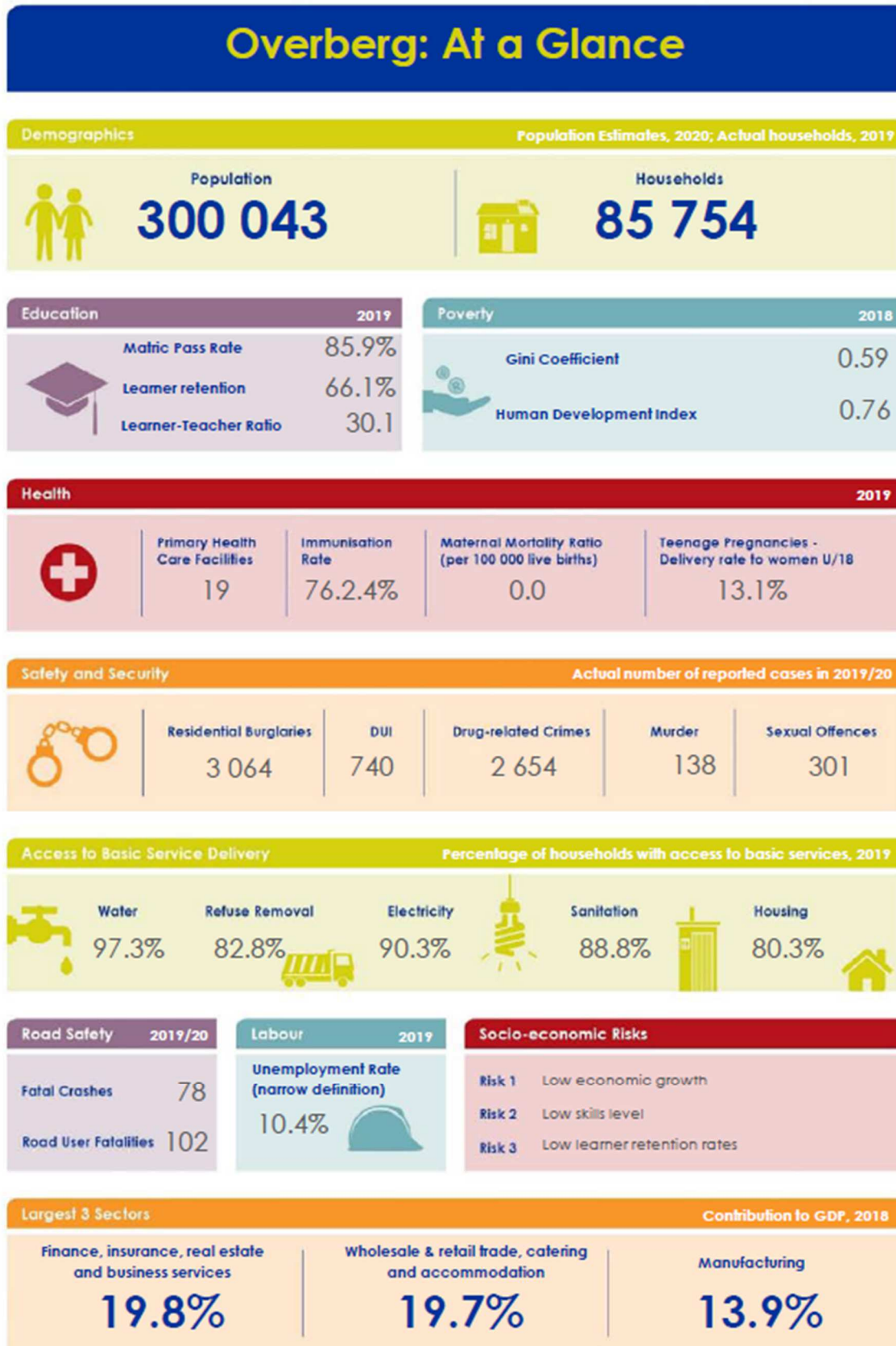
 <p>Theewaterskloof Municipality</p>	<p><b>Theewaterskloof Local Municipality</b> with its headquarters in Caledon includes Genadendal, Grabouw, Villiersdorp, Greyton, Bot River and Riviersonderend. Agricultural activities include wheat production, stock farming and fruit production.</p>
 <p>OVERSTRAND</p>	<p><b>Overstrand Local Municipality</b> 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.</p>
 <p>KAAP AGULHAS MUNISIPALITEIT CAPE AGULHAS MUNICIPALITY LE MANDRELA WAKHOPHO AGULHAS</p>	<p><b>Cape Agulhas Municipality</b> with its headquarters in Bredasdorp includes Arniston (Waenhuiskrans), Struisbaai, L'Agulhas, Suiderstrand, Napier and Elim. Agricultural activities include wheat production, stock farming and small fishing communities. Cape Agulhas Municipality is the southernmost municipality in Africa. Its coastline is surrounded by the Atlantic and Indian oceans which meet at the most southern town in Africa, namely L'Agulhas.</p>
 <p>SWELLENDAM MUNISIPALITEIT / MUNICIPALITY / MUNISIPAL</p>	<p><b>Swellendam Local Municipality</b> with its headquarters in Swellendam includes Suurbraak, Buffeljagsrivier, Infanta and Barrydale. Agricultural activities include fruit, wheat, barley, youngberry, livestock, dairy farming, grapes for export and wine-making. Other sectors are retail and manufacturing, mining and quarrying. Swellendam is also known as a tourism destination.</p>

Figure 1: Map - Overberg District



Figure 2: Overberg: At a Glance<sup>1</sup>



<sup>1</sup> 2020 Socio-economic Profile: Overberg District

Figure 3: Person indicators<sup>2</sup>

**GENDER AND AGE DYNAMICS,  
Overberg District, 2019**

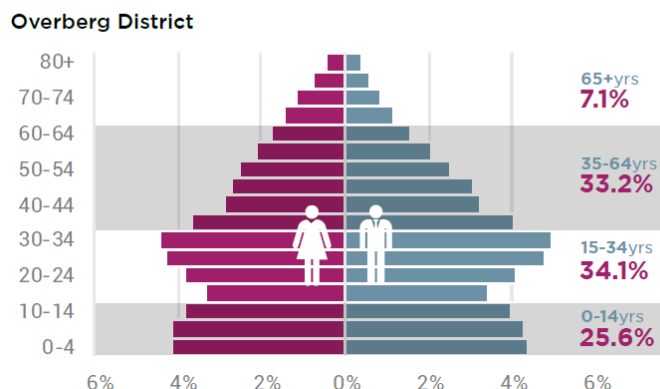


Table 1: Number of indigent households<sup>2</sup>

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

Table 2: Natural Resources

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

**COMMENTS ON BACKGROUND DATA**

The population size in the Overberg consisted of 300 043 people in 2020, but is expected an average annual growth of 1.8%. The Overberg District's population comprised slightly more males (50.5%) than females (49.5%), and the population was mainly aged between 15 and 34 years (34.1%), followed by individuals aged between 35 and 64 years (33.2%). Table 1 provides a municipal breakdown of the number and percentage of indigent households in the Overberg District between 2017 and 2019. Approximately 23.0% of households in the District were classified as indigent households in 2019.

<sup>2</sup> MERO 2020

The rapid urbanisation across the Western Cape will aid public sector decision makers to mitigate environmental, individual health and services delivery risks. In 2020 the average population density of the Overberg District was 25 persons per square kilometre. With Overstrand Municipal area the highest at 61 people/km<sup>2</sup> and Swellendam and Cape Agulhas the lowest at 10 people/km<sup>2</sup>.

---

### 1.3 SERVICE DELIVERY OVERVIEW

#### **SERVICE DELIVERY INTRODUCTION**

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

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

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

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

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

#### ***Electricity***

Eskom is the main supplier of electricity in the Overberg District area and sells electricity to the four Local Municipalities for distribution. Eskom also supplies electricity directly to the rural areas. The Municipality recognises the use of renewable energy as a means to generate electricity to supplement Eskom's needs. Two windfarms are in operation in the Overberg district, one in Theewaterskloof Municipal area and one in Swellendam Municipal area. A third windfarm is in the process of being established in the Theewaterskloof Municipal area.

#### ***Water***

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

---

### 1.4 FINANCIAL HEALTH OVERVIEW

#### **FINANCIAL OVERVIEW**

The Municipality submitted its 2020/2021 Annual Financial Statements to the Auditor-General timeously on 31 August 2021. During the financial year all existing budget related policies were reviewed and approved with the adoption of the Budget for the next financial year.

During this financial year, the municipality adjusted its budget deficit to a surplus during the Adjustment Budget process. The nett surplus increased with R6.6 million of which an amount of R4 988 500 was transferred to a Capital Replacement Reserve to fund capital projects. The cashflow position of the Municipality improved with over R21 million from the previous financial year.

Special efforts were made to improve the outstanding debtors from 31% to 24.6% and all creditors were paid within 30 days. All loan commitments were also honoured, which means that the Municipality was not in arrears with any payments towards service providers at year end.

Although less revenue (1.35%) realized than was predicted in the Adjusted Budget, there was also less expense operationally (2.61%) than was provided in the Adjusted Budget. This resulted in an actual surplus of R6.6 million versus a surplus of R3.7 million that was forecast in the Adjusted Budget.

The main revenue sources that did not realize were gains on disposal of properties (R9.4 million). The main expenditures that did not realized was the provision for employee related cost (R3.7million) due to unfilled vacancies, and the contracted service (R6.1 million) of which R2.6 million was funded from the RRAMS grant.

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

**Table 3: Financial Overview 2020/21**

Financial Overview 2020/21			
	R'000		
Details	Original budget	Adjustment Budget	Actual
<u>Income</u>			
Grants	82 983	89 562	84 373
Taxes, Levies and tariffs	27 443	25 145	26 441
Other	128 767	144 055	144 402
Sub Total	239 192	258 762	255 216
<u>Less Expenditure</u>	239 858	255 054	248 578
Net Total*	(666)	3 707	6 638
<i>* Note: surplus/(deficit)</i>			

**Table 4: Operating Ratios**

Detail	2020/21
Employee Cost	45.41%
Repairs & Maintenance	3.75%
Finance Charges & Depreciation	4.72%

#### COMMENT ON OPERATING RATIOS

Employee cost represents 45.41% of total expenditure. This is lower than the previous year's figure due to unfilled vacancies. This is still above the accepted norm, comparable to other district municipalities. Later in the report, the employee related expenses will be analyzed in more detail.

Repairs and maintenance are no longer a line item in the financial statements, but consist of employee related cost, contracted services and other expenditure that relates to a repairs and maintenance project. Repairs and maintenance as disclosed were recalculated by excluding the Roads maintenance as well as the total Roads expenditure. Previously the calculation was done on the base of Total Expenditure including Roads. Now the ratio improved from the previous year's recalculated ratio of 7.52% to just below the acceptable norm of 8%. Detailed figure is available in Chapter 5, Figure 16.

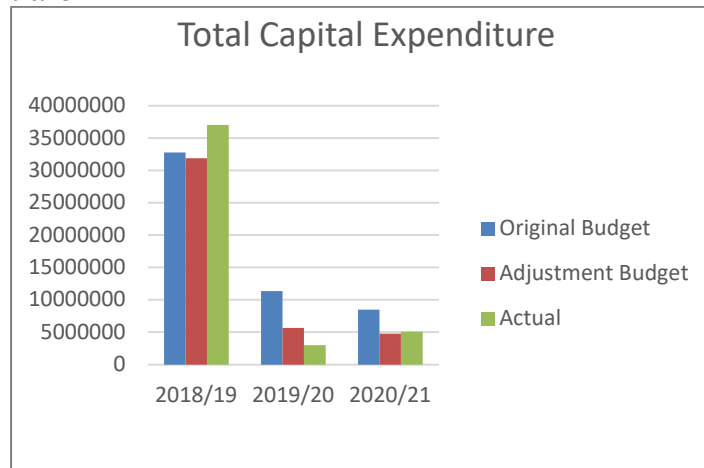
Finance Charges and Depreciation cost decreased to 4.72% compared to the previous financial year of 5.47% which is still within the norm.

**Table 5: Total Capital Expenditure: 2018/19 to 2020/21**

Total Capital Expenditure: 2018/19 – 2020/21			
	R'000		
Detail	2018/19	2019/20	2020/21
Original Budget	32 741	11 353	8 465
Adjustment Budget	31 869	5 652	4 744
Actual	36 982	2 998	5 036



**Figure 4: Total Capital Expenditure**



**COMMENT ON CAPITAL EXPENDITURE**

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

- The capital project “Fire Station”, to the amount of R 1 million was removed as the properties were not sold timeously to finance the project; and
- The capital project “Karwyderskraal” to the amount of R 4.9 million was removed as the adjacent property owners are not willing to sell their properties next to Karwyderskraal and a new project needs to be identified.

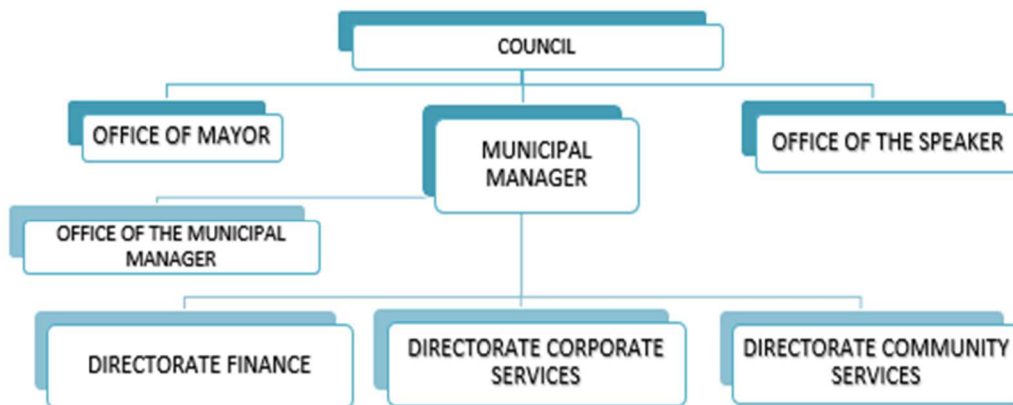
However, projects to the value of R2.1 million were also rolled over from the previous financial year, R574 000 from own funds and the balance from Provincial grant funding. This resulted in an adjustment of R4.74 million to the Capital Budget.

**1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW**

**ORGANISATIONAL DEVELOPMENT PERFORMANCE**

The Municipality’s macro-organizational structure was developed according to the Council’s policy (detailed below). The consists of the Office of the Municipal Manager and three directorates, namely Directorate Finance, Directorate Corporate Services and Directorate Community Services.

**Figure 5: Macro Organisational Structure**



The Municipal Manager, as the head of the administration, was assisted by the Chief Financial Officer and Director Community Services, and a Senior Manager: Corporate Services. No amendments to the approved organisational structure were made during the year.

## 1.6 AUDITOR-GENERAL REPORT

### AUDITOR-GENERAL REPORT 2020/21

The Overberg District Municipality received 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. An Action Plan (OPCAR – Operation Clean Audit Report) is a management tool to address unsolved audit findings

**Table 6: Audit Opinions**

Financial year	Audit Opinions
2018/2019	Unqualified with findings
2019/2020	Unqualified with no findings
2020/2021	Unqualified with no findings

See Chapter 6 - Auditor-General Audit Finding - Component A and B for the Auditor-General opinions for 2019/2020 and 2020/2021. Auditor-General report on the 2020/2021 financial year– **Appendix N**

## 1.7 STATUTORY ANNUAL REPORT PROCESS

**Table 7: Statutory Annual Report Process**

No.	Activity	Timeframe
1	Consideration of the next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Municipality submits annual financial statements and draft Annual Report to Auditor-General.	August
5	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	
6	Audit and Performance Audit Committee considers draft Annual Performance Report and Financial Statements of the Municipality	
7	Auditor-General assesses draft Annual Performance Report including consolidated Annual Financial Statements and Performance data	September
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	April
15	Oversight report is submitted to <b>PT, NT and MEC for Local Government</b>	
16	Commencement of Draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	November

### INTRODUCTION TO GOVERNANCE

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

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

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

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

---

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

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

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

The Council was democratically elected through the Electoral Act. The current Council was established on 30 August 2016 for a 5-year period which will come to an end in November 2021. The composition of the Council is through a system of proportional representation based on that municipality's segment of the national common voters roll, and which provides for the election of members from lists of party candidates drawn up in a party's order of preference; or proportional representation combined with a system of ward representation based on the municipality's segment of the national common voters roll. The political structures deemed the Councillors to have the necessary competence to serve as a Councillor.

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

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

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

Municipal Public Account Committee (MPAC), comprised of non-executive Councillors and an independent member. This committee is chaired by a member of the opposition party. One of the tasks of the MPAC is to provide Council with comments and recommendations on the Annual Report. A meeting was held on 11 May 2021 to discuss the 2019/2021 Annual Report. An Oversight report on the Annual Report is published separately in accordance with the MFMA guidelines.

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

## POLITICAL STRUCTURE

**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 Portfolio Committee)



**Cllr S Fredericks**  
(Chairperson: Strategic Portfolio Committee)



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



**Cllr C Resandt**  
(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.

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

## POLITICAL DECISION-MAKING

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

---

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

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

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

#### TOP ADMINISTRATIVE STRUCTURE



**MUNICIPAL MANAGER**

**Mr. D P Beretti**

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

#### DIRECTORATE FINANCE



**ACTING CHIEF FINANCIAL  
OFFICER**

**Mr. N L Kruger**

*BComm (LG Accountancy) PGFO*

#### DIRECTORATE CORPORATE SERVICES



**SENIOR MANAGER  
CORPORATE SERVICES**

**Mrs. L Potgieter**

*LLM (Labour Law),  
Post M HR Management*

#### DIRECTORATE COMMUNITY SERVICES



**DIRECTOR COMMUNITY  
SERVICE**

**Mr. P A Oliver**

*MPS (US)*

The Municipal Manager is appointed by Council on a fixed-term contract, which will come to an end on the date of the Local Government election. His contract has a 30-day notice period and follows the process in terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). 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 resigned on 31 December 2020 and an Acting Chief Financial Officer was appointed. The Municipal Manager was assisted by two directors who were appointed on fixed-term contracts (Section 56), and a Senior Manager responsible for Corporate Services.

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

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

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

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

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

---

### **2.3 INTERGOVERNMENTAL RELATIONS**

#### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

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

#### **PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

Politicians and management participated in the following provincial intergovernmental structures:

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

The Municipality has sound relations with the Department of Transport and Public Works relating to the road agency function delivered on their behalf

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

#### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

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

The District coordinating Forum (DCF), DCF Tech, District IDP Managers' Forum, Disaster Management Advisory Forum, IDP Rep/Public Participation & Communication Forum, District LED/Tourism Forum, District Skills Development Forum, District Safety Forum, Integrated Municipal Health Promotion Working Group, Air Quality Officers Forum, Regional Waste Management Forum, Municipal Coastal Committee, Karwyderskraal Landfill Monitoring Committee, District Fire Working Group, Disaster Management Advisory Forum, Overberg EPWP Forum, District Land Reform, District Joint Operational Centre, ICT forum, Western Cape Districts Integrated Forum and others.

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

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Accountability and community participation were enhanced by engagements through media, publication, electronically, IDP public Participation meetings and communication tools for Budget, Annual Report and sector plans linked to the IDP. The Council meetings are also open to the public.

### IDP / BUDGET / PMS TIME SCHEDULE OF KEY DEADLINES 2020/2021

As prescribed by section 21 of the Municipal Finance Management Act (MFMA), and in consultation with the Chief Financial Officer, the Performance Management Officer, Local municipalities in the Overberg District and Provincial Government, an IDP/Budget/PMS Time Schedule of Key Deadlines for 2020-2021 was developed in consideration of the COVID-19 pandemic and in preparation for the 2021-2022 Annual Budget and IDP Review, which served as the last and final review of the 5-Year IDP, adopted by Council on 15 May 2017.

The Time Schedule is guided and informed by the five-year section 27 District IDP Framework- and Process Plan and was workshopped at a District IDP Managers Forum Meeting on 16 July 2020 to ensure horizontal and vertical alignment of various activities on a Provincial, District and Local level. Council adopted the Time Schedule on 17 August 2020.

### IDP- AND BUDGET PUBLIC PARTICIPATION IN THE FACE OF THE COVID-19 PANDEMIC

Sections 83 and 84 of the Municipal Structures Act, 1998 (Act 117 of 1998) compels a district municipality to ensure integrated development planning for the district as a whole. Section 17 of the Municipal Systems Act further requires a municipality to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality. During the 2020-2021 period, the Overberg District Municipality continued with its IDP and public participation awareness campaigns with a view to informing and encouraging community participation. The last IDP and Public Participation Awareness Workshop was held in Swellendam on 27 May 2021.

The 2021/2022 Draft Final IDP Review and Budget was tabled to Council on 29 March 2021 and published for public comment till end April 2021. However, traditional public participation processes were compromised by the COVID-19 pandemic and municipalities were challenged in respect of public representations as documents could not be published at the usual community access points. Municipalities were therefore obliged to improvise and seek alternative methods of communicating with stakeholders and communities at large. Social media platforms were therefore optimally utilised to invite public representations.

## 2.4 PUBLIC MEETINGS

### OVERBERG COMMUNITY OUTREACH PROJECT

An Overberg Community Outreach Project was rolled out across the region with the assistance of ODM Environmental Health Practitioners (EH Ps), Community Development Workers (CDWs) and Environmental Ambassadors recruited by the National Department of Forestry, Fisheries and the Environment (DFFE). The predominant focus of the outreach was to raise COVID-19 awareness. However, the outreach was also recognised as the perfect opportunity to enquire why some communities lack interest in attending municipal engagements and what their preferred method of communication is. For this purpose, a 5-point questionnaire was developed for a door-to-door survey conducted. The Outreach Project commenced in July 2020 and was finalised during December 2020. On 8 April 2021 the Executive Mayor of the District embarked on a regional roadshow to show appreciation to all participants by awarding each with a Certificate and Letter of Appreciation. A certificate for Covid-19 training was also issued.

**Table 8: District and Provincial integrated municipal engagements**

Structure	Date	Outcomes	Stakeholders
<b>OVERBERG DISTRICT STRUCTURES</b>			
IDP Steering Committee	29.10.2020	Managers present 2020/2021 KPI's - achievement during Quarter 1 and progress of Quarter 2.	<ul style="list-style-type: none"> <li>▪ Mayco / Full Council</li> <li>▪ Senior Management</li> </ul>
	18.01.2021	In the form of a Strategic Session of Council; Departmental implementation of Council Strategic Goals; achievement during Quarter 2 and progress of Quarter 3 KPI's to	

		ensure the achievement of 5-year goals; reaffirmation of Council strategic trajectory.	
District IDP Managers Forum	16.07.2020	Revised Terms of Reference; Feedback Provincial/ Districts IDP engagement; IDP & Public Participation methods; Overberg Community Survey; Regional alignment of 2020/2021 Time Schedules.	<ul style="list-style-type: none"> <li>▪ District and Local Municipal IDP Practitioners</li> <li>▪ Provincial IDP Directorate</li> <li>▪ WC Department Local Government</li> <li>▪ Department Human Settlements</li> <li>▪ National Department of Forestry, Fisheries and the Environment</li> <li>▪ Invited stakeholders</li> </ul>
	08.12.2020	District engagement with DLG to re-assess the evaluation outcomes of the Time Schedule alignment.	
	11.12.2020	WCG Ministerial Summit Human Settlements; Mainstreaming environmental considerations in IDP: Festive season COVID-19 awareness and readiness; DDM and One Plans; Overberg Community Outreach Project; IDP vs Public Participation vs Communications; Local Municipal IDP & public participation feedback.	
	28.01.2021	Environmental consolidation of IDP Review Analysis template; Census 2021 Pilot; Draft Smart Cities Framework; IDP Guidelines; Identification of catalytic IDP projects.	
	02.03.2021	Identification of catalytic IDP projects; Mainstreaming environmental profile in IDPs; 2021/22 Draft IDP Reviews; Time Schedule adoption; IDP assessments; Development of 5-year IDPs; Public participation meetings; IDP Indaba 2021; Joint District/Metro Approach (JDMA).	
	13.05.2021	Service delivery per KPI; Service delivery per Ward; IDP/ Budget alignment process; Swellendam environmental sector structure; WCG IDP assessments.	
District Public Participation & Communicators Forum	16.07.2020	The new norm; WCG Overberg Hotspot Comms; Revised Terms of Reference Overberg District Communicators Forum; District, Local and GCIS reports; JOC reports.	<ul style="list-style-type: none"> <li>▪ District and Local IDP practitioners</li> <li>▪ District and Local Public Participation practitioners</li> <li>▪ District and Local Communicators</li> <li>▪ Provincial IDP Directorate</li> <li>▪ Provincial Public Participation</li> <li>▪ Provincial Communications</li> <li>▪ GCIS</li> <li>▪ WCG Sector Departments</li> </ul>
	14.09.2020	Overberg Community Outreach Project; Communications and Public Participation; District, Local and GCIS communications reports; Time Schedules of Key Deadlines 2020/2021.	
	11.11.2020	COVID-19 awareness – festive season messaging; Overberg Hotspot communications; District, Local and GCIS communications reports; Terms of Reference.	
	11.02.2021	Census 2021 Pilot; District, Local and GCIS communications reports; Terms of Reference.	
	31.03.2021	District, Local and GCIS communications reports; Census 2021 Pilot progress.	
	02.06.2021	GCIS communication support; District, Local and GCIS communications reports.	
District IDP Awareness	27 May 2021	IDP and public participation awareness workshop with CDWs and environmental ambassadors to inform and educate community workers.	<ul style="list-style-type: none"> <li>▪ ODM</li> <li>▪ CDWs</li> <li>▪ YCOPs</li> </ul>



<b>PROVINCIAL STRUCTURES</b>			
Provincial IDP Managers Forum	03.12.2020	Joint District / Metro Approach (JDMA); Alignment of IDPs with One Plans; Provincial Recovery Plan; MERO & PERO; Alignment of Time Schedules; APP assessments; Team allocations to regions.	<ul style="list-style-type: none"> <li>▪ Western Cape Munics</li> <li>▪ Provincial Disaster Mgt</li> <li>▪ Dept Local Government</li> <li>▪ Extended role-players</li> </ul>
	04.03.2021	Workshop on Revised IDP Guidelines.	
	11.06.2021	Trends in Municipal Finances and Service Delivery Protests; Circular 88 requirements on IDP; Wave 3 Synthesis Report; Use of credible data / stats in the new 5-year IDP.	
Provincial Public Participation	20-21.02.2020	Oversight visit by the National Assembly's Portfolio Committee; Legislative Review; Khoisan and CDWs presentation; Ward Councillor training; Ward Councillor Community Feedback Meeting; Civic education; WC Human Settlements APP.	<ul style="list-style-type: none"> <li>▪ Western Cape Munics</li> <li>▪ Dept. Local Government</li> </ul>
	25.05.2021	Support actions to improve citizen interface; Theewaterskloof Ward Committee establishment readiness; Overstrand Ward Committee Establishment Plan; District and Metro report back on readiness for Ward Committee establishment.	
Provincial CommTech Forum	25.09.2020	District municipalities report on activities in response to COVID-19 pandemic; Communication programmes planned by GCIS; Reflecting on Local Government activities and processes by SALGA.	<ul style="list-style-type: none"> <li>▪ Western Cape Munics</li> <li>▪ Dept Local Government</li> </ul>
	23.11.2020	District municipalities report on activities in response to COVID-19 pandemic; DLG super spreader overview and plan; Updates on training programmes by DLG.	
<b>INTEGRATED PROVINCIAL/MUNICIPAL ENGAGEMENTS</b>			
DCFTech / Technical Integrated Municipal Engagement (TIME)	12 March 2021	District governance initiatives; Key transversal governance and performance challenges; Economic fiscal context and the impact; Governance challenges and our collective response; Key SCM challenges and impact of COVID-19; Overberg District spatial and environmental performance; Infrastructure and service delivery; Revenue and expenditure performance.	<ul style="list-style-type: none"> <li>▪ Overberg Municipalities</li> <li>▪ WC Government</li> </ul>
Strategic Integrated Municipal Engagement (SIME) / LG MTEC	10 May 2021	High-level strategic discussion on factors contributing towards the facilitation of a sustainable, broad-based growth and development path; Economic recovery and resilience.	
Overberg District Consolidated SIME 2021	14 May 2021	Transversal outcomes of SIME 2021; Key Overberg District specific outcomes & risks; To provide link between transversal themes and what will be needed to unlock growth potential i.e. what would be required to move beyond integrated planning and budgeting towards targeted interventions that improves overall quality of life.	

WESTERN CAPE DISTRICT'S STRUCTURE		
Western Cape Districts Integrated Forum (WCDIF)	31.05.2021 & 01.06.2021	<p>IDP and One Plan; JDMA vs District Development Model; 5th Generation IDP; District IDP Framework- and Process Plan; Standardisation of District IDPs; How will LG Elections influence IDPs; Revised IDP Guidelines; Circular 88 of 2020 Rationalisation of Planning, Budgeting and Reporting Requirements</p> <p>▪ Western Cape District IDP Managers ▪ Dept Local Government</p>

#### COMMUNICATION PLANS AND STRATEGIES

- Communication Strategy - Adopted 3 December 2012  
- Annually reviewed; last review 26 October 2020
- Communication Policy - Adopted 24 February 2014  
- Policy Workshop 24 July 2017
- Communication Action Plan - Annually developed in alignment with IDP  
- Last approved by Council on 26 October 2020
- Language Policy - Adopted 27 May 2013  
- Policy Workshop 24 July 2017

#### INTERNAL NEWSLETTER "DECUS NOSTRUM"

The "Decus Nostrum" is an internal newsletter that serve as a tool to inform all staff of processes and procedures that were reviewed and implemented throughout the year. Publications of the "Decus Nostrum" were distributed quarterly to all Councillors and staff.

#### 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. Copies were distributed to local municipalities, stakeholders and at various strategic points within the region, such as Libraries and Thusong Centres. External Newsletters were produced and issued during December 2020 and June 2021.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

Table 9: IDP Participation and Alignment Criteria

IDP Participation and Alignment Criteria*	Yes/No
Does the Municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPI's, 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 KPI's 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.

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

---

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

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

The risk management function was performed by a Chief Risk Officer on a Shared Service agreement between four participant municipalities in the district. The position of the Chief Risk Officer was filled on a temporary contract from 1 February 2020 until 10 November 2020. In the period before and after the filling of the position, each municipality was responsible for its own risk function.

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

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

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

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

Figure 6: Combined Assurance Framework

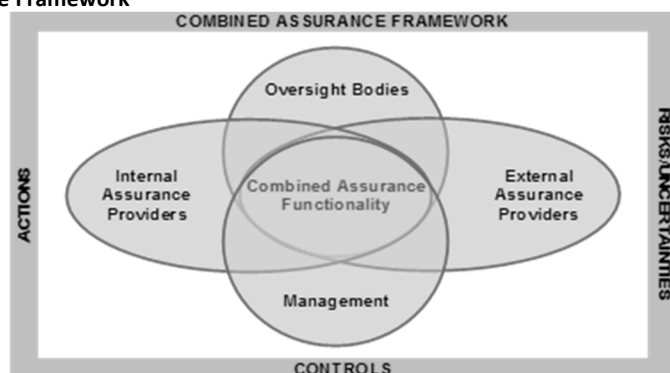


Table 10: Dates of Fraud & Risk Management Committee and Audit & Performance Audit Committee meetings

Committee	Date	Quorum	Risk Management Feedback
FARMC	22 September 2020	Yes	Yes
APAC	29 September 2020	Yes	Yes
APAC	5 October 2020	Yes	No (AFS/ A-G and performance report)
FARMC	25 November 2020	Yes	Yes
APAC	25 November 2020	Yes	Yes
FARMC	19 March 2021	Yes	Yes
APAC	25 March 2021	Yes	Yes
FARMC	10 June 2021	Yes	Yes
APAC	24 June 2021	Yes	Yes

Table 11: Top Five Strategic Risks

Risk Level	Risk Description	Cause of risk	Current Controls	Residual Risk
Strategic	Performance Reliance on Local Municipalities to improve Waste Management Activities (R395-2019/2020)	Insufficient staff and management capacity to monitor at local municipalities.	1. Good Processes and practices in place 2. Quarterly attendance of regional waste forum 3. Legal actions	57.6
Strategic	Compromise financial sustainability of a municipality	The increase in expenditure is higher than the increase in revenue/grants	1. Cost containment measures 2. Strict budget control 3. Realistic budget	56
Strategic	1. Increasing incidents of consistent sewerage outflow at treatment plants at B-Municipalities (R399-2019/2020)	1. Expansion of Towns and increase in population/ New 2. Deterioration of infrastructure 3. Lack of maintenance to sewerage plants 4. Inadequate monitoring at treatment plants	Meetings with B-Municipalities Legal action	44.8
Strategic	Managing and investing in a property owned by another organ of state	1. ODM does not own the properties on which Uilenkraalsmond resorts are situated. 2. Contract issued to semi-permanent residents, allowing to build top structures at own costs	1.High level negotiations between the Director and the Department of Public Works_2. Semi-permanent leases_3. ODM has an agreement with DPW to operate as a resort	44.8
Strategic	Service Delivery Protests	1. Dissatisfied community due to lack of service delivery 2. Intimidation of community members by certain factions	1. Disaster management plan_2. Safety plan for the district_3. Intervention of DOC and SAPS	41.6

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.

**Planned areas for future focus for 2021/2022 includes:**

- Fill vacant Chief Risk Officer post.
- 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

---

2.7 ANTI-CORRUPTION AND FRAUD

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

The Municipality is committed to fighting fraudulent behaviour at all levels within the organisation. The Municipality has a Fraud Prevention Plan which is also supported by an Anti-Fraud, Corruption and Financial Misconduct Policy as well as a Code of Ethics. This plan and policy are based on the organisation's core ethical values, driving the business of the Overberg, the development of its systems, policies and procedures, interactions with the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that the Municipality's, departments, other business units and external stakeholders must be guided by the Strategy/Plan, as the point of reference for their conduct in relation to the Municipality. In addition to promoting ethical conduct within the Municipality, it also intends to assist in preventing, detecting, investigating and sanctioning fraud and corruption. Fraud declarations were issued in terms of section 3 of the Prevention and Combating of Corrupt Activity Act, 2004 to the Finance Portfolio Committee and a report was also tabled to the Executive Mayor Committee on 28 June 2021.

The Municipality operates in terms of legislation and Councillors do not form part of the procurement processes.

**Audit and Performance Audit Committee**

The ODM has a joint Audit and Performance Audit Committee (APAC). Internal Audit reviews segregation of duties and processes. The Audit and Performance Audit Committee performs an oversight role, and all members are independent.

Section 166(2) of the MFMA states that an Audit Committee is an independent advisory body, which must –

- (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

Internal financial control; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation; performance evaluation; and any other issues referred to it by municipality.

The main functions of the Audit and Performance Audit Committee are prescribed in in Section 166(2) (a-e) of the MFMA and the Local Government Municipal and Performance Management Regulations and are as follows:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements, and to provide Council with an authoritative and credible view of the financial position of the Municipality, its efficiency and its overall level of compliance with the MFMA, the Annual Division of Revenue Act (Dora) and other applicable legislation.
- To respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted by Internal Audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the Municipality.
- To review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.

- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- review the municipality's performance management system and make recommendations in this regard to the Council of the municipality; and
- at least twice during each financial year submit a performance audit report to the Council of the municipality.

**Table 12: Audit committee member's appointments**

Name	Capacity	Period of Appointment
Mr. P Strauss	Chairperson	1/7/2020 – 30/6/2021
Mr. H Janse van Rensburg	Member	1/7/2020 – 28/11/2020
Mr. D Farenhem	Member	1/7/2020 – 28/11/2020
Mr. C Pieterse	Member	1/7/2020 – 30/6/2021
Mr. T Blok	Member	29/11/2020 – 30/6/2021
Ms. L Stevens	Member	29/11/2020 – 28/2/2021
Mr. D Smith	Member	1/6/2021 – 30/6/2021

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

**Appendix E** – Report of the Audit & Performance Audit Committee. The recommendations of the committee for 2020/2021 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 Supply Chain Management policy was reviewed on 24 May 2021 as part of the annual budget policy review. Reports on the implementation of the Supply Chain Management policies are submitted monthly to the accounting officer and quarterly and annually to the Mayor. Both the quarterly and annual reports are available on the municipal website. The annual supply chain report is also presented to Council to ensure Council maintain oversight over the implementation of the Supply Chain Management Policy.

The 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.

Performance assessments were done on a bi-annual basis 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). A detailed list is set-out in **Component K**.

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

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

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

**Table 13: Summary of B-BBEE awards during the financial year for formal quotations and tenders**

B-BBEE Level	Total Contracts Awarded
Level 1	53
Level 2	10
Level 3	1
Level 4	32
Level 5	0
Level 6	0
Level 7	2
Non-Compliant Contributor	1
<b>TOTAL</b>	<b>99</b>

### 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 new By-laws were developed or gazetted during the year.

### 2.10 WEBSITES

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

**Table 14: Website Checklist**

Municipal Website		
Documents published	Yes/No	Publishing Date
Current annual and adjustments budget and budget-related documents - Annual Budget - Adjustment Budget	Yes	26/05/2021 25/02/2021
All current budget-related policies	Yes	Various dates
The previous annual report 2019/20	Yes	25/05/2021
The annual report 2020/21 to be published		January 2022
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2020/21	Yes	Various dates
All service delivery agreements 2020/21	Yes	Various dates
All long-term borrowing contracts	Yes	22/11/2018
All supply chain management contracts above R0 value for Year 2020/21	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 2020/21	Yes	24/06/2021
Contracts agreed in 2020/21 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	Yes	Various dates
Public-private partnership agreements referred to in section 120 made in 2020/21	None	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2020/21	Yes	Various dates
Note: MFMA Section 75 sets out the information that a municipality must include in its website as detailed above.		

## **COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS**

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

---

### **2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

No formal satisfaction survey was conducted for the year under review. We did however receive positive and negative comments in the performance of normal service delivery functions. Council maintained a mechanism for 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 2020 to 30 June 2021 as measured against the strategic goals that are set out in the 2020/2021 Integrated Development Plan (IDP) and the Key Performance Indicators (KPI's) contained in the approved Service Delivery Budget Implementation Plan (SDBIP).

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

**Strategic Goal 1 (SG1)**

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

**Strategic Goal 2 (SG2)**

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

**Strategic Goal 3 (SG3)**

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

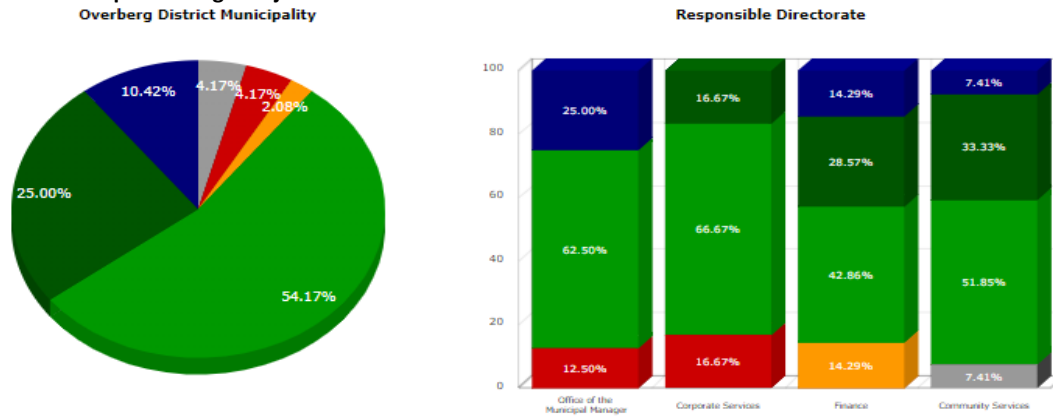
**Strategic Goal 4 (SG4)**

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

**Strategic Goal (SG5)**

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

**Figure 7: Performance per Strategic Objective**



	Overberg District Municipality	Strategic Goal 1 (SG1)	Strategic Goal 2 (SG2)	Strategic Goal 3 (SG3)	Strategic Goal 4 (SG4)	Strategic Goal 5 (SG5)
Not Yet Applicable	2	1	1	0	0	0
Not Met	2	0	0	2	0	0
Almost Met	1	0	0	0	1	0
Met	26	10	5	4	2	5
Well Met	12	8	1	1	2	0
Extremely Well Met	5	1	1	0	1	2
<b>Total</b>	<b>48 (100%)</b>	<b>20 (41.67%)</b>	<b>8 (16.67%)</b>	<b>7 (14.58%)</b>	<b>6 (12.50%)</b>	<b>7 (14.58%)</b>

Detailed performance report for 2020/2021 per strategic objectives - **Component J** – Organizational Performance.

## COMPONENT A: BASIC SERVICES

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

### 3.1 SOLID WASTE MANAGEMENT

#### INTEGRATED WASTE MANAGEMENT

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

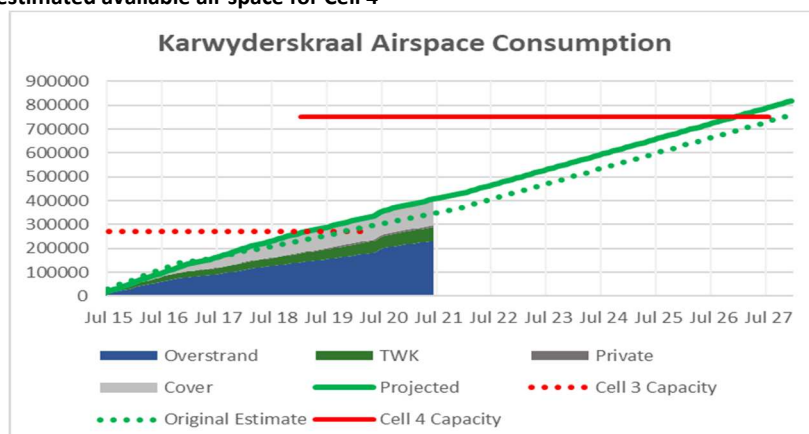
- Create an atmosphere in which the environment and natural resources of the region are conserved and protected.
- Develop a communication/information/education strategy to help ensure acceptance of 'ownership' of the strategic objectives among members of the public and industry throughout the municipality,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

**Table 15: Implementation of the Integrated Waste Management Plan goals and objectives**

<b>Goal 1: Strengthened education, capacity, and advocacy towards Integrated Waste Management</b>		
	<b>Objectives</b>	<b>2020/21</b>
Strategic Objective 1:	Facilitate consumer and industry responsibility in integrated waste management	Quarterly meetings of the Regional Waste Forum are maintained
Strategic Objective 2:	Promote and ensure awareness and education of integrated waste management	Assistance was provided to the Swellendam Municipality in investigation of transport and disposal options in order to promote integration of waste management services in the Overberg.
Strategic Objective 3:	Build and strengthen waste management capacity	Continuous interaction with Swellendam Municipality resulted in the appointment of a Waste Management Officer.  Quarterly Regional Waste Forum meetings continue where the improvement of waste management is promoted as part of the agenda discussion.
<b>Goal 2: Improved integrated waste management planning and implementation for efficient waste services and infrastructure</b>		
	<b>Objectives</b>	<b>2020/21</b>
Strategic Objective 1:	Facilitate municipal waste management planning	Alignment between the IWMP and Strategic and Sectoral Plans are maintained.  The annual tariff review between signatories of the Karwyderskraal SLA continues and the Indirect cost portion has been resolved.
Strategic Objective 3:	Promote the establishment of integrated waste management infrastructure and services	Both Swellendam and Cape Agulhas Municipalities were requested to indicate their waste planning initiatives for the years ahead to allow the ODM to plan accordingly based on their need to join Karwyderskraal as Regional Waste Disposal Site.  Both municipalities are looking at the required infrastructure and long-term options in dealing with their solid waste based on long term sustainability and affordability.

		Cell 4 is surveyed annually to determine the available airspace. Based on the volumes received currently there will be adequate airspace up to 2026.
Strategic Objective 4:	Ensure effective and efficient waste information management	Both landfilled and diverted volumes for Karwyderskraal are reported monthly to Provincial Government, on the Integrated Pollution and Waste Information System.
<b>Goal 3: Effective and efficient utilisation of resources</b>		
<b>Objectives</b>		<b>2020/21</b>
Strategic Objective 2:	Stimulate job creation within the waste economy	<p>The promotion of recycling at source and within local municipalities remains a high priority and is promoted through the Regional Waste Forum in order to stimulate secondary economies and job creation through diversification of opportunities within the waste sector.</p> <p>The following waste related projects contributed to job creation:</p> <ul style="list-style-type: none"> <li>• Thuma Mina Good Green Deeds Programme</li> <li>• Working for the Coast Programme: Rooi-Els to Quoin Point and</li> <li>• Working for the Coast Programme: Agulhas National Park</li> </ul>
Strategic Objective 3:	Increase waste diversion through re-use, recovery and recycling	<p>Waste characterization studies are conducted annually at Karwyderskraal. The data is used to inform future initiatives based on the waste make-up and volumes received by the user municipalities for final disposal.</p> <p>The Regional Waste Forum continues as platform to discuss waste diversion topics and targets. Decisions taken can assist local municipalities with their own strategies.</p>
<b>Goal 4: Improved compliance with environmental regulatory framework</b>		
<b>Objectives</b>		<b>2020/21</b>
Strategic Objective 1:	Strengthen compliance monitoring and enforcement	<p>Quarterly compliance audits are performed on Karwyderskraal Regional Landfill Site, followed by an annual external audit by an external service provider. The site maintains a high compliance score that averaged 97% for this period of review.</p> <p>Reporting to the Karwyderskraal Monitoring Committee takes place annually in order to be transparent in the outcome of the above audit and to provide a platform for the users and interested and affected parties to communicate matters of concern to the ODM.</p>
Strategic Objective 2:	Remediate and rehabilitate contaminated land	Preliminary discussion took place to investigate the remediation action to be taken at the Elim Landfill and provisioning therefore in the budget.

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



**Table 16: Total waste volumes per user disposed at Karwyderskraal Regional Landfill for the 2020/2021**

	Overstrand					TWK		Private			
	MSW	Sludge	Builder Rubble Small	Builder Rubble Large	Chipped Garden waste	MSW	Sludge	MSW	Builders Rubble Small	Builders Rubble Large	Fruit Waste
<b>Jul 20</b>	9 638.44	222.46	639.12	460.66	1 371.78	950.77	16.86	75.58	597.74	20.58	46.62
<b>Aug 20</b>	2 786.20	116.24	248.70	-	988.26	944.66	29.50	75.66	379.20	2.96	63.50
<b>Sep 20</b>	2 951.22	129.74	254.54	-	609.06	857.46	34.94	131.16	474.40	-	49.02
<b>Oct 20</b>	2 855.66	173.00	211.77	-	1 143.14	801.54	29.80	190.38	1 125.48	73.50	29.86
<b>Nov 20</b>	3 242.11	190.68	257.62	22.48	1 279.10	721.58	27.54	120.11	893.48	2.04	27.76
<b>Dec 20</b>	3 551.02	280.20	130.84	11.92	825.28	750.46	24.68	100.06	488.30	17.66	19.68
<b>Jan 21</b>	2 885.80	112.76	51.98	43.30	938.10	714.68	24.70	143.89	541.56	0.66	15.26
<b>Feb 21</b>	2 823.34	208.78	107.92	-	1 026.02	680.12	23.00	101.22	922.33	5.16	75.00
<b>Mar 21</b>	3 358.61	125.45	102.20	24.86	1 140.91	856.71	18.12	137.69	898.70	4.16	156.20
<b>Apr 21</b>	3 098.67	176.04	76.40	6.84	855.46	835.40	16.34	135.94	787.95	4.34	125.20
<b>May 21</b>	2 632.18	128.50	111.28	-	979.14	1 464.96	24.28	199.45	887.37	6.04	146.87
<b>Jun 21</b>	2 458.61	174.30	145.65	6.36	942.65	1 436.94	16.00	252.57	651.94	151.32	121.82
<b>Total</b>	<b>42 281.86</b>	<b>2 038.15</b>	<b>2 338.02</b>	<b>576.42</b>	<b>12 098.90</b>	<b>11 015.28</b>	<b>285.76</b>	<b>1 663.71</b>	<b>8 648.45</b>	<b>288.42</b>	<b>876.79</b>

**Service delivery highlights for 2020/2021**

- The functioning of the Regional Waste Forum contributes to inclusivity in planning and implementation of projects in the district.
- All positions of Waste Managers are now filled at the municipalities with the appointment of a Waste Management Officer for Swellendam Municipality which contributes to better communication and planning.

**Service delivery challenges for 2020/2021**

The provision for Waste Infrastructure remains a huge challenge to allow for material recovery facilities, transfer stations, and facilities to divert organic waste and construction and demolition waste through composting and crushing, respectively.

**Table 17: Financial Performance: Solid Waste Management**

Financial Performance: Solid Waste Management							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance Adjustment to Budget (R)	
<b>Total Operational Revenue</b>	12 941	12 015	12 015	11 851	-1%	(164)	
Expenditure:							
Employees							
Repairs and Maintenance							
Other	8 495	11 943	8 974	9 001	0%	27	
<b>Total Operational Expenditure</b>	8 495	11 943	8 974	9 001	0%	27	
<b>Net Operational Expenditure/Revenue</b>	4 446	72	3 041	2 850	-6%	(191)	
<i>Variations are calculated by comparing the Actual and Adjustment Budget</i>							

**Table 18: Capital Expenditure: Solid Waste Management**

<b>Capital Expenditure: Waste Management Services</b>						
<b>R' 000</b>						
Capital Projects	2020/21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value	Variance to adjustment Budget (R)
Total All	4 900	0	668	-100%		(668)

**COMMENT ON SOLID WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL**

In line with the agreement between the Municipality, Overstrand and Theewaterskloof Local Municipalities, the regional landfill site at Karwyderskraal became operational as from April 2019 and generated income for the full financial year in 2019/20. Although an actual surplus of R2.8 million resulted, the waste service is breaking even with a slight deficit of R1547 when the overheads and GRAP 2 & 19 accounting adjustments are added back as per the calculation in the table below:

The capital expenditure was in respect of the contribution to the rehabilitation cost. (Refer to PPE note in the AFS)

**Table 19: Solid waste adjustment of actual surplus**

<b>Surplus - Solid Waste Department per AFS</b>	- 2 850 411.95
Less: Overhead Costs	542 910.48
<b>Surplus - Solid Waste Department</b>	- 2 307 501.47
Add Back iGRAP 2 entries	- 361 243.44
Add Back Depreciation	- 649 237.70
Add Back Rehabilitation Fees Raised	880 333.46
<b>Surplus after adding back specific items</b>	- 2 437 649.15
Capital Repayments	2 439 196.66
<b>Deficit/(Surplus)</b>	<b><u>1 547.51</u></b>
<b>Note 1</b>	
Capital Repayments	2 949 452.89
Portion relating to upgrading of Cell 4	0.83
<b>To be included</b>	<b>2 439 196.66</b>

The zero spending in capital expenditure relates to the removing of the capital project in the Adjustment Budget "Karwyderskraal" to the amount of R 4 900 000 as the adjacent property owners are not willing to sell their properties next to Karwyderskraal. Projects on which the remainder of the loan facility, which could only be spent on the Karwyderskraal landfill site, will be identified and provided for in future budgets.

## COMPONENT B: ROAD TRANSPORT

### INTRODUCTION TO ROAD TRANSPORT

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

### 3.2 ROADS

#### INTRODUCTION TO ROADS

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

#### Service delivery highlights for 2020/2021

- Over achievement of KM's of roads graded.
- Over achievement of KM's of roads regavelled.

#### Service delivery challenges for 2020/2021

- Non availability of registered gravel pits.
- COVID-19 Regulations: Continuous re-evaluation of work program.
- Backlog in the filling of vacant posts.

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

**Table 20: Gravel Roads Infrastructure**

Gravel Road Infrastructure					
					Kilometers
Financial Year	Total gravel Roads at beginning of financial year	New gravel roads	Gravel roads upgraded to asphalt (tar)	Gravel roads re-gravelled	Gravel roads maintained at year-end
2018/19	3195.07	0	0	42.28	3195.07
2019/20	3195.07	0	4.05	37.01	3191.02
2020/21	3191.75	0	0	54.51	3191.02

**Table 21: Tar Road Infrastructure**

Tar Road Infrastructure					
					Kilometers
Financial Year	Total tar roads at beginning of financial year	New tar roads	Existing tar roads re-tarred	Existing as tar roads re-sheeted	Tar roads Maintained at year-end
2018/19	500.18	0	29.29	3.72	500.18
2019/20	500.18	4.05	41.10	0	504.23
2020/21	504.23	0	28.19	0	504.23

**Table 22: Cost of Roads Infrastructure**

Cost of Roads Infrastructure						
						R'000
Financial year	Gravel			Tar		
	Regravel	Gravel-Tar	Maintained	Rehabilitation	Re-seal	Maintained
2018/19	22 019	0	28 213	9 824	10 834	7 344
2019/20	31 645	25 105	30 539	0	13 943	6 583
2020/21	31 491	39 700	39 451	0	12 600	7 303

Figure 9: Roads Infrastructure Costs

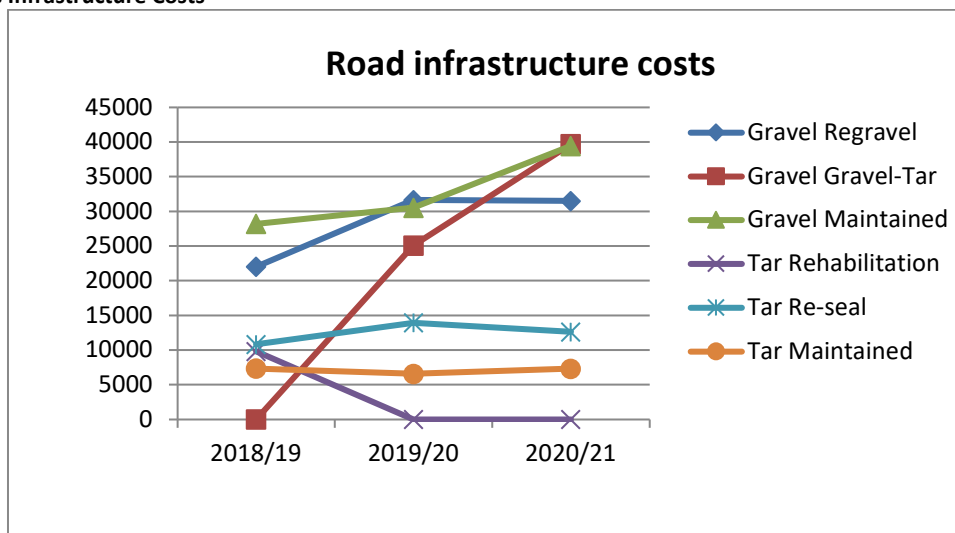


Table 23: Financial Performance: Road Services

Financial Performance 2020/21: Road Services						
R'000						
Details	2019/20	2020/21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance Adjustment to Budget (R)
<b>Total Operational Revenue</b>	98 050	101 210	115 907	124 599	7%	8 692
Expenditure:						
Employees	42 795	46 747	38 341	46 220	21%	7 879
Repairs and Maintenance						
Other	55 080	54 104	77 566	78 441	1%	875
<b>Total Operational Expenditure</b>	97 875	100 852	115 907	124 661	8%	8 754
<b>Net Operational Expenditure/Revenue</b>	174	358	0	(62)	0%	(62)
<i>Variations are calculated by comparing the Actual and Adjustment Budget</i>						

Table 24: Capital Expenditure: Roads Services

Capital Expenditure: Roads Services						
R' 000						
Capital Projects	2020/21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)
Total All						

**COMMENT ON THE PERFORMANCE OF ROADS OVERALL**

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

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

### 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) is currently under review and will be tabled to Council in the next financial year.

## 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)

#### IDP / BUDGET / PMS TIME SCHEDULE OF KEY DEADLINES 2020/2021

The IDP/Budget/PMS Time Schedule of Key Deadlines for 2020/2021 was developed in consideration preparation for the 2021/2022 Annual Budget and IDP Review, and adopted by the Council on 17/08/2020.

The 2021/2022 Draft IDP Review and Budget was tabled to the Council on 19/03/2021 and the final 2021/2022 IDP was adopted by the Council on 24/05/2021.

#### JOINT DISTRICT / METRO APPROACH (JDMA)

The Municipal Interface Team (MIT) was constituted in the Overberg and consists of representatives from all municipalities, National and Provincial government departments, other stakeholders and are functioning effectively. Regular meetings are taking place to ensure that projects maintain their momentum and implementation is monitored. As per the Provincial Structures, JDMA interface structures have been set up in the Overberg. These structures are stable and functional. The Interface Team has convened and has been preparing progress reports and presentations for tabling to the DCFTech and DCF in the Overberg. Following the support by the DCF, the Interface Team commenced with the implementation of the various projects in the Overberg. At the end of the 2020/2021 financial year, project implementation status can be reported as follows:

**Table 25: Joint District / Metro Approach – project implementation**

Name of Project	Lead Dept	Project Status	Next steps
Summary of all available provincial funding to municipalities	PT	Detailed schedule provided to all Municipal Managers	Project complete Project to be repeated on an annual basis
Expand on Rail Infrastructure	DPW	Upgrade rail from Somerset West to Grabouw	Project complete
Red tape: Ease of doing business	DEDAT	All municipalities assisted on an individual basis	Project complete Where a need arises, the team will support individual municipalities.
Water Security	DWS Agriculture DLG	Bore Hole Study: Cape Agulhas  Bore Hole Study: Tweewaterskloof	Project completed – Municipality to fund phase 2 from their own funding Project complete
Establishment of safe houses	LM DSD	Safe house established in Cape Agulhas – to be introduced in other local municipalities	Project complete Best practice being developed for sharing with other municipalities and other Districts
Safety Strategy & Plans	DM Police	Safety Strategy & Plans in place and operational – excellent support and cooperation from District police structures	Project complete - ongoing



Upgrade of basic services' infrastructure in Grabouw	DHS	NGO appointed to undertake an assessment of service requirements across the area	Assessment completed and report tabled that will guide further action.
New High School (Sandbaai)	WCED DTPW	Projects approved by all stakeholders and funding secured for the 201/22 year	Planning of the new High School has commenced and under way
High Mast Lighting	DLG	High mast lighting in Grabow and Hermanus constructed and functional	Project complete

Consultations are underway in respect of further projects which include the establishment of an Overberg Drug Rehabilitation Centre, additional educational opportunities in Grabouw, waste management, and to increase water storage capacity to enhance economic development and water security. A multi-departmental committee has also been established to drive water security projects. These projects are directed at creating an open opportunity society through diversification and delivery of effective and efficient services.

## COMMUNICATION

### Internal Newsletter "Decus Nostrum"

The "Decus Nostrum" is an internal newsletter that serves as a tool to inform all staff of processes and procedures that were reviewed and implemented throughout the year. Publications of the "Decus Nostrum" were distributed quarterly.

### External Newsletter

The ODM fulfils its role by bi-annually producing an External Newsletter. Information is also sourced from Local Municipalities in the region. Copies were distributed to local municipalities, stakeholders and at various strategic points within the region, such as Libraries and Thusong Centres. External Newsletters were produced and issued during December 2020 and June 2021.

## SPATIAL DEVELOPMENT PLANNING

The Municipality is in the process of reviewing the District Spatial Development Framework with assistance from the Provincial Government of the Western Cape: Department of Environmental Affairs and Development Planning. The SDF review will be done in alignment with the next 5 Year IDP. The review process started with one-on-one engagements and questionnaires with the respective Local Municipalities and preliminary planning for public participation going forward.

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

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

**Table 26: Financial Performance: Planning Services**

Financial Performance: Planning Services							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance Adjustment to Budget (R)	
<b>Total Operational Revenue</b>							
Expenditure:							
Employees	1 187	1 312	1 312	1 264	-4%	(48)	
Repairs and Maintenance							
Other	66	92	92	59	-35%	(32)	
<b>Total Operational Expenditure</b>	1 253	1 404	1 404	1 323	-6%	(81)	
<b>Net Operational Expenditure/Revenue</b>	(1 253)	(1 404)	(1 404)	(1 323)	-6%	81	
<i>Variances are calculated by comparing the Actual and Adjustment Budget</i>							

**Table 27: Capital Expenditure: Planning**

Capital Expenditure: Planning						
						R' 000
Capital Projects	2020/21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)
Total All						

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

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

**3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)**

**INTRODUCTION TO ECONOMIC DEVELOPMENT AND TOURISM**

The Municipality adopted a Regional Economic Development/Tourism Strategy with an implementation plan. Regular progress reports on the implementation were submitted to the Community Services Portfolio Committee, who oversee the function. With the ongoing COVID-19 pandemic, in collaboration with Overberg Local Municipalities, a District Economic Recovery Plan with an implementation plan was developed as an addendum to the RED/Tourism Strategy. The Recovery Plan will be regularly updated to tract the reality of the pandemic. Bi-annual reports are submitted to the Western-Cape cabinet to progress instituted.

The top priorities of the plan are:

- Jobs
- Safety
- Dignity and Well-Being

Through-out the year various project and programs were lodged to assist to improve the economy in the District.

**Table 28: List of initiatives which were rolled-out**

Red/Tourism Projects	
LED/SCM open day	A successful LED/SCM open day was held on 25/05/2021 at Swellendam. The purpose was to empower SMME's, entrepreneurs and small businesses. An opportunity to register for tenders and proposals. Local government and other stakeholders were also invited e.g., SARS, DTI, etc.
SMME SUPPORT	SMME's were assisted to apply for the Western Cape Economic Development and Tourism (DEDAT) relief fund for SMME's.
Tourism business support initiatives (Overstrand)	<ul style="list-style-type: none"> <li>• Coffee bar initiative within the Hermanus Tourism Office. SMME's can sell their products.</li> <li>• Social media training was provided to local SMME's</li> </ul>
Tourism & Conservation (Gansbaai)	Swop Shops – Scholars can swop recycled item for school stationery.
Tourism Youth Initiatives (Overstrand)	Learnership programmes: Assistant house-keeping and Cultural / Nature Guide programmes currently underway.
Small Scale Farmers Relief Support (Overstrand)	12 Pig Farmers received animal feed and medication vouchers
Household Garden Starter Pack Support (Overstrand)	Food gardening starter packs, fertilizer, compost, hoes and seedlings and seeds were provided to 120 beneficiaries.
Bicycle support for Pig Farmers (Overstrand)	5 Farmers received bicycles from the Department of Agriculture for travelling in and out of the farm.

SEDA (Township & Rural Entrepreneurs Programme) (Overstrand)	48 Informal traders participated in a mentorship programme.
Supporting the Vulnerable Sectors (Theewaterskloof)	Create additional training spaces for informal trading in various towns.
Boosting Private Sector Investment (Cape Agulhas)	Engaged with local retailers to provide free shelf-space to upcoming entrepreneurs, to introduce them to a bigger market. An agreement with SPAR in this regard was concluded.
Public infrastructure investment (Cape Agulhas)	Two business hives were constructed in underlying areas.
Enabling private Sector investment and recovery (Swellendam)	<ul style="list-style-type: none"> <li>Established cycling trails and events.</li> <li>Created and hosted SA Road cycling Championships</li> </ul>
Business confidence (Swellendam)	Land release in Swellendam industrial area and Railton business hub area.

### COVID-19 impact

Given the impact of COVID-19 on the national economy, it was expected that the economy of the Overberg will also decline by an estimated 6.4 per cent. The impact is due to lockdown restrictions, which limited businesses' activities. This resulted in approximately 5000 jobs being lost. As a popular tourist destination, and restrictions on domestic and international travel, this had a negative impact on local businesses and the tourism industry. Due to the implementation of short-term initiatives towards recovery, such as boosting private sector investment and supporting vulnerable sectors (Informal Trade), a total of approximately 4700 jobs were created by June 2021.

Despite the disruptions to trade, there is still a strong export market for apples and pears, which are one of the main exports for the region. The general government sector and the community, social and personal services sector are also expected to show positive growth – 1.7 per cent and 1.0 per cent respectively. The economy of the OD is expected to recover somewhat in 2021, with most sectors rebounding after the severe contractions experienced in 2020. However, the growth will not be substantial enough to bring economic activity back to levels prior to 2020. The economy of the OD is therefore expected to recover only in the medium to long term.

### The Overberg District Economy<sup>3</sup>

The total GDP for the Overberg District amounted to R20535 billion in 2018 with economic activity mostly focussed within the tertiary sector (R13633 billion; 66.4%).

**Table 29: Overberg: GDP performance per sector<sup>3</sup>**

**GDP PERFORMANCE PER SECTOR, Overberg District, 2018**

SECTOR	R million value 2018	Contribution to GDP (%) 2018	Trend 2014 – 2018 (%)	Real GDP growth 2019e (%)
<b>PS Primary Sector</b>	<b>R2 057.1</b>	<b>10.0%</b>	<b>-1.0%</b>	<b>-9.0%</b>
Agriculture, forestry & fishing	R2 036.4	9.9%	-1.0%	-9.1%
Mining & quarrying	R20.8	0.1%	2.5%	-3.2%
<b>SS Secondary Sector</b>	<b>R4 845.0</b>	<b>23.6%</b>	<b>1.9%</b>	<b>-0.3%</b>
Manufacturing	R2 848.0	13.9%	2.6%	1.2%
Electricity, gas & water	R520.2	2.5%	-0.8%	-2.3%
Construction	R1 476.8	7.2%	1.2%	-3.2%
<b>TS Tertiary Sector</b>	<b>R13 633.7</b>	<b>66.4%</b>	<b>2.4%</b>	<b>2.1%</b>
Wholesale & retail trade, catering & accommodation	R4 036.8	19.7%	2.3%	0.8%
Transport, storage & communication	R2 249.6	11.0%	2.9%	0.9%
Finance, insurance, real estate & business services	R4 061.5	19.8%	3.1%	4.2%
General government	R1 883.5	9.2%	0.5%	1.1%
Community, social & personal services	R1 402.4	6.8%	1.9%	1.2%
<b>Total Overberg District</b>	<b>R20 535.8</b>	<b>100.0%</b>	<b>1.8%</b>	<b>0.4%</b>

<sup>3</sup> MERO 2020

Table 26 indicates the GDP forecast per sector for 2020 and 2021 in the Overberg district, as well as the trend for 2020 to 2024. It should be noted that the forecast is limited to two years because of the fast pace at which the global and South African economies are changing and the uncertainties regarding the full impact of the Covid -19 pandemic on the global and national economy.

**Table 30: GDP forecast per sector, Overberg District, 2020 – 2021 (%)<sup>4</sup>**

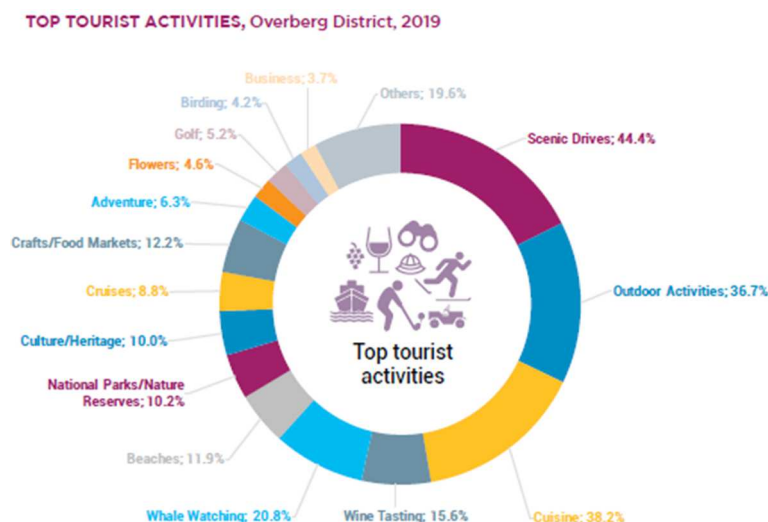
**GDP FORECAST PER SECTOR, Overberg District, 2020 – 2021 (%)<sup>9</sup>**

SECTOR	2019e	2020f	2021f
<b>Primary Sector</b>			
Agriculture, forestry & fishing	-9.1%	12.4%	-8.8%
Mining & quarrying	-3.2%	-23.0%	15.3%
<b>Secondary Sector</b>			
Manufacturing	1.2%	-14.3%	12.8%
Electricity, gas & water	-2.3%	-8.4%	-1.6%
Construction	-3.2%	-17.6%	13.6%
<b>Tertiary Sector</b>			
Wholesale & retail trade, catering & accommodation	0.8%	-17.6%	15.1%
Transport, storage & communication	0.9%	-14.2%	13.0%
Finance, insurance, real estate & business services	4.2%	-0.2%	-0.4%
General government	1.1%	1.7%	-3.7%
Community, social & personal services	1.2%	1.0%	-1.1%
<b>Total Overberg District</b>	<b>0.4%</b>	<b>-6.4%</b>	<b>4.3%</b>

## TOURISM

The most popular activity by far is scenic drives at 44.4%, followed by other secondary activities such as cuisine (38%), outdoor activities (36.7%), whale watching (20.8%) and wine tasting (15.6%). Visitors also take part in other recreational activities such as culture and heritage, cruises and golf. Outdoor experiences, scenic drives and game viewing are provided at the various nature reserves in the region (e.g. De Mond Nature Reserve, De Hoop Nature Reserve, Fernkloof Nature Reserve and Phillipkop Mountain Reserve). The Overberg has a very active events calendar, ensuring that both locals and visitors have ample choice in country and craft markets, and other themed festivals (e.g. food and wine) that showcase local talent and provide the opportunity to purchase local products and fresh produce. The pandemic impacted largely on the tourism industry in the region, especially the restriction of travel of foreign tourists, which is a great contributor to our GDP.

**Figure 10: The top activities undertaken by visitors in die Overberg District in 2019<sup>4</sup>**



<sup>4</sup> MERO 2020

### **EXPANDED PUBLIC WORKS PROGRAMME (EPWP)**

For the year under review, the Overberg District Municipality has performed exceptionally well in terms of achieving its predetermined targets and spending its allocated budget. The Municipality has created 136 work opportunities.

EPWP work opportunities were addressed through the following projects:

- Fire, rescue, disaster management
- Safer Communities Project
- Alien vegetation clearing
- Maintenance at Resorts
- Cleaning at Resorts
- COVID-19 Project

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.

## **COMPONENT D: COMMUNITY AND SOCIAL SERVICES**

### **INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES**

The vision of social services is to coordinate social development activities in the district and to ensure collaboration between Department Social Development and Overberg District Municipality. The purpose of the Social Development Coordinating forum is to foster stakeholder relations and ensure that a platform is created for co-planning and co-budgeting.

#### **Service delivery highlights for 2020/2021**

A draft policy for Social Development has been developed with the aim of providing strategic guidance in terms of functions, mandates, and ways of engaging the community. Several partnerships were forged during the year under review and relations were strengthened with the Department of Social Development.

The district participated in several forums, meetings and other stakeholder engagements. Part of the focus of the social development coordinating forum is to create a platform for not only collaboration, but to ensure that local projects implemented create a platform for the district to participate and engage. Examples of such an approach were the implementation of the Cape Agulhas Youth Day Celebrations, where youth from across the region were able to view the event via social media platforms. Another more recent event was the Climate Change Webinar, held in Cape Agulhas, which again allowed communities from across the region to view the webinar via social media.

Several strides were made in terms of substance use disorder, and it has been placed as priority on the JDMA agenda. An application for a drug rehabilitation centre has been submitted to the Department of Social Development for the district. Local Drug Action Committees in areas such as Theewaterskloof are playing a major role in educating local communities about the danger of substance use. Revival strategies were put in place for municipal areas where they are not operational.

The Social Development coordinating forum partnered with the District Safety forum ensuring the implementation of youth development and Gender Based Violence projects and initiatives. Part of the initiatives were done in partnership with the Ministry for Social Development. Minister Sharna Fernandez was interviewed on Whale Coast FM on the topic of Gender Based Violence.

Early Childhood Development was placed on the JDMA agenda as a priority area, and the second phase of the registration drive will soon commence.

#### **Service delivery challenges for 2020/2021**

COVID-19 regulations and restrictions on human movement negatively impacted on the implementation of projects and interventions in the region, such as limiting access to support services for women and children experiencing GBV.

Gender-based violence (GBV), commonly referred to as the ‘Shadow-Pandemic’, is a serious threat to the safety and well-being of women and children. The United Nations (UN) reports that one in three women worldwide experience physical or sexual violence mostly by an intimate partner, and that since the global outbreak of COVID-19, GBV cases have further increased.

Mental and psychological distress during the COVID-19 pandemic has increased exponentially, with many individuals dealing with the loss of a loved one, a colleague, a family or community member without the appropriate grief and bereavement support.

Many individuals across the region have also suffered job or income loss or both, which has affected their mental and emotional well-being. This is exacerbated by feelings of anxiety and despair that is common and prevalent during a humanitarian crisis. A unique set of psychological challenges for all citizens ranging from anxiety, stress, grief, despair, and a sense of hopelessness.

Severe weather patterns also increased the demand for humanitarian relief efforts.

#### **COMMENT ON SOCIAL SERVICES PERFORMANCE OVERALL**

Social Services forms part of the Department: LED, Tourism, Resorts and EPWP.

### **COMPONENT E: ENVIRONMENTAL PROTECTION**

#### **INTRODUCTION TO ENVIRONMENTAL PROTECTION**

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

#### **3.6 POLLUTION CONTROL**

##### **INTRODUCTION TO POLLUTION CONTROL**

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

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

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

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

**Table 31: Section 30 Incidents**

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

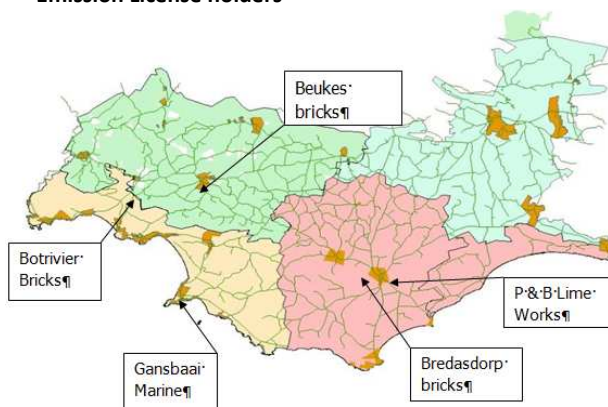
Air quality control is one of the functions performed by Municipal Health Services in terms of the National Health Act, 2003 (Act 61 of 2003) and the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004). The Overberg District Municipality is the licensing Authority for Listed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

**Table 32: Atmospheric Emission License Holders**

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

\*Provisional Atmospheric Emission License (PAEL) - only valid for one (1) year, but also depending on compliance by the facility. a PAEL is also issued if a facility is under construction – as is the case with Bredasdorp Lime Works. After every year the PAEL will be reviewed for compliance in accordance with set conditions, whereafter a final license (AEL) will be issued if the facility did comply for the previous six-month period. The AEL is valid for a 5-year period and all AEL holders in the Overberg needs to renew their AEL's in 2021. Bredasdorp Steenwerke review will be finalised in July 2021.

**Figure 11: Geographical distribution of Atmospheric Emission License holders**



The industries report quarterly to the Licensing Authority on their compliance towards the license conditions, as well as to the National Department of Environmental Affairs.

Continuous monitoring was executed at the applicable premises. The industry co-operated very well with the requirements expected of them. No complaints were received from the community towards the Listed Activities and Controlled Emitters industry.

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

The monitoring of water sources is another function of Municipal Health Services in terms of the above-mentioned act. The pollution caused by especially raw sewage in river systems is a concern and as the quality of final effluent from especially municipal sewage treatment works, is generally of poor quality. Monthly inspections followed up by water sampling of final effluent of these treatment plants are being conducted. Non – compliance is brought under the attention of the relevant owner/manager of the treatment plant. Ongoing sampling of seawater and estuaries is a monitoring tool also being used by environmental health practitioners to monitor possible pollution.

Prevention and rectifying of soil pollution is also an integral part of pollution control. Complaints are investigated and remedial action is taken where necessary. The identification and monitoring of premises to ensure that no pollution occurs is a daily function of Municipal Health Services.

**Service delivery highlights for 2020/2021**

- The continuation of a basic sampling program for seawater and estuaries to monitor possible pollution.
- The provision of an air quality function without an appointed air quality officer.

**Service delivery challenges for 2020/2021**

- Shortage of funding to expand the water sampling programs.
- Personnel vacancies.
- Access to the public due to COVID-19.
- The non - appointment of a designated qualified air quality officer for the Overberg.

## **Comment on the performance of pollution control overall**

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

---

### **3.7 ENVIRONMENTAL MANAGEMENT**

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

The Overberg District Municipality promotes sustainability through its Environmental Management Policy and other strategic documents, such as the Spatial Development Framework and Integrated Development Plan.

The Municipality continues to engage and work with its partners by means of local forums and committees such as the Municipal Coastal Committee, Overberg Climate Change and Biodiversity Forum, Estuary Advisory Forums, Kogelberg Biosphere Reserve, Nuwejaars Wetland Special Management Area, and Agulhas Biodiversity Initiative.

#### **CLIMATE CHANGE RESPONSE**

Chapter 3 of the draft Climate Change Bill (Government Gazette No. 41689) is dedicated to outlining the roles assigned to municipalities with regards to responding to climate change. The Bill is aimed at building an effective climate change response and ensuring the long-term, just transition to a climate resilient and lower carbon economy and society.

Even though the Bill has not yet been approved by Cabinet, the Municipality together with the Department of Forestry, Fisheries and the Environment (DFFE) has established a platform named the Overberg Climate Change and Biodiversity Forum. The purpose of the forum is to give effect to the Bill in a pro-active manner and support local municipalities in terms of climate change response and biodiversity related matters. The forum will focus on mainstreaming climate change into municipal planning, including documents such as the IDP and SDF, and to support local municipalities to mainstream climate change.

#### **Service delivery highlights for 2020/2021**

The establishment of the Overberg Climate Change and Biodiversity Forum.

#### **Service delivery challenges for 2020/2021**

Climate change has been identified as strategic risk within the municipality. However, strategic planning and budgeting for climate change response across all line functions remains a challenge.

#### **BIODIVERSITY MANAGEMENT**

##### **1. Alien invasive vegetation control**

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

##### **1.1. ODM Alien Invasive Species Monitoring, Control and Eradication Plan**

The review of the ODM's Alien Invasive Species Monitoring, Control, and Eradication Plan (AIS Control Plan) was completed. As part of the review, 5 priority properties were identified and an implementation plan for each property was developed.

A contractor was appointed to initiate the implementation phase of the AIS Control Plan. Initial alien vegetation clearing was done on two properties namely the Karwyderskraal Regional Landfill Site and the Uilenkraalsmond Holiday Resort. The main focus was to establish firebreaks around the properties and to clear drainage lines crossing the properties.

##### **1.2. EPWP Alien vegetation clearing project**

The project entailed the clearing of alien and invasive vegetation within our wetland and river systems which are classified as National Freshwater Priority Areas. The aim of the project was to improve water security, while addressing fire risk, and creating jobs.



The projects were implemented in partnership with the Nuwejaars Wetland Special Management Area, the Overberg Renosterveld Trust, Earth Matters (Pty) Ltd and Breede Gouritz Catchment Management Agency.

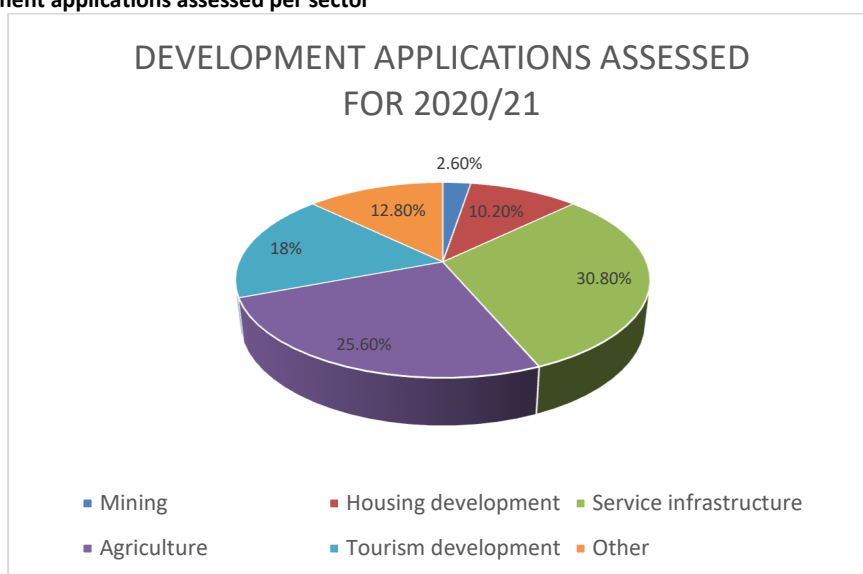
**Table 33: Environmental Management - EPWP projects**

Project Name	Project Description	Project Period	No. of work opportunities
River and wetland rehabilitation.	Removal of alien vegetation within the Nuwejaars river and wetland systems.	85 days	10
Klippedrift River	Removal of alien vegetation within the Napier commonage.	85 days	19

## 2. Evaluation of land- use applications and environmental impact assessments

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

**Figure 12: Development applications assessed per sector**



### Service delivery highlights for 2020/2021

- Successful implementation of alien vegetation clearing projects on ODM properties.
- Successful implementation of alien vegetation clearing EPWP projects within National Freshwater Ecosystem Priority Areas (NFEPA).

### Service delivery challenges for 2020/2021

- Due to legislative limitations, the Municipality cannot approach alien invasive vegetation clearing in a strategic manner and implement a landscape approach, which are limited to its own properties.
- The ongoing loss of biodiversity due to development pressure, land degradation, and poaching remains a huge concern.

### COASTAL & CATCHMENT MANAGEMENT

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

The Municipality continues to perform proactive coastal and catchment monitoring, in order to inform and advise the Municipality and role-players on required actions.

The Municipality remains dedicated to the process of designating coastal access land in accordance with the principles of the National Environmental: Integrated Coastal Management Act. This will be done as collective between all spheres

of Government. The Middelvlei coastal access pilot project in the Overstrand municipal area will be concluded by the Provincial Government as lead authority.

#### Service delivery highlights for 2020/2021

The Municipal Coastal Committee remains an active and functional platform to promote communication and coordination between key role-players.

#### Service delivery challenges for 2020/2021

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.

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

**Table 34: Financial Performance: Environmental Management**

Financial Performance: Environmental Management							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance Adjustment to Budget (R)	
<b>Total Operational Revenue</b>	95	200	200		-100%	(200)	
Expenditure:							
Employees	2 090	2 086	2 086	1 905	-9%	(181)	
Repairs and Maintenance							
Other	204	585	620	295	-52%	(325)	
<b>Total Operational Expenditure</b>	2 295	2 671	2 706	2 200	-19%	(506)	
<b>Net Operational Expenditure/Revenue</b>	(2 200)	(2 471)	(2 506)	(2 200)	0%	306	
<i>Variances are calculated by comparing the Actual and Adjustment Budget</i>							

**Table 35: Capital Expenditure: Environmental Management**

Capital Expenditure: Environmental Management							R' 000
Capital Projects	2020/21						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All		5	4	-22%		(1)	

#### COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL MANAGEMENT

Environmental Management managed to stay within their operational budget but not all anticipated revenue realized due to the COVID-19 lockdown period. The capital expenditure relates to a private contribution made.

### COMPONENT F: HEALTH

#### 3.8 MUNICIPAL HEALTH SERVICES (HEALTH INSPECTION)

##### 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.

#### Registration and training of Environmental Health practitioners (EHP's)

- EHP's all registered with the Health Profession Council of South Africa (HPCSA, and
- EHP's undergo online training. It is compulsory for all EHP's to comply with the Continued Professional Development (CPD) in order to maintain their registration with the HPCSA). The EHP's complete their CPD training online.

#### Service delivery highlights for 2020/2021

- The continuation of a basic sampling program for food and Water quality.
- Conducting inspections at premises during COVID-19 lockdown for Regulation 638 and COVID-19 compliancy.
- Public Health education regarding COVID-19 by distributing educational pamphlets.
- Forming part of the team in sanitizing of the Taxi Ranks in the Overberg district areas.
- Forming part of the Joint Operational Committee (JOC) for reporting on Municipal Health Services (MHS) contribution during this COVID-19 pandemic and giving feedback to any enquiries.
- Forming part of the Mass Fatality Committee, where reports are shared regarding the sufficiency ground space for burial and crematoriums programmes.
- Giving a weekly report to Provincial Health on deceased storage capacity at Funeral Parlours.
- Forming part of the Joint Operation Inspection with other Government Stakeholder focusing on Spaza Shop for compliancy with all application legislation especially COVID-19 compliancy.

#### Service delivery challenges for 2020/2021

- Personnel with co-morbidities that must take extremely extra precaution when executing MHS duties, which was a huge challenge, as the MHS duties deals with the Public directly.
- Risk of Personnel contracting COVID-19, leading to shortage of staff for service delivery.
- Access of public to the MHS Offices due to Covid 19 Restrictions.
- Personnel in isolation and quarantine due to COVID-19 infections, which led to delay in service delivery and meeting the target for the top layer items.
- Delay of filling funded posts, though MHS has been declared an essential service.
- Loss of Officials due to resignation retirements and sadly some personnel have lost their lives.

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

**Table 36: Financial Performance: Municipal Health**

Financial Performance: Municipal Health							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
<b>Total Operational Revenue</b>	296	500	500	440	-12%	(60)	
Expenditure:							
Employees	12 767	15 207	15 207	12 839	-16%	(2 368)	
Repairs and Maintenance							
Other	1 484	2 154	2 154	1 664	-23%	(489)	
<b>Total Operational Expenditure</b>	14 250	17 360	17 360	14 503	-16%	(2 857)	
<b>Net Operational Expenditure/Revenue</b>	(13 954)	(16 860)	(16 860)	(14 064)	-17%	2 797	

Variations are calculated by comparing the Actual and Adjustment Budget.

**Table 37: Capital Expenditure: Municipal Health**

Capital Expenditure: Municipal Health							R' 000
Capital Projects	2020/21						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All			0	100.00%		0	

**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.

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

**COMPONENT G: SECURITY AND SAFETY**

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

**3.9 EMERGENCY SERVICES (FIRE SERVICES)**

**INTRODUCTION TO FIRE SERVICES**

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

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

The three top priorities for the unit remain:

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

The department was intricately involved on an operational and strategic level in the fight against COVID-19. Not only were multiple decontaminations done at government and institutional buildings, but also preventative sanitizing at public spaces. During the fire season, additional measures had to be put in place on the fire lines in order to prevent disease spread. This added an additional burden in an already volatile environment.

This year saw the completion of the training centre with training to start in the new budget year. First focus will be on fire safety training leading up to the summer fire season. Outside agencies, like Western Cape Emergency Medical Services, as well as the Department of Community Safety will be training in the centre.

The District Fire Working Group provides for the association and assembly of persons who have to deal with fires and related incidents such as wildfires, rural/urban interface fires, land management, natural resource management and prescribed burning in the Overberg District. This workgroup met once during the year to discuss matters of importance. Due to the COVID-19 Virus and lockdowns, a second meeting could not take place.

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

Landowner involvement with fires remained constant during the year. ODM received support from landowners assisting through the coordination by the Greater Overberg Fire Protection Association. Landowners were also more involved in fire prevention and alien-fuel reduction. The successful Klein Swartberg Burn near Caledon is testament of this where large tracks of land were burnt in controlled block burns in order to reduce the risk of huge wildfires.

**Table 38: Fire Services Data**

Details	2019/2020	2020/2021
	Actual Number	Actual Number
Total incidents attended in the year	2202	1762
Average turnout time – urban areas	Office hours 7 min, after hours 15 min Swellendam 4 minutes all hours	Office hours 7 min, after hours 15 min Grabouw and Swellendam 4 minutes all hours
Average turnout time – rural areas	15-30 min	15-30 min
Firefighters in post at year end	47	53
Total fire vehicles at year end	31	33
Average number of appliances off the road during the year	2	2

**Service delivery highlights for 2020/2021**

- Active support of COVID-19 actions
- Completion of Training Centre

**Service delivery challenges for 2021/2022**

Maintaining service delivery standards in a shrinking financial environment

**Table 39: Financial Performance: Emergency Services**

Financial Performance: Emergency Services							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
<b>Total Operational Revenue</b>	3 447	4 135	4 135	4 701	14%	566	
Expenditure:							
Employee	21 372	23 116	23 116	22 402	-3%	(714)	
Repairs and Maintenance							
Other	7 871	7 824	10 016	10 196	2%	181	
<b>Total Operational Expenditure</b>	29 243	30 940	33 132	32 599	-2%	(534)	
<b>Net Operational Expenditure</b>	(25 796)	(26 805)	(28 997)	(27 898)	-4%	1 100	

*Variances are calculated by comparing the Actual and Adjustment Budget.*

**Table 40: Capital Expenditure: Emergency Services**

Capital Expenditure: Emergency Services							R' 000
Capital Projects	2020/21						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	3 100	3 800	3 657	-3.76%		(143)	

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

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

The capital project “Fire Station” to the amount of R1 million was removed in the Adjustment Budget, as properties were not sold in the financial year, to finance the project. Once funds are available from the sale of properties, the project will be included in future budgets for consideration to be completed.

Projects financed from own funds, carried over from the previous financial year, valued at R100 000, were committed. Furthermore, projects to the value of R2 million funded by Provincial Government were also rolled over from the previous financial year. The new allocation of the Safety Implementation Grant, amounting to R900 000 was transferred to the Operational Budget to fund the deployment of the Mediation teams. The underspending on capital budget was mainly due to roll-over of unspent committed Provincial Grant funds to the value of R1.36 million.

**3.10 DISASTER MANAGEMENT**

**INTRODUCTION TO DISASTER MANAGEMENT**



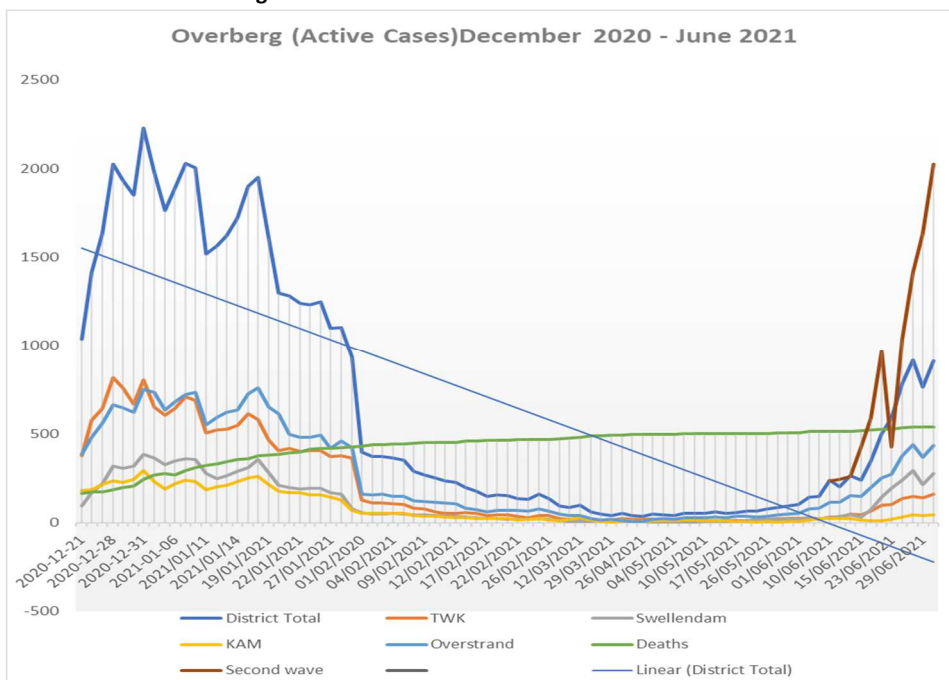
Disaster Management is performed in the district as per the requirements of the applicable act and framework. The mandatory administrative part of the function, as described in the act, is adhered to as allowed by financial resources. However, it needs to be noted that Disaster Management is still an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

**COVID-19 Response Overberg Disaster Management**

The COVID-19 District Joint Operational Centre (JOC) remained active, it met three times a week. The Disaster Risk Management Plan was updated and approved by the Council, as well as the Disaster Management Framework. Over and above the JOC 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.



**Figure 13: COVID-19 cases in the Overberg December 2020 – June 2021**



Strong bond formed during the COVID-19 pandemic led to the further expansion of capacity for other incidents like the floods in May where massive agricultural losses took place.

#### **Service delivery highlights for 2020/2021**

- With minimum staff the unit played a key leading role in the Covid Pandemic
- Funds and strategies for Safety Initiatives were obtained through a Conditional Grant from Department of Community Safety;
- Recruitment, Selection, Training and deployment of mediators and mediation teams in the Overberg;
- Strengthening of registered Neighbourhood watches and funding of Social Crime prevention projects in the municipalities;
- Strengthening of Rural Safety Systems; and
- District Safety Plan completed bases on summit inputs and community needs.

#### **Service delivery challenges for 2020/2021**

The unit remains under capacitated, and the risks are increasing through the Covid Virus and Climate Change Effects.

#### **COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL**

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

### **COMPONENT H: SPORT AND RECREATION**

#### **3.11 RESORTS**

##### **INTRODUCTION TO RESORTS**

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

Uilenkraalsmond Resort is managed by the Municipality under a management agreement with Department of Public Works (DPW). Die Dam Resort is owned and managed by the Municipality.

##### **Service delivery highlights for 2020/2021**

- The Water network has been finalised at Die Dam Resort. The asbestos water pipe was replaced by a PVC pipe. The effectiveness of the project can be seen by the significant change in water quality.
- Installation of an electrical cable at Die Dam Resort has been finalised. A 1.5km medium high voltage cable has been installed to provide an efficient, effective, and cost-effective electricity network to the holidaymakers. The old and worn cable was costly to maintain and caused several outages to the frustration of holidaymakers throughout the year.
- Two skips and a trailer were purchased for Die Dam Resort for the removal of garbage especially during the festive period which became problematic due to the travelling distance for the daily disposing of the garbage.



*Shop at Uilenkraalsmond Resort*

Although several challenges occurred during the year, planning had to be adjusted in accordance with the pandemic regulations, as well as the extreme weather conditions in the last quarter. The Resorts achieved an 84% execution of the operational and maintenance plan for the year.

EPWP participants were appointed at both Resorts for maintenance activities prior to the festive period, for cleaning functions during the festive and easter period.

#### Service delivery challenges for 2020/2021

- Strict adherence to Government Regulations, purchasing of personal protection equipment and supplies for the sanitizing of amenities were a challenge. The primary challenge is the effect the pandemic has on the economic and sustainable livelihood of the Resorts.
- The Transfer of Uilenkraalsmond land from the Department of Public Works remains a challenge. After several correspondence between the Provincial Department of Public Works and the Municipality, an agreement has not been reached.
- The continuous illegal building and permanent residency remain a challenge for the Resorts. A draft By-Laws for the Resorts have been developed and will be tabled to Council before public participation.
- The Wooden House at Uilenkraalsmond is classified as a high-risk due to erosion of the dune adjacent to the house. Site meetings were held and in conjunction with the Department of Environmental Affairs and Development Planning of the Western Cape Government, a plan has been drafted to resolve the challenge.
- The revamping and upgrading of the chalets at Uilenkraalsmond were a huge challenge due to lockdown regulations. Although most of the chalets have been equipped with LED lighting, there is still a backlog due to limited staff to execute functions. Vacant positions were advertised and will be filled in the next financial year.
- A plan for the removal of alien vegetation on the dunes and surroundings of Uilenkraalsmond for the establishment of fire track, was developed. The fire tracks have been established, but the dry alien vegetation on the dunes remains a challenge.

**Table 41: Resorts Occupancy Rate**

Accommodation per year					
Resort	Type of accommodation	Quantity	2019/2020	2020/2021	% Increase / Decrease
Uilenkraalsmond	Chalets	36	3287	1912	-41.83%
	Camping Sites	110	4048	2752	-32,02%
	Hall	1	48	1	-97.92%
Die Dam	Chalets	2	271	217	-19.93%
	Camping Sites	89	744	2150	188.98%

A noticeable decrease in the occupancy rate at Uilenkraalsmond was experienced due to the pandemic. However, Die Dam Resort reflected an increase compared to the previous year. Die Dam Resort has become a preferred destination due to the location and the environmental surroundings.



**Table 42: Financial Performance: LED, Tourism, Resorts and EPWP**

Financial Performance: LED, Tourism, Resorts and EPWP							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
<b>Total Operational Revenue</b>	15 651	16 791	14 485	15 767	9%	1 282	
Expenditure:							
Employees	6 692	7 393	7 363	5 925	-20%	(1 438)	
Repairs and Maintenance							
Other	10 022	9 418	9 889	10 308	4%	419	
<b>Total Operational Expenditure</b>	16 714	16 810	17 252	16 233	-6%	(1 018)	
<b>Net Operational Expenditure/Revenue</b>	(1 063)	(19)	(2 767)	(467)	-83%	2 300	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

**Table 43: Capital Expenditure: LED, Tourism, Resorts and EPWP**

Capital Expenditure: LED, Tourism, Resorts and EPWP							R' 000
Capital Projects	2020/21						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	200	394	340	-13.77%		(54)	

#### COMMENT ON THE PERFORMANCE OF LED, TOURISM, RESORTS AND EPWP OVERALL

EPWP, LED, and Tourism budget also forms part of the resorts budget. Although the function managed to perform within its allocated operational budget, not all anticipated revenue was received, mainly due to the lower occupancy rate experienced during the COVID-19 lockdown period. However, there was a slight recovery of the occupancy rate when the lockdown periods opened up and more revenue was collected.

Capital projects to the value of R394 000 from the previous financial year were committed and an upgrade project transferred to the Operational Budget. This resulted in an increased Adjustment Budget. All the capital projects were complete, and the unspent amounts relate to VAT claimed back.

### 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

A strategic session was held on 18 January 2021 to inform the 2021/2022 IDP review on the 4th Generation IDP. Council approved the 2021/2022 IDP and Budget on 24 May 2021.

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

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

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

The COVID-19 pandemic, declared as a national state of disaster, impacted on the municipality through-out the year. During the different levels of lockdown, virtual meetings were held and work from home approached were applied where possible.

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

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

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

**Table 44: Financial Performance: The Executive and Council**

<b>Financial Performance: Executive &amp; Council</b>						
						<b>R'000</b>
Details	2019/20	2020/21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
<b>Total Operational Revenue</b>	10 318	19 981	20 530	11 343	-45%	(9 187)
Expenditure:						
Employees	1 994	2 513	2 516	2 328	-7%	(189)
Repairs and Maintenance						
Other	8 366	8 813	8 676	7 611	-12%	(1 065)
<b>Total Operational Expenditure</b>	10 360	11 326	11 193	9 939	-11%	(1 254)
<b>Net Operational Expenditure/Revenue</b>	(42)	8 655	9 337	1 404	-85%	(7 933)
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>						

**Table 45: Capital Expenditure: The Executive and Council**

<b>Capital Expenditure: The Executive and Council</b>						
						<b>R' 000</b>
Capital Projects	2020/21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	40	240	45	-81.17%		(195)

## COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Executive and Council managed to stay within their allocated operational budget, but the expected revenue regarding gains on land sales to the value of R9.4 million did not realized during the year under review. However, the allocation to the respective bidders was approved by Council and the transactions will be realized in the next financial year.

Capital expenditure relates for equipment acquired in respect of COVID-19.

**Table 46: Financial Performance: Internal Audit**

Financial Performance: Internal Audit							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
<b>Total Operational Revenue</b>							
Expenditure:							
Employees	1 290	1 848	1 848	1 402	-24%	(446)	
Repairs and Maintenance							
Other	36	57	57	35	-38%	(21)	
<b>Total Operational Expenditure</b>	1 325	1 905	1 905	1 438	-25%	(467)	
<b>Net Operational Expenditure/Revenue</b>	(1 325)	(1 905)	(1 905)	(1 438)	-25%	467	

*Variances are calculated by comparing the Actual and Adjustment Budget.*

**Table 47: Capital Expenditure: Internal Audit**

Capital Expenditure: Internal Audit							R' 000
Capital Projects	2020/21						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All							

## COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Internal Audit managed to stay within its allocated operational budget.

### 3.13 FINANCIAL SERVICES

#### INTRODUCTION TO FINANCIAL SERVICES

The Directorate Finance consists of the following departments: Financial Services, Supply Chain Management, Revenue and Expenditure Management.

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

The COVID-19 pandemic impacted negatively especially during the third wave, due to the uncertainty that remains on how long the pandemic will last and how long the economy will take to recover from the lockdown restrictions.

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

It must be highlighted that the Municipality is operating a very successful and interactive Finance Portfolio Committee with open sessions to jointly seek solutions and best practices. All existing financial- and budget related policies were reviewed while a Cost Containment Policy was implemented. An inclusive process was followed in compiling the 2021/22-2023/24 MTREF Budget with the involvement of all Departments as well as the Budget Steering Committee.

MSCOA is fully implemented and the planned focus for the next few years is to expand the seamless integration to Human Resources, Payroll, Supply Chain Management and the Service Delivery Budget Implementation Plans (SDBIP). Progress has also been made in extraction of MFMA reports directly from the financial system and the full migration to the web version of the financial system should be finalized in the 2021/22 financial year.

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

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

**Table 48: Debt Recovery**

Debt Recovery									R' 000
Details of the types of account raised and recovered	2018/19		2019/20			2020/21			
	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 %	
<b>Municipal and other Services</b>	20 316	92.85%	29 384	24 551	83.55%	30 365	35 953	118.40%	

**Table 49: Financial Performance: Financial Services**

Financial Performance: Financial Services							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
<b>Total Operational Revenue</b>	79 797	81 430	86 459	83 399	-4%	(3 061)	
Expenditure:							
Employees	9 612	11 522	11 276	8 815	-22%	(2 461)	
Repairs and Maintenance							
Other	9 247	13 350	14 015	13 129	-6%	(886)	
<b>Total Operational Expenditure</b>	18 859	24 872	25 290	21 944	-13%	(3 347)	
<b>Net Operational Expenditure</b>	60 938	56 557	61 169	61 455	0%	286	

*Variations are calculated by comparing the Actual and Adjustment Budget.*

**Table 50: Capital Expenditure: Financial Services**

Capital Expenditure: Financial Services						
R' 000						
Capital Projects	2020/21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All		80	74	-7.61%		(6)

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

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

One capital project was rollover from the previous financial year and was completed.

**3.14 HUMAN RESOURCE SERVICES**

**INTRODUCTION TO HUMAN RESOURCE SERVICES**

The Human Resources department plays an active role in the alignment of the IDP and staff, to ensure that the municipality reached its strategic goals. The activities of this section are detailed under Organisational Performance (Chapter 4).

**Organisational development highlights for 2020/2021**

- A draft Succession Planning and Career Path / Skills Transfer Policy was developed.
- The training budget was fully spent.
- Allocation of external bursaries to disadvantage student in the district.

**Organisational development challenges for 2020/2021**

- The filling of vacancies in the Human Resources department.
- Evaluation of job descriptions.

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

**Table 51: Financial Performance: Human Resources Services**

Financial Performance: Human Resource Services						
R'000						
Details	2019/20	2020/21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
<b>Total Operational Revenue</b>						
Expenditure:						
Employees	1 857	3 034	3 100	1 653	-46.67%	(1 447)
Repairs and Maintenance						
Other	359	1 070	1 070	644	-39.77%	(425)
<b>Total Operational Expenditure</b>	2 216	4 104	4 170	2 298	-44.90%	(1 872)
<b>Net Operational Expenditure</b>	(2 216)	(4 104)	(4 170)	(2 298)	-44.90%	1 872
<i>Variations are calculated by comparing the Actual and Adjustment Budget.</i>						

**Table 52: Capital Expenditure: Human Resources Services**

<b>Capital Expenditure: Human Resources Services</b>						
						<b>R' 000</b>
Capital Projects	2020/21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All						

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

Human Resources managed to perform their duties within their operational budget and spent all the grant funding projects on bursaries and capacity building (Internship).

**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 17 premises with a total of 156 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, cybersecurity, e-mails and internet access. Backups for all data are performed daily. The financial program, performance management and the information management system of roads are maintained by outside organisations. The department received 615 support requests from end-users, of which the majority related to the resetting of passwords.

The ICT department remains concerned about the global increase of cybercrimes. Measures are in place to protect the ODM network and data, however, no security system is impenetrable. Continuous updates are being done.

The Overberg District Municipality and Cape Agulhas Municipality have joint up and went on two transversal tenders. One was for website hosting and support and the second was for VOIP telephones and network connectivity.

**Service delivery highlights for 2020/2021**

- Implementation of the SharePoint system for Records Management has been concluded.
- Future plans are to implement a similar system for the HR system.

**Service delivery challenges for 2020/2021**

More personnel are required to resolve problems in an adequate amount of time to properly assist departments with service delivery.

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

**Table 53: Financial Performance: ICT**

Financial Performance: ICT							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
<b>Total Operational Revenue</b>							
Expenditure:							
Employees	1 095	1 147	1 147	838	-26.92%	(309)	
Repairs and Maintenance							
Other	2 468	2 835	2 835	2 236	-21.13%	(599)	
<b>Total Operational Expenditure</b>	3 563	3 982	3 982	3 074	-22.80%	(908)	
<b>Net Operational Expenditure/Revenue</b>	(3 563)	(3 982)	(3 982)	(3 074)	-22.80%	908	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

**Table 54: Capital Expenditure: ICT**

Capital Expenditure: ICT							R' 000
Capital Projects	2020/21						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All	225	225	249	11%		24	

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

The department managed to stay within their allocated operational budget. Uncomplete capital projects to the value of R225 000 for computer equipment from the previous year as well as the new allocation were spent.

**3.16 SUPPORT SERVICES**

**INTRODUCTION TO SUPPORT SERVICES**

This section includes: Committee Services, Record Management, Legal, Property Management, Risk Management and Performance Management. Procurement Services forms part of Financial Services.

**COMMITTEE SERVICES, RECORD MANAGEMENT AND COUNCILLOR SUPPORT**

Committee Services rendered an administrative support service to Council and its political structures and ensures an effective administrative and secretariat support to all statutory and *ad hoc* committee meetings.

With the announcement of the COVID-19 pandemic, the municipality implemented a digital platform (MS Teams) for all its meetings. Paperless meetings for Council and Committees were implemented successfully with a cost saving on printing and delivery costs of Council documents. Council and Statutory Meetings are held virtually, as per approved; Rules of Order Regulating the Conduct of Meetings of the Municipal Council, for the Overberg District Municipality. The circulation of agendas for Council, Section 80 Committee and Mayco meetings are distributed electronically within five days prior to the meeting. This resulted in Councillors having enough time to prepare for meetings.

All records of Overberg District Municipality are kept and managed in accordance with the Provincial Archives and records services of the Western Cape Act, 2005 (Act 3 of 2005). Records and Archives manages the implementation of

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

The activities of the switchboard and reception entail liaison and client services. Emphasis was placed on the access control into the building. EPWP participants were appointed for access control to the buildings to comply with COVID-19 protocols.

An effective cleaning and maintenance service are rendered to the administration buildings of the Municipality.

#### **Service delivery highlights for 2020/2021**

Approved Paper Reduction Plan is developed as part of the municipality's plan to curb the excessive spending on printing and delivery costs of Council documents.

#### **Service delivery challenges for 2020/2021**

Network connectivity and unexpected load shedding problem during meetings.

### **PROPERTY MANAGEMENT**

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

Council identified nine (9) properties to be sold. The properties identified are not required for the rendering of basic municipal services. The intention for selling these properties is to improve service delivery and the revenue generated from the selling will be used exclusively for capital repairs, upgrades and new projects.

At a meeting held on 24 May 2021 Council unanimously resolved that five of the nine (9) identified properties be awarded to successful bidders and that the administration investigate the possibility of the long-term rental of land or PPP's in terms of the remaining properties.

### **LEGAL**

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

A Labour Court review application related to TASK job evaluations is still pending.

### **RISK MANAGEMENT (SHARED SERVICES)**

The risk management function was performed by the Chief Risk Officer (CRO) on a Shared Service basis between the four participating municipalities in the district for the first half of the year. The municipality is in the process to fill the position. While the CRO post is vacant, the function was handled by the Performance and Risk Management unit with the assistance of a contract appointment. The municipality followed a recruitment process for the filling of the post but was not successful.

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

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

- The periodic reviews conducted by management on their departmental risks.
- Coordinate quarterly FARMC meetings.
- Comprehensive annual departmental risk assessments, involving the heads of department which contributed to the compilation of the most detailed risk register to date.
- Strategic risk assessment with Executive Mayoral Committee and the approval of the register by Council.
- Continuous emphasis on possible fraud and corruption risks and the related risk action plans.
- Monitor the risk management implementation plan.
- Engaging and involving all levels of management with the risk management activities.
- Compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by Council.
- 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.



- Risk management is a standing agenda item at the Audit and Performance Audit Committee meetings, where the Chairperson of the Fraud and Risk Management Committee, Independent Audit Committee member of FARMC and Chief Risk Officer provide feedback.
- Quarterly Risk reports were submitted to all the Portfolio Committee meetings (and if required to Council).
- The FARMC Terms of Reference was reviewed.

#### Challenge for 2020/2021

- Filling of the CRO post.

#### PERFORMANCE MANAGEMENT

The Municipality has a functional Performance Management System in place, which includes the Service Delivery Budget and Implementation Plan (SDBIP) and individual performances management. During October 2020 individual performance agreements were concluded with employees on recognized and placed positions down to the lowest level in line with the SDBIP. The unit is also responsible for the compilation of the Annual Report and to facilitate the performance assessments of the Municipal Manager and Directors. Performance bonuses were paid to the two directors on the 2019/2020 performance assessment. The Municipal Manager decided not to take-up his bonus as part of his contribution toward cost containment.

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

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

Vacancies for these functions will be filled as and when budget allows. (Chapter 4 (4.1))

#### PROCUREMENT SERVICES – Part of Financial Services - nr. 3.13

Table 55: Financial Performance: Support Services

Financial Performance: Support Services							R'000
Details	2019/20	2020/21					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
<b>Total Operational Revenue</b>	197	831	831	231	-72.22%	(600)	
Expenditure:							
Employees	6 512	8 525	8 525	7 066	-17.11%	(1 459)	
Repairs and Maintenance							
Other	2 286	2 832	2 922	2 081	-26.53%	(751)	
<b>Total Operational Expenditure</b>	8 798	11 357	11 447	9 147	-19.46%	(2 210)	
<b>Net Operational Expenditure/Revenue</b>	(8 601)	(10 526)	(10 616)	(8 916)	-15.29%	1 610	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

**Table 56: Capital Expenditure Support**

Capital Expenditure 2020/21: Support Services						
						R' 000
Capital Projects	2020/21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All						

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

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

**COMPONENT J: ORGANISATIONAL PERFORMANCE**

**DETAILED PERFORMANCE REPORT FOR 2020/2021 PER STRATEGIC OBJECTIVE/GOALS**

**Strategic Goal 1 (SG1)**

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

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2020 to Quarter ending June 2021				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL22	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended).	Number of samples taken per annum.	All	434	400	100	100	100	100	400	411	G2	411 Samples were taken. Additional samples were required due to the non-compliance of water quality in municipal areas.	None required.
TL23	Take food samples to monitor the quality of Food ito the FCD Act and legislative requirements.	Number of samples taken per annum.	All	407	400	100	100	100	100	400	424	G2	424 Samples were taken. Unforeseen circumstances required additional samples.	None required.
TL24	Inspect waste management sites wrt generators and couriers of medical waste according to Municipal Health By-Law of Council.	Number of inspections executed per annum.	All	128	115	30	30	25	30	115	125	G2	125 Inspections were executed. The opening of new premises and follow-ups resulted in more inspections done than planned.	None required.
TL25	Take water sample at Sewerage Final Outflow to monitor water quality. (National Water Act: General Standards)	Number of samples taken per annum.	All	169	160	40	40	40	40	160	164	G2	164 Samples were taken. Extra monitoring was required due to non-compliance.	None required.
TL26	Inspect Food Premises according to Regulation R.638.	Number of inspections executed per annum.	All	1560	1 434	400	380	294	360	1 434	1 622	G2	1622 Inspections were done. The opening of new premises and follow-ups resulted in more inspections conducted than planned.	None required.
TL27	Inspect creches to ensure compliance with the Municipal Health By-Law.	Number of inspections executed per annum.	All	157	146	40	40	26	40	146	197	G2	197 Creches were inspected. The opening of new premises and follow-up inspections resulted in more inspections executed than planned.	None required.

TL28	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee.	Number of reports submitted per annum.	All	4	4	1	1	1	1	4	4	G	4 Quarterly reports were submitted.	None required.
TL29	Report annually to the Community Services Portfolio Committee on the outcome of Karwyderskraal Landfill site adherence to the permit conditions.	Report submitted to the Community Portfolio Committee.	All	1	1	0	0	1	0	1	1	G	The outcome of Karwyderskraal Landfill site's adherence to permit conditions was reported to the Community Services Portfolio Committee.	None required.
TL30	Report quarterly to the Community Services Portfolio Committee on the activities of the Regional Waste Forum.	Number of reports submitted per annum.	All	4	4	1	1	1	1	4	4	G	4 Quarterly reports were submitted.	None required.
TL33	Table the revised Disaster Risk Management Plan to Council by June.	Revised Disaster Risk Management plans tabled to Council by June.	All	1	1	0	0	0	1	1	1	G	The revised Disaster Risk Management Plan was tabled to Council on 28/06/2021, Item A155.	None required.
TL34	Table to Council the revised Disaster Management Framework by June.	Revised Disaster Management Framework tabled to Council annually.	All	1	1	0	0	0	1	1	1	G	The revised Disaster Management Framework was tabled to Council on 28/06/2021, Item A154.	None required.
TL35	Revise annually the Safer Community Project Plan and table to the Community Services Portfolio Committee.	Number of Revised Safer Community Project Plans tabled per annum.	All	1	1	0	0	0	1	1	1	G	The plan was tabled to the Community Services Portfolio Committee meeting held 21/06/2021, Item 9.4.	None required.
TL36	Present annually the revised Festive and Fire Season Readiness Plan to DCFTech.	Number of Revised Festive and Fire Season readiness plans presented per annum.	All	1	1	0	1	0	0	1	1	G	The plan was presented on 16/11/2020 to a combined DCF and DCFTech meeting.	None required.
TL37	Report quarterly to the DCFTech on current risks. (e.g. Covid-19)	Number of current risk reports presented per annum.	All	4	4	1	1	1	1	4	17	B	17 DCFTech meetings were held where current risks were reported and discussed. Overperformance was due to the pandemic (Covid-19) which needs to be closely monitored within the district.	None required.

TL38	Interaction with landowners on integrated fire management initiatives in the Overberg.	Number of interactions per annum.	All	5	6	2	2	1	1	6	6	G	6 Interactions were held.	None required
TL39	Upgrade roads to permanent surface by June .	Number of kilometers road upgraded per annum.	All	4.05	0	0	0	0	0	0	0	N/A	Target was amended due to the change of scope of projects. Buffeljagsbaai Road project was put on hold and replaced with the Boontjieskraal Road project, which will be finalised in the next financial year.	KPI to be roll over to next financial year.
TL40	Kilometers of gravel roads to be regravelled.	Number of kilometers road regravelled per annum.	All	37.01	48.83	14	6.83	14	14	48.83	54.51	G2	54.51 Km of roads were regravelled during the year. Short hauling distances to collect gravel material allowed for more kilometers road regravelled.	None required.
TL41	Kilometers of gravel roads to be bladed.	Number of kilometers roads bladed per annum.	All	5855.42	6 500	1 950	1 500	1 350	1 700	6 500	6 771.73	G2	6771.73 Km of roads were bladed during the year. Due to the availability of plant and equipment, more kilometers of road were bladed.	None required.
TL42	Kilometers of road to be resealed.	Number of kilometers road resealed per annum.	All	41.1	28.19	0	20	8.19	0	28.19	28.19	G	28.19 Km of roads were resealed.	None required.
TL43	Submit annually the Business Plan for Provincial Roads budget allocation to Provincial DTPW by March.	Annual Business Plan submitted.	All	1	1	0	0	1	0	1	1	G	Business plan submitted and signed off by Department of Transport and Public Works on 18/03/2021.	None required.

Strategic Goal 2 (SG2)

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

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2020 to Quarter ending June 2021				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL21	Invite service providers to register on the suppliers database by 30 June.	Number of Invitation placed in local media per annum.	All	1	1	0	0	0	1	1	1	G	Advertised in the media on 6/05/2021 and 12/05/2021.	None required.
TL31	Create temporary work opportunities through the alien vegetation clearing initiatives by 30 June.	Number of work opportunities created per annum.	All	22	25	0	0	0	25	25	29	G2	29 Temporary work opportunities were created through two alien vegetation clearing projects.	None required.
TL32	Revise the District Spatial Development Framework by June.	Revised District Spatial Development Framework and tabled to Council annually.	All	New	0	0	0	0	0	0	0	N/A	The target was amended to 0. The project plan was amended due to the impact of Covid-19 and to alignment the SDF period with the next IDP generation 5-year plan.	KPI to rollover to next financial year.
TL44	Report quarterly on the progress of planned deliverables in the RED & Tourism Strategy to the Community Portfolio Committee.	Number of progress reports tabled per annum.	All	2	4	1	1	1	1	4	4	G	Reports tabled on: 28/09/2020 30/11/2020 15/03/2021 21/06/2021	None required.
TL45	Create temporary work opportunities through the municipality's EPWP programme by 30 June (Reg)	Number of temporary work opportunities created during the financial year	All	138	58	0	0	0	58	58	136	B	136 Temporary work opportunities were created through the municipality's EPWP programme. Due to the splitting of some projects, it resulted in more opportunities created.	None required.
TL46	Coordinate a SCM/LED Open days by 30 June 2021.	Number of SCM/LED open days coordinated per annum.	All	0	1	0	0	0	1	1	1	G	SCM/LED open day was held on 20/05/2021 in Swellendam.	None required
TL47	Report bi-annually on the progress in respect of social development Implementation Plan to the Community Services Portfolio Committee.	Number of progress reports tabled per annum.	All	1	2	0	1	0	1	2	2	G	Reports tabled on: 30/11/2020 21/06/2021	None required

TL48	Compile a draft social development policy for the district by June.	Draft Social Development Policy compiled and submitted to Community Portfolio Committee.	All	New	1	0	0	0	1	1	1	G	Draft Social Development Policy was submitted on 21/06/2021, Item 11.3	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 Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2020 to Quarter ending June 2021				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL1	Number of people from employment equity target groups to be appointed by June in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan (Reg).	Number of people appointed in the three highest levels of management .	All	1	1	0	0	0	1	1	0	R	No appointments was made in the three highest level of management in terms of the Employment Equity Plan.	Positions to be advertise and filled in the 2021/2022 financial year.
TL9	Compile and submit WSP to LGSETA by April.	Number of WSP reports submitted per annum.	All	0	1	0	0	0	1	1	1	G	Workplace Skills Plan was submitted on 30/04/2021 to the LGSETA.	None required.
TL10	Coordinate Health and Safety evacuation drills at ODM workstations by June.	Number of evacuation drills coordinated per annum.	All	2	2	0	0	0	2	2	2	G	Evacuation drills were held on: 10/12/2020 17/06/2021	None required.
TL11	Conduct OH&S workshops for ODM OH&S Representatives.	Number of OH&S workshops held per annum.	All	New	1	0	0	0	1	1	1	G	OH&S Workshop / Training was held on 28/06/2021.	None required.
TL12	Percentage of Municipal budget actually spend on the implementation of the Workplace Skills Plan by 30 June (Reg).	% of Municipal budget spent on the WSP per annum (Actual spent on Training/Total Budget).	All	0.02	0.04%	0.00%	0.00%	0.00%	0.04%	0.04%	0.05%	G2	Actual spent on Training: R118 151 Operating Budget: R255 054 352 Managed to spend more on training utilizing SETA funds for additional training.	None required.

TL13	Compile a Skills Transfer Policy and submit to the Local Labour Forum.	Policy compiled and submitted to LLF by June.	All	New	1	0	0	0	1	1	0	R	Policy was included in the agenda of the LLF meeting scheduled for 29/06/2021, but meeting was postponed due to no quorum.	LLF meeting was rescheduled for 5 July 2021 and policy was submitted.
TL14	Conduct annually a Human Resources roadshow.	Number of roadshows conducted per annum.	All	New	1	0	0	0	1	1	1	G	Human Resources roadshow was conducted on 25/06/2021 and 30/06/2021.	None required.

#### 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 Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2020 to Quarter ending June 2021				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL15	Measured financial viability in terms of the municipality's ability to meet it's service debt obligations by 30 June (Debt coverage) (Reg).	The number of times the municipality was able to meet it's Debt obligation. ((Total operating revenue received - operating grants)/debt service payments)).	All	6.81	8.9	0	0	0	8.9	8.9	8.1	O	R45 689 080/R5611 160 = 8.1 Lower revenue realized due to gains on disposal of properties did not realized.	To Review Target for the 2021/22 financial year to include the finalisation of the disposal of properties.
TL16	Measured financial viability in terms of the available cash to cover fixed operating expenditure by 30 June (Cost coverage) (Reg).	Number of months cash were available to cover fixed operating expenditure. ((All available cash at a particular time + investments)/monthly fixed operating expenditure).	All	2.18	2	0	0	0	2	2	2.7	G2	R56 075 529/R20 710 162 = 2.7 More cash available as expected on year-end due to Roads subsidy paid in advance.	None required.
TL17	Measured financial viability in terms of percentage outstanding service debtors by 30 June (Service Debtors) (Reg).	% Outstanding service debtors per annum. (Total outstanding service debtors/annual revenue received for services).	All	19.6	31.00%	0.00%	0.00%	0.00%	31.00%	31.00%	24.60%	B	Total outstanding service debtors: R2 986 870 Annual Revenue received for services: R12 130 034 Most of the payments from Local Municipalities were received before the end of the financial year.	None required.



TL18	Report on Percentage Capital budget actually spend on capital projects by 30 June (Reg).	% of capital budget actually spent on capital projects for the annum. (Actual spent on capital projects/Total capital budget).	All	53	90.00%	0.00%	0.00%	0.00%	90.00%	90.00%	92.20%	G2	Actual Spent: R4372893 Total Capital Budget: R4 743 573 Monthly capital monitoring meeting contributed towards the execution of capital projects.	None required.
TL19	Report to the Audit and Performance Audit Committee on the provision of the rehabilitation costs for Karwyderskraal.	Number of quarterly reports submitted per annum.	All	New	4	1	1	1	1	4	4	G	Reports were tabled on: 29/09/2020 25/11/2020 25/03/2021 24/06/2021	None required.
TL20	Report bi-annually to Council on the performance of service providers for quotations and tenders above R30000.	Number of reports submitted to Council per annum.	All	2	2	0	1	0	1	2	2	G	Reports were tabled to Council on: 25/01/2021 24/05/2021	None required.

#### Strategic Goal 5 (SG5)

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

#### Structures.

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2020 to Quarter ending June 2021				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL2	Develop a Risk-based Audit Plan for 2021/2022 financial year and table to the Audit & Performance Audit Committee by June.	Risk-based audit plan developed and tabled to the Audit and Performance Audit Committee.	All	1	1	0	0	0	1	1	1	G	Risk Based Audit Plan was tabled to the Audit and Performance Audit Committee on 24/06/2021, Item O149.	None required.
TL3	Execute audit projects in terms of the Risk Base Audit Plan (RBAP).	Number of audits executed per annum.	All	16	18	5	4	4	5	18	29	B	29 Audit projects were executed. Due to additional time capacity and short audit reviews resulted in overperformance.	None required.

TL4	Coordinate and facilitate engagements with B-Municipalities in Overberg.	Number of engagements facilitated per annum.	All	New	4	1	1	1	1	1	4	6	B	Engagements with B-Municipalities held on: - Overberg District Communicators Forum on 14/09/2020. - District IDP Managers Forum on 11/12/2020. - District IDP Managers Forum on 02/03/2021. - District PPSComm Forum on 31/03/2021. - District IDP Engagement on 13/05/2021. - District PPSComm Forum on 02/06/2021. Additional meetings were required in preparation of the final IDP review.	None required.
TL5	Publishing of bi-annual External Newsletter to stakeholders.	Number of External Newsletters published per annum.	All	2	2	0	1	0	1	2	2	2	G	2 External newsletters were published.	None required.
TL6	Prepare Top Layer Service Delivery Budget Implementation Plan for approval by the Mayor within 28 days after the adoption of the 2020/2021 Budget.	Top Layer SDBIP submitted to the Mayor for approval.	All	1	1	0	0	0	1	1	1	1	G	Budget was approved on 24/05/2021. Mayor approved the 2021/2022 Top Layer SDBIP on 21/06/2021.	None required.
TL7	Review annually the TL SDBIP to inform Council should a revised TL SDBIP be necessary and table report (Sec. 72) to Council.	Section 72 report tabled to Council by January 2021.	All	1	1	0	0	1	0	1	1	1	G	The SDBIP was reviewed and the report with recommendations was tabled to Council on 25/01/2021, Item A109.	None required.
TL8	Submit the Annual Performance Report to the AG by October.	Annual Performance Report submitted.	All	1	1	0	1	0	0	1	1	1	G	The 2019/2020 Performance Report was submitted to the Auditor-General on 31/10/2020.	None required.

**COMPONENT K: PERFORMANCE ASSESSMENT OF GOODS AND SERVICE PROVIDERS**

Performance assessments were done throughout the 2020/2021 financial year on Providers who tendered or quoted on various tenders or quotations or provided a service or product through other SCM processes (all expenditure above R 30 000).

**Table 57: Service providers assessed during the year**

<b>Name of Service Provider</b>	<b>Goods &amp; Services Supply</b>
<b>Nedbank</b>	Banking Services
<b>TWK Communication CC</b>	VOIP Telephone System
<b>Swift Silliker (Pty) Ltd</b>	Food and Water Sample Analyses for the period ending June 2022
<b>Altimax</b>	Accounting Services
<b>Siyanda Business Solutions</b>	
<b>SOLVEN</b>	SLA – SAMRAS System
<b>Ignite Advisory Services</b>	SLA – Performance Management & Compliance System
<b>Sleba Enterprises (Pty) Ltd</b>	Annual Tender – Fuel
<b>Masimatse Holdings (Pty) Ltd</b>	
<b>Piston Power Chemicals (Pty) Ltd</b>	Annual Tender – Oils & Grease
<b>Process Business Systems (Pty) Ltd</b>	
<b>Moov Fuel (Pty) Ltd</b>	
<b>AVW Project Management</b>	Annual Tender – Grader Blades
<b>Startune (Pty) Ltd</b>	
<b>Bokamoso Mining Supplies (Pty) Ltd</b>	Annual Tender – Filters for Implements / Vehicles
<b>Diesel Electric Worcester</b>	
<b>Eurojap Truck Parts (Pty) Ltd</b>	
<b>AVW Project Management</b>	Annual Tender – Cleaning Agents
<b>Kleen-It Factory Shop</b>	
<b>Startune (Pty) Ltd</b>	
<b>Memotek Trading CC</b>	
<b>Releens Services</b>	
<b>Kwapele Basadi - Cleanit CC</b>	
<b>Argon Steel (Pty) Ltd</b>	Annual Tender – Black Refuse Bags
<b>Startune (Pty) Ltd</b>	
<b>TVM Konstruksie (Pty) Ltd</b>	Annual Tender – Hire of Road Implements
<b>F.G Jacobs Transport CC</b>	
<b>Uitkyk Diggers CC</b>	
<b>Lelieblom Grondverskuiwing</b>	Annual Tender – Reinforced Concrete Pipes, Concrete Channels, Box Culverts and Manholes
<b>Ithuba Industries</b>	
<b>TVM Konstruksie (Pty) Ltd</b>	Annual Tender – Road Surfacing Material
<b>F.G Jacobs Transport CC</b>	
<b>Uitkyk Diggers CC</b>	
<b>Afrimat Aggregates (Operations) (Pty) Ltd</b>	
<b>Colas South Africa (Pty) Ltd</b>	Annual Tender – Supply of Bitumen, Bitumen Emulsion and Primer.
<b>Memotek Trading CC</b>	
<b>Tosas (Pty) Ltd</b>	

<b>Name of Service Provider</b>	<b>Goods &amp; Services Supply</b>
<b>Fantastic Investments 456 CC t/a Hi – Q Bredasdorp</b>	Annual Tender – Tyres: New, Retreads, Tubes & Repairs
<b>Caledon Retreading Factory (Pty) Ltd t/a Supa Quick Caledon</b>	
<b>Imvusa Trading 1411 CC t/a AJ Bandediens</b>	
<b>Soetmuis Vier BK/CK t/a Kwik 'N Go Bredasdorp</b>	
<b>Langeberg Bande t/a Supa Quick Swellendam</b>	
<b>Bokamoso Mining Supplies (Pty) Ltd</b>	Annual Tender – Supply of Cement
<b>Memotek Trading CC</b>	
<b>Brand Universe Pty Ltd</b>	
<b>Dense Seal (Pty) Ltd</b>	Annual Tender – Supply Bags with Tar Products
<b>Startune (Pty) Ltd</b>	Annual Tender – Road Sign- and Fencing Poles
<b>Sukuma Distributors (Pty) Ltd</b>	Annual Tender – Herbicide
<b>Brima Logistics</b>	Annual Tender – Courier Services
<b>AC Airconditioning (Pty) Ltd</b>	Annual Tender – Servicing and Installation of Air-con
<b>Gansbaai Aircon &amp; Refrigeration</b>	
<b>Brand Universe Pty Ltd</b>	
<b>Arina Wilson</b>	Annual Tender – Translations & Editing
<b>Arina Wilson</b>	Annual Tender – Advertisements
<b>Lithotech PE / George (A Division of Bidvest Paperplus (Pty) Ltd.</b>	Annual Tender – Forms
<b>Bidvest Waltons</b>	Annual Tender – Printing & Eycline Paper
<b>Brand Universe Pty Ltd</b>	
<b>Bidvest Waltons</b>	Annual Tender – Printer Ribbons
<b>Hermanus Extinguisher Services</b>	Annual Tender – Supply, Servicing and Refilling of Fire Extinguishers and Hose Reels
<b>Hermanus Extinguisher Services</b>	Annual Tender – Hoses Nozzles and Foam for the Fire Department
<b>Caledon Retreading Factory (Pty) Ltd t/a Supa Quick Caledon</b>	Annual Tender – Supply of Batteries (Vehicles)
<b>Soetmuis Vier BK/CK t/a Kwik 'N Go Bredasdorp</b>	
<b>Langeberg Bande t/a Supa Quick Swellendam</b>	
<b>Diesel Electric Worcester</b>	
<b>Ubuntu BM Holdings (Pty)</b>	Annual Tender – Supply of Welding Rods
<b>Startune (Pty) Ltd</b>	
<b>Brand Universe Pty Ltd</b>	
<b>V du Toit</b>	Services –Ferry at Malgas for a three (3) year period
<b>Nashua Breede Vallei</b>	Rental of Printers
<b>The Grail Centre Trust</b>	Office Rental Space for the period ending November 2018
<b>Johannes De Villiers De Kock t/a Sunjomar Accountants</b>	Lease of Office Space in Hermanus for a Three (3) Year Period
<b>Vodacom</b>	Supply & Delivery of Mobile Communication Services to the State for the period 15 September 2016 to 31 August 2020
<b>SECMA Security</b>	Guarding and Security Services at the Overberg District Municipality's Resorts
<b>Silver Lake Trading 305 (Pty) Ltd t/a Opulentia Financial Services</b>	Short – Term Insurance
<b>JPCE (Pty) Ltd</b>	Karwyderskraal Landfill
<b>Spinning Your Web (Pty) Ltd</b>	Fire Station Web Based Application

<b>Name of Service Provider</b>	<b>Goods &amp; Services Supply</b>
Zana Manzi Services (Pty) Ltd	Pumps – Resorts
RTC Control Systems (Pty) Ltd	Water Treatment: Chemicals – Eoxide LQ 85%
AA Solwandle Attorneys	Appointment of a Legal Panel
A. Adriaans Inc t/a Adriaans Attorneys	
Brasika Consulting (Pty) Ltd	
Bradley Conradie Halton Cheadle	
Enderstein Van Der Merwe Inc	
Fairbridges Arderne & Lawton t/a Fairbridge Wertheim Becke	
John Macrobert Attorneys	
Kruger & Blignaut Attorneys	
Le Minnie Attorneys	
Levendal Attorneys	
Lizel Venter Attorneys	
Maserumule Attorneys	
N. Maharaj Attorneys	
Rossouw & Du Plessiss	
Schoeman Law Inc	
Siyathemba Sokutu Attorneys	
Ukuqedwa Consultants (Pty) Ltd	
Van Der Spuy & Partners	
Webber Wentzel	
Yvette Cloete t/a Yvette Cloete and Assoc	
Worldwide Spares (Pty) Ltd	Appointment of Panel of Accredited Service Providers for the Supply and Delivery of Spare Parts and Service or Replacement of Components of Motor Vehicles, Earthmoving and Road Construction Equipment for the period ending 30 June 2023
S & U Truck Parts	
Hydrafix	
ELB Equipment Holdings (Pty) Ltd	
High Power Equipment Africa (Pty) Ltd	
Gansbaai Engine Rebuilders	
Bakkie Engine Centre	
Kani Motor Repairs	
LA Cranes & Hydraulics CC	
Nupower Automotive Engineering	
AAD Truck & Bus (Pty) Ltd	Appointment of a panel of accredited service providers for the supply and delivery of spare parts and service, refurbishing and/or replacement of components of motor vehicles and fire fighting vehicles for the period ending 30 June 2022.
Worldwide Spares	
Draaiberg General Services	
Rodney Jacobs Holdings (Pty) Ltd t/a Auto Electro Dynamics	
Du Toit Dienssentrum	
Gansbaai Engen Rebuilders	
Grabow Auto Electrical and Spares	
Groenland Auto Electrical CC	
Hein's Auto Electrical CC	
Metsy Motors	
Ramcom Cape (Pty) Ltd	

<b>Name of Service Provider</b>	<b>Goods &amp; Services Supply</b>
<b>Silverrock Projects t/a Overberg Trekker en Motor Onderdele– O.T.M</b>	Appointment of a panel of accredited service providers for the supply and delivery of spare parts and service, refurbishing and/or replacement of components of motor vehicles and fire fighting vehicles for the period ending 30 June 2022.
<b>NCC Environmental Services (Pty) Ltd</b>	Provision of Ground Firefighting Resources
<b>Enviro Wildfire (Pty) Ltd</b>	
<b>Henley Air (Pty) Ltd</b>	
<b>NCC Environment Services (Pty) Ltd</b>	AD HOC Aerial Firefighting Services – Overberg District Municipality
<b>Working on Fire (Pty) Ltd</b>	
<b>NCC Environmental Services (Pty) Ltd</b>	Provision of a Strike Team / Taskforce
<b>Metro City Protection Services</b>	Guarding and Security Services at the Overberg District Municipality's Bredasdorp and Caledon premises for the period ending 30 June 2021
<b>Tourvest Travel Services</b>	Provision of travel agency services for a period of three years
<b>Enviroserv Waste Management</b>	Operation of Cell 4 at Karwyderskraal Landfill
<b>BLT Boiler Services CC</b>	Supply, service and repairs to boilers, burners, hot water tanks, heat exchangers, circulation pumps and all other parts pertaining to hot water system
<b>Pro Heat &amp; Energy Electrical CC</b>	
<b>L.A. Cranes &amp; Hydraulics</b>	Inspection & Testing of Lifting Equipment and Compressors at the Roads Department for three (3) year period until June 2023
<b>BLT Electrical, Mechanical &amp; Consulting Services</b>	Hiring, Servicing, Repairs and Supplies
<b>Simons Electric</b>	
<b>Juno Corp (Pty) Ltd</b>	
<b>Genadendal Jackies Bazaar CC</b>	
<b>Controlab South Africa (Pty) Ltd</b>	Rendering of Laboratory Test Services for Civil Work for the period ending June 2022
<b>Roadlab Laboratories Pty Ltd</b>	
<b>SGS Matrocast t/a Matrocast Laboratories</b>	
<b>Afrimat Aggregates (Operations) (Pty) Ltd</b>	Supply and Delivery of Crushed Wearing Course Material: Gravel and Clay (Binder) for the period ending 30 June 2021
<b>Uitkyk Diggers CC</b>	
<b>FG Jacobs Transport CC</b>	
<b>Startune (Pty) Ltd</b>	Supply and Delivery of Protective Clothing and Footwear for the period ending 30 June 2022
<b>Vida E Sport (Pty) Ltd</b>	
<b>MC Agri (Pty) Ltd</b>	Appointment of panel of accredited service providers for the supply and delivery of spare parts, service and repairs of motor vehicles, earthmoving and road construction equipment for the period ending 30 June 2023
<b>Barloworld Equipment</b>	
<b>Synerlytic Services (Pty) Ltd / Wearcheck</b>	
<b>Rodney Jacobs Holdings</b>	
<b>HD Transmissions (Pty) Ltd</b>	
<b>First Technology Western Cape</b>	Office 365
<b>Altron Nexus Pty Limited – Altron Nexus Solutions</b>	Supply, Installation and Commissioning of a wide Area ETSI DMR Two-Way Radio Network.
<b>Invuyani Safety</b>	Corporate Attire for the Fire Department
<b>Stepahead Manufacturing</b>	
<b>Integrum Global Solutions Pty Ltd</b>	Personal Protective Gear and Various Articles of Human Protective Equipment for the Fire Department
<b>Stevenridge CC</b>	

<b>Name of Service Provider</b>	<b>Goods &amp; Services Supply</b>
<b>OHSCARE CC</b>	Medical certificate of fitness for fire services, resorts, environmental management services, municipal health services and roads (maintenance, construction & workshop) employees of the Overberg District Municipality for the period ending 30 June 2022
<b>Cape Winds Outsource Solutions</b>	Structuring of Fire Training Centre Bredasdorp
<b>SACLEC</b>	Eradication of Invasion Alien Vegetation Caledon / Bredasdorp / Swellendam
<b>Vuka Construction</b>	
<b>Central Road Products (Pty) Lt</b>	Supply of Road Signs with Road Sign Bolts and Nuts, Bolts, Nuts and Washers for Road Signs, Bolts and Nuts for Grader and Guardrail Sheets and Poles
<b>Setlatlapi Business Enterprises (Pty) Ltd</b>	
<b>Western Cape Signs</b>	
<b>Southern Ambition</b>	
<b>Through It All Signs &amp; Markings (Pty) Ltd</b>	
<b>Tuboseal Services (Pty) Ltd</b>	Pipe Cracking (80 Meters) at Die Dam Resort
<b>PH Marketing (Pty) Ltd</b>	Supply and Delivery of Core Galvanised Steel Wire Armour Plain Cable at Die Dam Resort
<b>Skip Rent (Pty) Ltd t/a New Trend Manufacturing</b>	Supply and Delivery of Two Skips and a Trailer for the removal of refuse at Die Dam Resort
<b>CAB Holdings (Pty) Ltd</b>	Printing and Distribution of Municipal Accounts for the period ending 30 June 2021
<b>Western Cape Signs CC</b>	Supply and Delivery of Temporary Road Signage
<b>Nature Works Environmental Consultancy (Pty) Ltd</b>	Appointment of an environmental consultant for the preparation of a site assessment report for the control of alien vegetation, a three-year implementation plan with costing, and specifications for the appointment of a service provider for implementation
<b>Vanmark Resources (Pty) Ltd</b>	Miscellaneous Stationary
<b>Innovo Networks (Pty) Ltd</b>	Supply Synology NAS Device
<b>Nuwejaars Wetlands Special Management Area</b>	Purchasing of Truck
<b>City of Cape Town</b>	Purchasing of Truck
<b>Riël Hugo &amp; Associates</b>	Recruitment and Selection Process of a Chief Financial Officer and Two Management Posts
<b>Ithuba Industries</b>	Supply and Delivery of Pipes and Rectangular Box Culverts for MR 276 Upgrading Project

**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 structure is as follows:

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

The Overberg District Municipality employs 317 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives.

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

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS; TURNOVER AND VACANCIES

**Table 58: Employees Total**

Description	Employees				
	2019/2020	2020/2021			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Roads	196	220	188	32	15%
Planning (IDP/Communications)	2	3	2	1	33%
Environmental Management	4	4	4	0	0%
Municipal Health Services	20	37	19	18	49%
Emergency, Fire and Disaster Services	54	102	52	50	49%
Social Development	0	1	0	1	100%
LED, Tourism, Resorts and EPWP	20	39	17	22	56%
Office of Municipal Manager/Executives	4	6	4	2	33%
Internal Audit	2	3	2	1	33%
Finance	16	25	16	9	36%
Human Resources	4	5	2	3	60%
Legal Services	0	1	0	1	100%
Support Services, Committee Services, Records Management & Council Support	9	12	8	4	33%
ICT Services	2	3	2	1	33%
Performance Management & Risk Management	1	4	1	3	75%
<b>Totals</b>	<b>334</b>	<b>465</b>	<b>317</b>	<b>148</b>	<b>32%</b>

*Calculation: Employees and Approved posts at 30 June 2021*



## Occupational levels

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

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

**Table 59: Occupational Levels**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management (Level 23-26)	0	1	0	2	0	0	0	0	0	0	3
Senior Management (Level 16-22)	0	0	0	3	0	0	0	1	0	0	4
Professionally qualified and experienced specialists and mid-management (Level 14-15)	0	2	0	5	1	3	0	0	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Level 9-13)	4	18	0	15	3	12	0	6	0	0	58
Semi-skilled and discretionary decision making (Level 4-8)	49	59	0	13	8	19	0	2	0	0	150
Unskilled and defined decision making (Level 1-3)	18	28	0	4	18	21	0	2	0	0	91
<b>TOTAL PERMANENT</b>	<b>71</b>	<b>108</b>	<b>0</b>	<b>42</b>	<b>30</b>	<b>55</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>317</b>
*Temporary employees	8	33	0	3	14	17	0	2	0	0	77
<b>GRAND TOTAL</b>	<b>79</b>	<b>141</b>	<b>0</b>	<b>45</b>	<b>44</b>	<b>72</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>394</b>

*\*The number of EPWP employees at 30 June 2021 forms part of the temporary employees.*

**Table 60: Turn-over Rate**

Turn-over Rate			
Details	Total no appointments at the end of each Financial Year	Terminations during the Financial Year No.	*Turn-over Rate
2018/2019	319	23	7.21%
2019/2020	334	23	6.89%
2020/2021	<b>317</b>	<b>28</b>	<b>8.83%</b>

*\*Calculation: Terminations/by total number of permanent employees at 30 June 2021.*

## COMMENT ON VACANCIES AND TURNOVER

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

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

#### 4.2 POLICIES

**Table 61: Human Resources Policies and Plans**

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted/reviewed by Council or comment on failure to adopt
1	Study Aid Policy	100%	100%	28 June 2021
2	Cellular Tablet and Data Policy	100%	100%	27 July 2015
3	Dress Code Policy	100%	100%	28 June 2021
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%	28 June 2021
8	Overtime Policy	100%	100%	18 July 2018
9	Recruitment and Selection Policy	100%	100%	6 December 2019
10	Sexual Harassment Policy	100%	100%	6 December 2019
11	Skill Retention Policy	100%	100%	27 July 2015
12	Smoking Policy	100%	100%	27 July 2015
13	Substance Abuse Policy	100%	100%	6 December 2019
14	Task Job Evaluation Policy	100%	100%	3 December 2012
15	Travel & Subsistence Policy	100%	100%	18 June 2012
16	Private work (Employees)	100%	100%	5 December 2017
17	Performance Management Framework Policy	100%	100%	5 December 2017
18	Time-off to attend funerals	100%	100%	24 May 2021
19	Remuneration Policy	100%	100%	28 May 2018
20	Acting Allowance Policy	100%	100%	8 September 2014
21	Extra Services Allowance Policy	100%	100%	8 September 2014
22	External Bursary Policy	New		28 June 2021
22	COVID-19 Policy	New		24 May 2021

### COMMENT ON WORKFORCE POLICY DEVELOPMENT

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

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

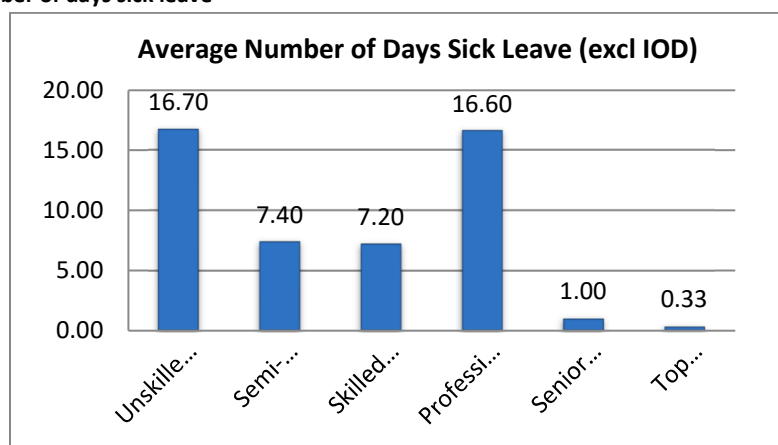
**Table 62: Number of days leave for Injuries on Duty**

Number days leave for Injuries on Duty				
Type of injury	Number of Injury Leave days taken	Number of Employees using injury leave	Average Injury Leave days per employee	Percentage of total employees using Injury Leave
Required basic medical attention only	290	50	58	15.77%
Temporary total disablement	0	0	0	0.00%
Permanent disablement	0	0	0	0.00%
Fatal	0	1	0	0.32%
<b>Total</b>	<b>290</b>	<b>51</b>	<b>58</b>	<b>16.09%</b>

**Table 63: Number of days of Sick Leave (excluding injuries on duty)**

Number of days 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 at year-end	Average sick leave per Employees
	Days	%	No.	No.	Days
Unskilled and Defined Decision making (Levels 1-3)	1517.5	17.10%	91	91	16.70
Semi-Skilled and Discretionary Decision making (Levels 4-8)	1109	12.26%	108	150	7.40
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Level 9-13)	416		14	58	7.20
Professionally Qualified and Experience Specialists / Mid Management (Levels 14-15)	183	6.01%	10	11	16.60
Senior Management (Level 16-22)	4	0.00%	1	4	1.00
Top Management/ Executive (Level 23-26)	1	100.00%	0	3	0.33
<b>Total</b>	<b>3230.5</b>	<b>*27.07%</b>	<b>224</b>	<b>317</b>	<b>*8.21</b>
* Average					

**Figure 14: Average number of days sick leave**



## COMMENT ON INJURY AND SICK LEAVE

Sick leave taken by employees has service delivery and cost implications. By monitoring the record for sick leave and leave for injuries on duty, the employer can detect patterns or trends. The sick leave days increased from the previous year (2020 – 2278 days). The increased in sick leave is mainly due to medical disability and COVID-19 related complications. Sick leave related to COVID-19 is treated as special leave. Corrective actions were taken when necessary.

Table 64: Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
None				

Table 65: Disciplinary Action Taken on Cases of Financial Misconduct

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

## 4.4 PERFORMANCE REWARDS

### COMMENT ON PERFORMANCE REWARDS

There is no performance incentive system in place for the rest of employees and therefore, no rewards were made to the employees. The Performance Agreements of Municipal Manager and Directors specify whether a performance bonus is payable. Performance bonuses were paid to the Directors on their 2019/2020 performance outcome. The Municipal Manager voluntary requested that no performance bonus be paid to him as part of cost containment measures; he has put in place for the municipality.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Skills Development Act, 1998 (Act 81 of 1998) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) of the Municipal Systems Act states that, as Head of Administration, the Municipal Manager is responsible for the management, utilization and training of staff.

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

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

**Table 66: Skills Matrix**

Skills Matrix										
Management level	Gender	Employees in post as of 30 June 2021	Number of skilled employees required and actual as of 30 June 2020							
			Learnerships		Skills programmes & other short courses		Other forms of training Unemployed		Total	
			No.	Actual:	Target	Actual:	Target	Actual:	Target	Actual:
MM, S57 and Snr Manager and managers	Female	5	0	0	3	1	0	0	3	1
	Male	17	0	0	7	0	0	0	7	0
Professionals	Female	15	0	0	11	3	6	6	17	9
	Male	8	0	0	7	2	7	7	14	9
Technicians and Associate Professionals	Female	7	0	0	3	4	0	0	3	4
	Male	13	0	0	4	4	0	0	4	4
Clerical Support Workers	Female	21	0	0	5	2	0	0	5	2
	Male	8	0	0	2	2	0	0	2	2
Sub Total	Female	48	0	0	20	10	6	6	28	16
	Male	46	0	0	27	8	7	7	27	15
<b>Total</b>		<b>94</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>18</b>	<b>13</b>	<b>13</b>	<b>55</b>	<b>31</b>

**Table 67: Financial Competency Development: Progress Report**

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) (No entities)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	0	1	0
Senior managers	2	0	2	2	2	2
Any other financial officials	18	0	18	10	0	10
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	0	0	0
<b>TOTAL</b>	<b>23</b>	<b>0</b>	<b>23</b>	<b>14</b>	<b>4</b>	<b>14</b>

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

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

Overberg District Municipality's newly appointed officials, interns, and financial officers are currently registered for Municipal Minimum Competency to meet prescribed regulated requirements by Treasury.

A total amount of R61 600.00 was allocated for training, of which R31 275.61 (excluding VAT) was spent in the financial year.

The ODM reported on its Skills Development Plan to LGSETA on 30/04/2021, and the 2021/2022 plan was also submitted to the LGSETA.

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

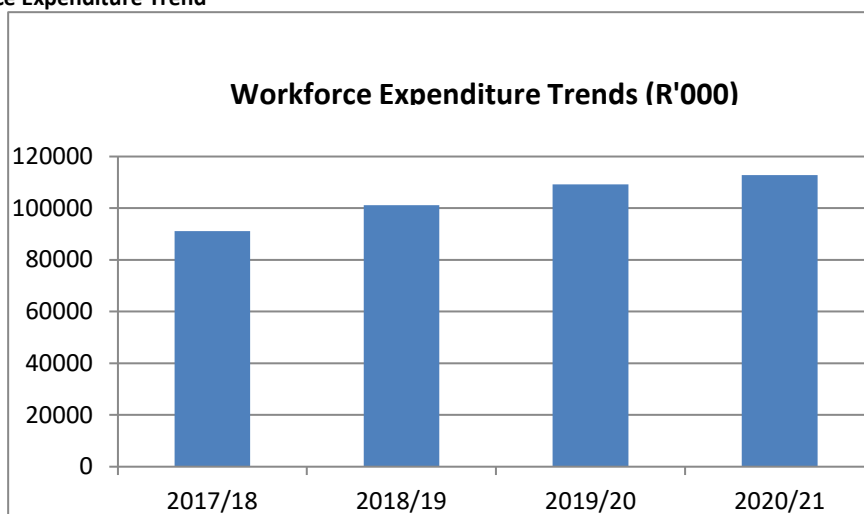
The workforce expenditure is controlled by means of an approved staff establishment and a salary budget. Internal factors that influenced remuneration are organisational structure, job evaluations system and policies. Salaries are controlled by Bargaining Council Collective Agreements, legislation and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

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

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

## 4.6 EMPLOYEE EXPENDITURE

Figure 15: Workforce Expenditure Trend



### COMMENT ON WORKFORCE EXPENDITURE

The workforce expenditure for the year under review amounted to 44.73% of the total operating revenue, which is above the norm of 25 – 40%, however it was lower than the previous year due to unfilled positions. The reason for the high percentage is that most of the functions are labour intensive, e.g., the road function, fire and municipal health.

**Table 68: Employees appointed to posts not approved**

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

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

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

**DISCLOSURES OF FINANCIAL INTERESTS**

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

### INTRODUCTION

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

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

The total assets of the Municipality amount to R152.8 million with the current assets amounting to R55.1 million and the non-current assets amounting to R97.7 million respectively. The overall status of the financial health for the Municipality continues to reflect positively. This is largely due to the cash balances at year-end, the net surplus, favourable liquidity and solvency positions as well as the municipality's ability to effectively manage its working capital.

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

*This chapter comprises four components:*

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Cash Flow Management and Investment

Component D: Other Financial Matters

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

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

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

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



## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

**Table 69: Financial Summary**

Financial Summary						
Description	R' 000					
	2019/20	Current Year: 2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Service charges	11 704	12 418	12 206	12 130	-2.32%	-0.62%
Investment revenue	1 899	1 800	1 800	2 287	27.08%	27.08%
Transfers recognised - operational	169 680	80 883	201 770	205 928	154.60%	2.06%
Other own revenue	37 509	141 991	39 281	31 318	-77.94%	-20.27%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>220 792</b>	<b>237 092</b>	<b>255 057</b>	<b>251 663</b>	<b>6.15%</b>	<b>-1.33%</b>
Employee costs	113 075	124 756	120 808	117 488	-5.83%	-2.75%
Remuneration of councillors	6 197	6 341	6 341	5 970	-5.85%	-5.85%
Debt impairment	145	400	191	67	-83.15%	-64.76%
Depreciation & asset impairment	3 573	3 576	3 576	3 828	7.06%	7.06%
Finance charges	3 860	11 038	3 529	3 448	-68.76%	-2.30%
Bulk Purchases	385	-	-	766	100.00%	100.00%
Contracted Services	16 389	19 479	22 297	16 121	-17.24%	-27.70%
Transfers and grants	-	401	680	680	69.58%	0.00%
Other expenditure and materials	71 162	73 868	97 632	99 909	35.25%	2.33%
Loss on disposal of PPE	464	-	-	301	100.00%	100.00%
<b>Total Expenditure</b>	<b>215 250</b>	<b>239 858</b>	<b>255 054</b>	<b>248 578</b>	<b>3.64%</b>	<b>-2.54%</b>
<b>Surplus/(Deficit)</b>	<b>5 541</b>	<b>(2 766)</b>	<b>3</b>	<b>3 085</b>	<b>-211.55%</b>	<b>114853.73%</b>
Transfers recognised - capital	691	2 100	3 700	2 886	37.41%	-22.00%
Contributions recognised - capital & contributed assets	-	-	5	667	100.00%	13249.15%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>6 233</b>	<b>(666)</b>	<b>3 707</b>	<b>6 638</b>	<b>-1096.74%</b>	<b>79.07%</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>6 233</b>	<b>(666)</b>	<b>3 707</b>	<b>6 638</b>	<b>-1096.74%</b>	<b>79.07%</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	691	2 100	3 700	2 886	0.00%	0.00%
Public contributions & donations	-	-	5	667	-	-
Borrowing	-	4 900	-	-	0.00%	0.00%
Internally generated funds	2 307	1 465	1 039	1 483	1.24%	42.75%
<b>Total sources of capital funds</b>	<b>2 998</b>	<b>8 465</b>	<b>4 744</b>	<b>5 036</b>	<b>-40.50%</b>	<b>6.17%</b>
<b>Financial position</b>						
Total current assets	55 382	36 685	45 857	69 323	88.97%	51.17%
Total non current assets	97 801	124 181	107 611	102 652	-17.34%	-4.61%
Total current liabilities	37 095	30 734	33 170	43 014	39.96%	29.68%
Total non current liabilities	71 434	112 021	70 281	77 668	-30.67%	10.51%
Community wealth/Equity	44 654	18 111	50 018	51 293	183.22%	2.55%
<b>Cash flows</b>						
Net cash from (used) operating	4 115	(48)	2 927	26 079	-54907.35%	790.91%
Net cash from (used) investing	(2 998)	955	4 681	(3 701)	-487.65%	-179.06%
Net cash from (used) financing	(2 918)	(2 949)	(2 949)	(2 949)	0.00%	0.00%
<b>Cash/cash equivalents at the year end</b>	<b>36 647</b>	<b>33 320</b>	<b>43 107</b>	<b>56 076</b>	<b>68.29%</b>	<b>30.08%</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	36 647	33 320	43 107	56 076	68.29%	30.08%
Application of cash and investments	19 029	2 577	10 446	30 552	1085.46%	192.48%
<b>Balance - surplus (shortfall)</b>	<b>17 618</b>	<b>30 743</b>	<b>32 661</b>	<b>25 524</b>	<b>-16.98%</b>	<b>-21.85%</b>
<b>Asset management</b>						
Asset register summary (WDV)	78 813	95 749	79 111	79 720	-16.74%	0.77%
Depreciation & asset impairment	3 828	3 576	3 576	3 828	7.06%	7.06%
Renewal of Existing Assets	1 128	5 165	459	452	-91.24%	-1.43%
Repairs and Maintenance	8 550	8 848	9 950	9 324	5.38%	-6.29%

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

**Table 70: Financial Performance of Operational Services**

Financial Performance of Operational Services						
						R '000
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Waste Management	8 495	11 943	8 974	9 001	-32.69%	0.30%
Component A: sub-total	8 495	11 943	8 974	9 001	-32.69%	0.30%
Roads	97 875	100 852	115 907	124 661	7.02%	7.02%
Component B: sub-total	97 875	100 852	115 907	124 661	19.10%	7.02%
Planning	1 253	1 404	1 404	1 323	-6.08%	-6.08%
Component C: sub-total	1 253	1 404	1 404	1 323	-6.08%	-6.08%
Human Development	-	-	-	-	-	-
Component D: sub-total	-	-	-	-	-	-
Environmental Management	2 295	2 671	2 706	2 200	-21.40%	-22.99%
Component E: sub-total	2 295	2 671	2 706	2 200	-21.40%	-22.99%
Health	14 250	17 360	17 360	14 503	-19.70%	-19.70%
Component F: sub-total	14 250	17 360	17 360	14 503	-19.70%	-19.70%
Fire Services and Disaster Management	29 243	30 940	33 132	32 599	5.09%	-1.64%
Component G: sub-total	29 243	30 940	33 132	32 599	5.09%	-1.64%
Sport and Recreation	16 718	17 143	17 584	16 452	-4.20%	-6.88%
Component H: sub-total	16 718	17 143	17 584	16 452	-4.20%	-6.88%
Executive & Council	10 360	11 326	11 193	9 939	-13.96%	-12.62%
Internal Audit	1 325	1 905	1 905	1 438	-32.51%	-32.51%
Financial Services	18 859	24 872	25 290	21 944	-13.35%	-15.25%
Human Resource Services	2 216	4 104	4 170	2 298	-78.60%	-81.49%
Support Services	8 798	11 357	11 447	9 147	-24.16%	-25.14%
Performance Management	-	-	-	-	-	-
ICT Services	3 563	3 982	3 982	3 074	-29.54%	-29.54%
Component G: sub-total	45 121	57 545	57 987	47 839	-20.29%	-21.21%
<b>Total Expenditure</b>	<b>215 250</b>	<b>239 858</b>	<b>255 054</b>	<b>248 578</b>	<b>3.51%</b>	<b>-2.61%</b>

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

## 5.2 GRANTS

**Table 71: Grant Performance**

Grant Performance						
R'000						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>74 010</b>	<b>79 494</b>	<b>82 406</b>	<b>78 565</b>	-1.17%	-4.66%
Local Government Equitable Share	71 776	74 636	77 548	76 363	2.31%	-1.53%
Finance Management	1 000	1 000	1 000	1 000	0.00%	0.00%
EPWP Incentive	1 121	1 188	1 188	1 188	0.00%	0.00%
Municipal Disaster Relief Grant (National)	113	-	-	-	-	-
Rural Roads Asset Management Grant	-	2 670	2 670	14	-99.47%	-99.47%
<b>Provincial Government:</b>	<b>1 042</b>	<b>1 389</b>	<b>2 157</b>	<b>2 922</b>	<b>110.40%</b>	<b>35.49%</b>
Seta	52	-	-	87	100.00%	100.00%
Health Subsidy	159	200	200	210	4.86%	4.86%
Financial Management Support Grant	189	-	-	-	-	-
Fire Safety Plan	457	732	1 600	1 045	42.75%	-34.69%
Municipal Finance Improvement Program - Resorts	-	-	-	650	100.00%	100.00%
Municipal Service Delivery and Capacity Building Grant - Fi	-	-	-	100	100.00%	100.00%
CDW Operational Support Grant	-	56	56	84	50.76%	50.76%
Local Government Graduate Internship Grant	13	-	-	67	100.00%	100.00%
Municipal Disaster Relief Grant (Provincial)	78	-	-	-	-	-
Human Capacity Building Grant	94	401	301	680	69.58%	125.91%
<b>Total Operating Transfers and Grants</b>	<b>75 051</b>	<b>80 883</b>	<b>84 563</b>	<b>81 487</b>	<b>0.75%</b>	<b>-3.64%</b>

*Variances are calculated by comparing the actual and the original/adjustment budget.*

### COMMENT ON OPERATING TRANSFERS AND GRANTS

The Municipality received grants from the National and Provincial Government during the 2020/2021 financial year. The following unspent grants for the 2019/20 financial year, for which no roll over applications had been submitted or for which no approval was received, were refunded to the National Revenue Fund during the year under review.

#### Operational Budget

- (a) The unspent grants on 30 June 2020 have been approved by Provincial Treasury and were included in the adjustment budget:

Financial Management Support Grant (Resorts)	R 650 000
Financial Management Capacity Building Grant	R 380 000
LG Graduate Internship Grant	R 66 600
Safety implementation plan Grant	R 92 243
CDW Operational Support Grant	R 112 000

- (b) The following additional allocations received during the financial year, have been included in the adjustment budget:

Financial Management Capacity Building Grant	Reduced by R101 000
Safety initiative implementation - (WOSA)	Increased by R1 600 000
(Transfer portion from Capital Budget)	
Western Cape: Transport and Public Works-Addendum 1	Reduced by R 4 750 000
Western Cape: Transport and Public Works-Addendum 2	Increased by R20 000 000
(Which results in additional income of agency fees)	

- (c) Projected savings in identified votes were re-allocated towards other votes requiring additional funding. These adjustments during the year were made, however did not impact on the total expenditure.

- (d) Additional expenditure requirements to be financed from additional Agency fees revenue.

#### Capital Budget

- (a) Removing the capital project "Fire Station" to the amount of R 1 million as properties will not be sold timeously during the financial year to finance the project. The project will again be included in the 2021/22 capital budget for consideration.
- (b) Removing the capital project "Karwyderskraal" to the amount of R 4.9 million as the adjacent property owners are not willing to sell. The project will be included for consideration in the 2021/22 capital budget as soon as a new project has been identified.
- (c) Adding the unspent grant on 30 June 2020 for the Safety Implementation Plan to an amount of R 1 486 132.
- (d) Adding the unspent Municipal Service Delivery and Capacity Building Grant on 30 June 2020 to an amount of R981 441.
- (e) Reducing Safety initiative implementation (WOSA). The allocation of R2.1 million for 2020/2021 was reduced to R1.6 million, of which the remaining amount was allocated to Operational Budget (R500 000).
- (f) Removing the project "Holiday Resorts-Water Network" to the amount of R200 000 as this project was already completed with grant funding.
- (g) Adding a provision for capital items in relation to the COVID-19 project to the amount of R200 000 to be financed from the saving as indicated in (f).
- (h) Adding a provision for operational equipment to the amount of R5000 to be funded from the ad-hoc contribution received from the Breede-Gouritz Catchment Management Agency towards the clearing of alien vegetation as part of the Napier Klippedrift River invasive species control plan.

Appendix J indicates conditional grants received.

**Table 72: Grants Received from Sources other than Division of Revenue Act**

Grants Received From Sources Other Than Division of Revenue Act (DoRA)				
Details of Donor	Actual Grant 2019/20	Actual Grant 2020/21	Date Grant terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>				
SETA	203 651	168 031	On-going	Training as per WSP
Human Capacity Building Grant	380 000	300 000	Once-off	Provincial allocation for financial management support
Local Government Graduate Internship Grant	80 000	-	Once-off	Provincial allocation for community development workers
mSCOA Support Grant	280 000	-	Once-off	Provincial allocation
Municipal Service Delivery and Capacity Building Grant - Fire	-	732000	Once-off	Provincial allocation for capacity building
Fire Safety Plan	1 100 000	2 100 000	Once-off	Provincial allocation for safety initiative
Municipal Finance Improvement Program - Resorts	650 000	-	Once-off	Provincial allocation for capacity building
CDW Operational Support	112 000	56 000	Once-off	Provincial allocation for community development workers
LG Support COVID / Human Relief	100 000	-	Once-off	Provincial allocation

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

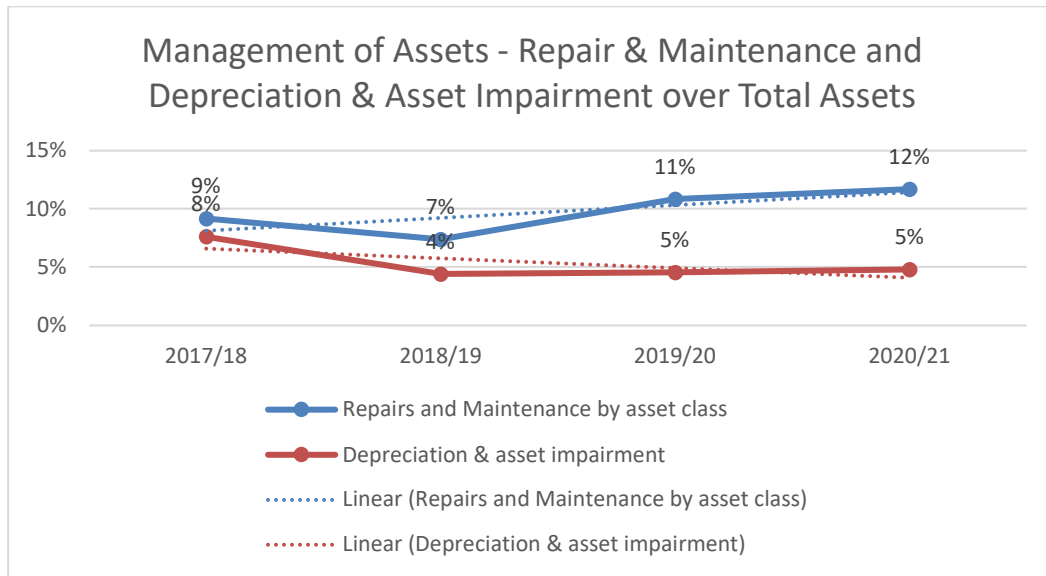
After the submission of business plans, the Municipality received, several grants from the Provincial Administration Western Cape to develop and implement specific support programs.

## 5.3 ASSET MANAGEMENT

Table 73: Asset Management 2020/2021

Asset Management 2020/21						
	R'000					
R thousands	2017/18	2018/19	2019/20	2020/21		
	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjustment budget	Audited outcome
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>						
<b>Infrastructure</b>	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-
<b>Community</b>	-	290	-	1 000	-	-
<b>Heritage assets</b>	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-
<b>Other assets</b>	2 945	2 419	1 869	2 300	4 285	4 584
<b>Agricultural assets</b>	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-
<b>Intangibles</b>	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE ON NEW ASSETS</b>	<b>2 945</b>	<b>2 709</b>	<b>1 869</b>	<b>3 300</b>	<b>4 285</b>	<b>4 584</b>
<b>Capital expenditure on renewal/upgrading of existing assets by Asset Class/Sub-class</b>						
<b>Infrastructure</b>	-	22 421	-	4 900	-	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	105	-	-	-	-
Infrastructure - Other	-	22 316	-	4 900	-	-
<b>Community</b>	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-
<b>Other assets</b>	2 373	11 852	1 128	265	459	452
<b>Agricultural assets</b>	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-
<b>Intangibles</b>	14	-	-	-	-	-
<b>Total capital expenditure on renewal/upgrading of existing as</b>	<b>2 387</b>	<b>34 273</b>	<b>1 128</b>	<b>5 165</b>	<b>459</b>	<b>452</b>
<b>Total capital expenditure</b>						
<b>Infrastructure</b>	-	22 421	-	4 900	-	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	105	-	-	-	-
Infrastructure - Other	-	22 316	-	4 900	-	-
<b>Community</b>	-	290	-	1 000	-	-
<b>Heritage assets</b>	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-
<b>Other assets</b>	5 318	14 271	2 998	2 565	4 744	5 036
<b>Agricultural assets</b>	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-
<b>Intangibles</b>	14	-	-	-	-	-
<b>Total capital expenditure - asset class</b>	<b>5 332</b>	<b>36 982</b>	<b>2 998</b>	<b>8 465</b>	<b>4 744</b>	<b>5 036</b>
<b>Asset register summary</b>						
<b>Infrastructure</b>	11 998	32 774	31 818	39 423	32 502	30 892
Infrastructure - Road transport	2 200	2 045	1 985	1 811	1 353	1 927
Infrastructure - Electricity	358	333	323	260	184	314
Infrastructure - Water	956	888	863	1 899	1 744	837
Infrastructure - Sanitation	2 802	2 702	2 623	1 955	1 328	2 547
Infrastructure - Other	5 682	26 806	26 024	33 498	27 893	25 267
<b>Community</b>	13	12	12	5 800	14	11
<b>Heritage assets</b>	-	-	-	-	-	-
<b>Investment properties</b>	12 991	12 811	12 811	1 199	12 880	12 811
<b>Other assets</b>	35 492	35 061	34 154	36 767	45 240	35 994
<b>Agricultural assets</b>	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-
<b>Intangibles</b>	345	26	18	226	224	12
<b>TOTAL ASSET REGISTER SUMMARY</b>	<b>60 839</b>	<b>80 684</b>	<b>78 813</b>	<b>83 414</b>	<b>90 859</b>	<b>79 720</b>
<b>EXPENDITURE OTHER ITEMS</b>						
<b>Depreciation &amp; asset impairment</b>	4 635	3 558	3 573	3 576	3 576	3 828
<b>Repairs and Maintenance by asset class</b>	5 579	5 960	8 550	12 423	13 525	9 324
<b>Infrastructure</b>	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-
<b>Community</b>	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-
<b>Other assets</b>	5 579	5 960	8 550	12 423	13 525	9 324
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>10 214</b>	<b>9 518</b>	<b>12 124</b>	<b>15 999</b>	<b>17 101</b>	<b>13 152</b>

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



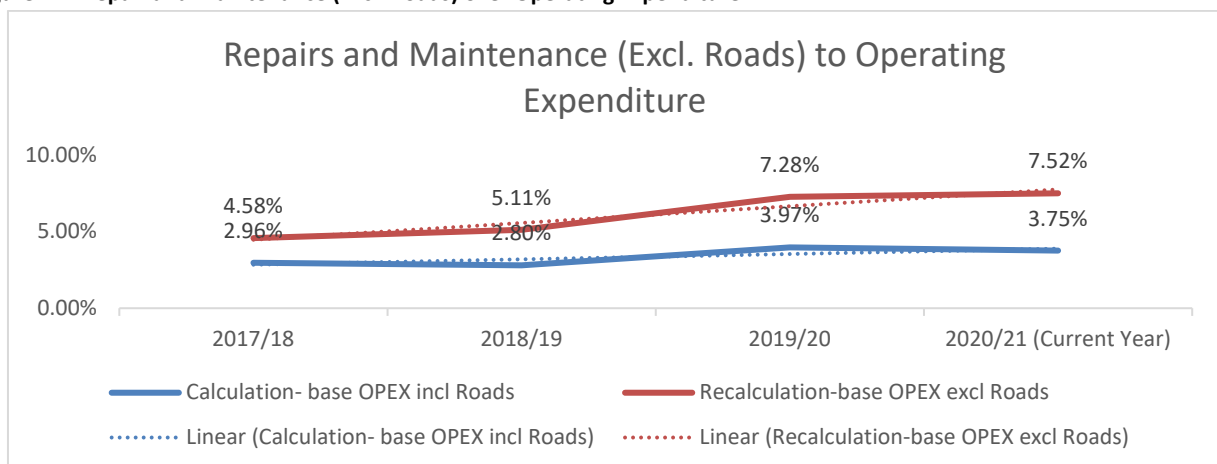
**COMMENT ON ASSET MANAGEMENT**

The above figure illustrates the percentage spent on repairs and maintenance, hence the repairs and maintenance increased. Depreciation and asset impairment remained stable, as the total asset value did not increase over the last two financial years. Infrastructure Assets of Road Transport will in future be excluded from the budget and actual figures as these assets do not belong to ODM.

**Table 74: Repair and Maintenance Expenditure: 2020/21**

Repair and Maintenance Expenditure: 2020/21				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	8 848	9 950	9 324	5.38%

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

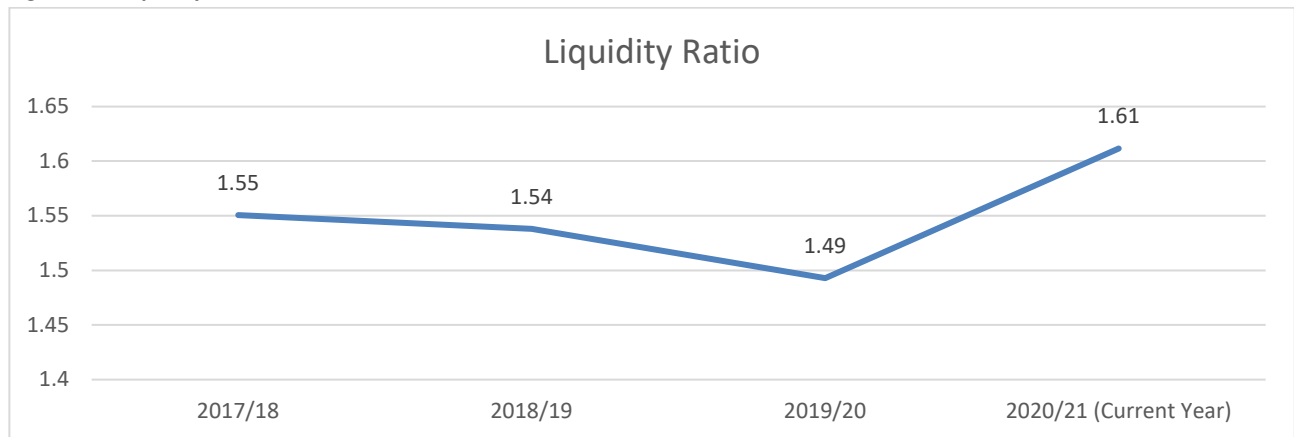


**COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE**

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

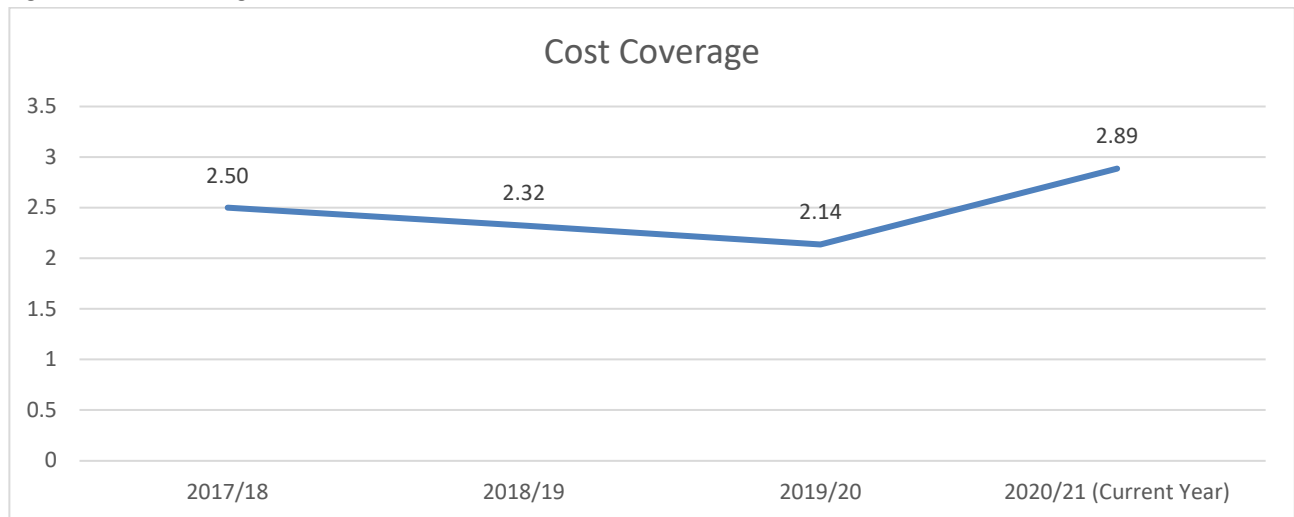
## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

**Figure 18: Liquidity Ratio**



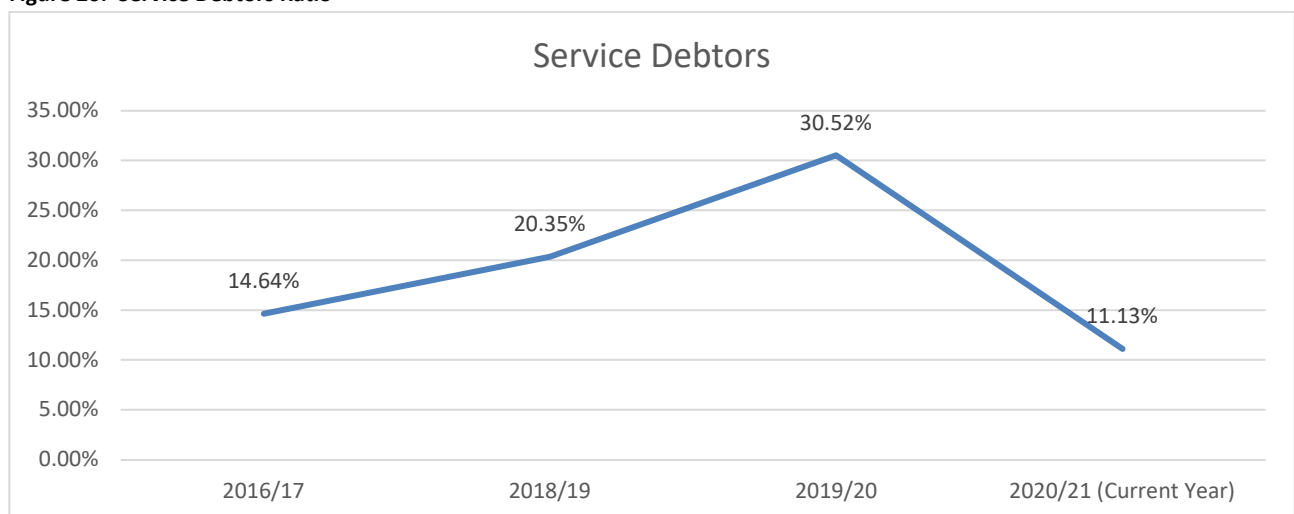
Liquidity Ratio – Measures the Municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the Municipality’s current liabilities. A higher ratio is better.

**Figure 19: Cost Coverage Ratio**



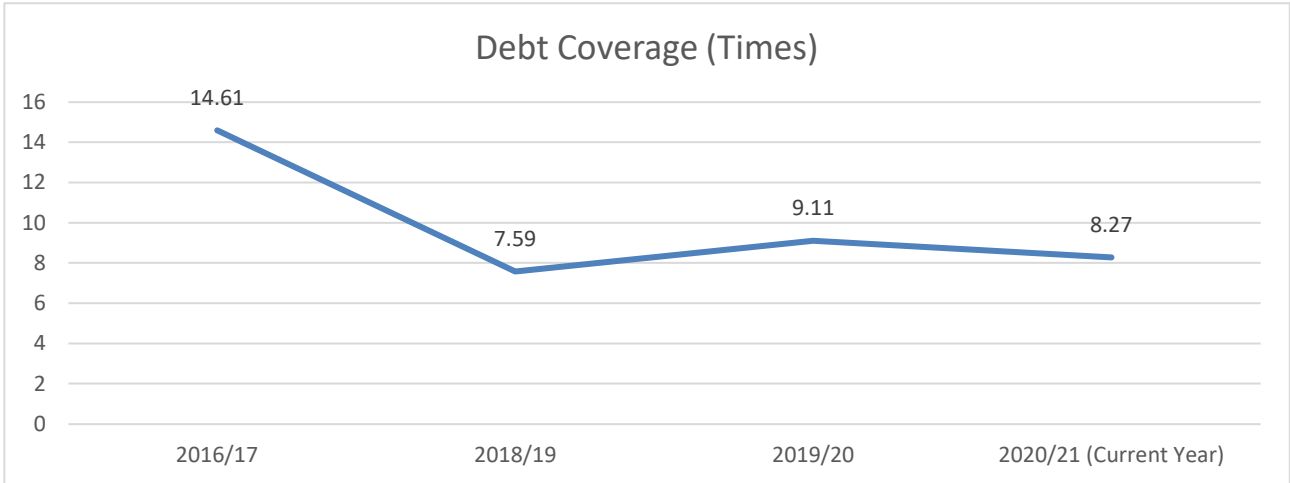
Cost Coverage – It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants

**Figure 20: Service Debtors Ratio**



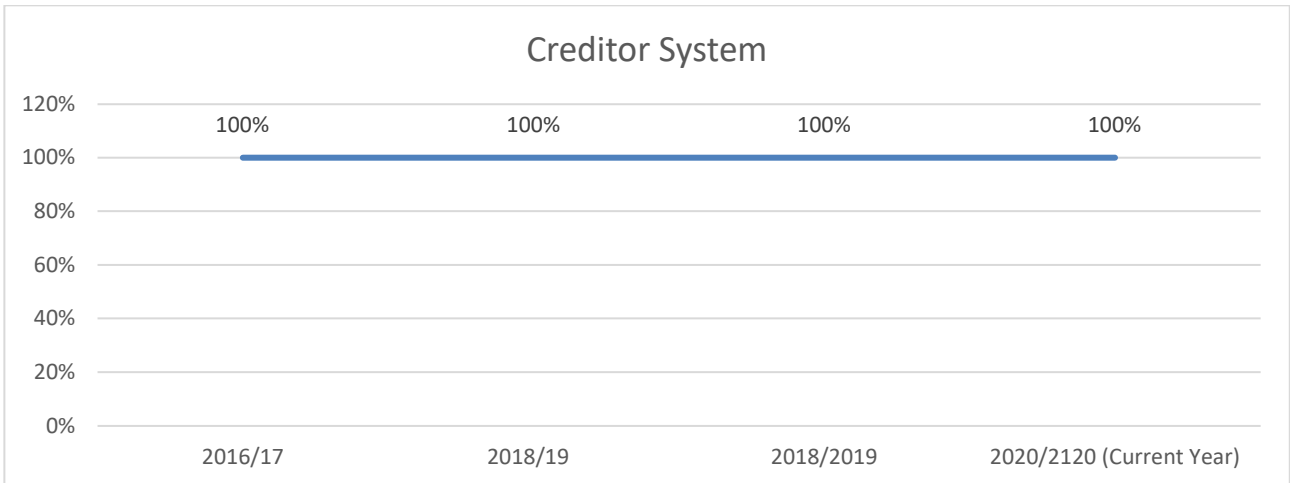
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

**Figure 21: Debt Coverage Ratio**



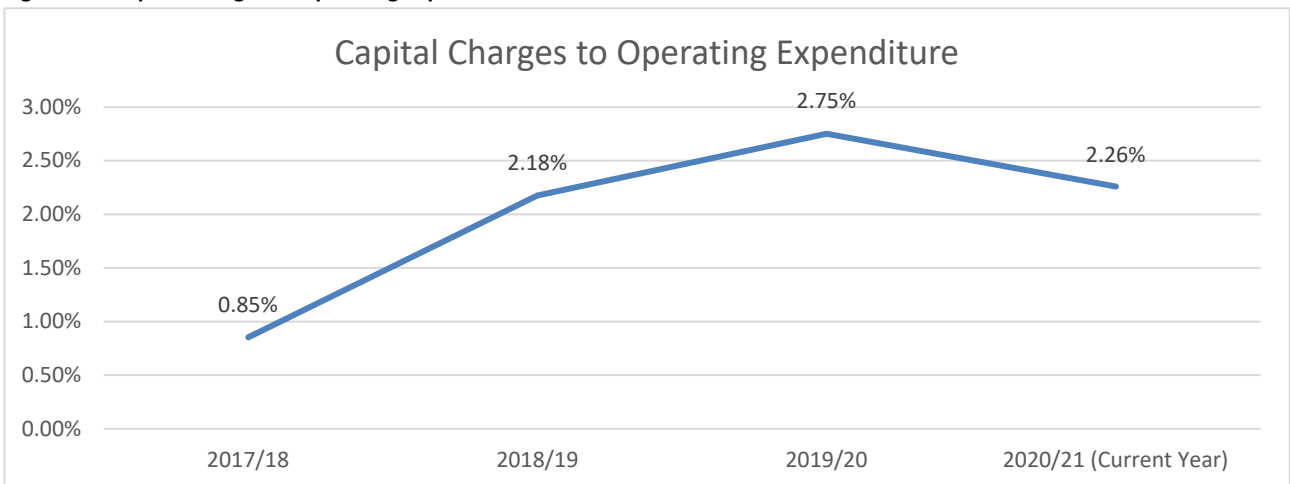
Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the Municipality

**Figure 22: System Efficiency Ratio**



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

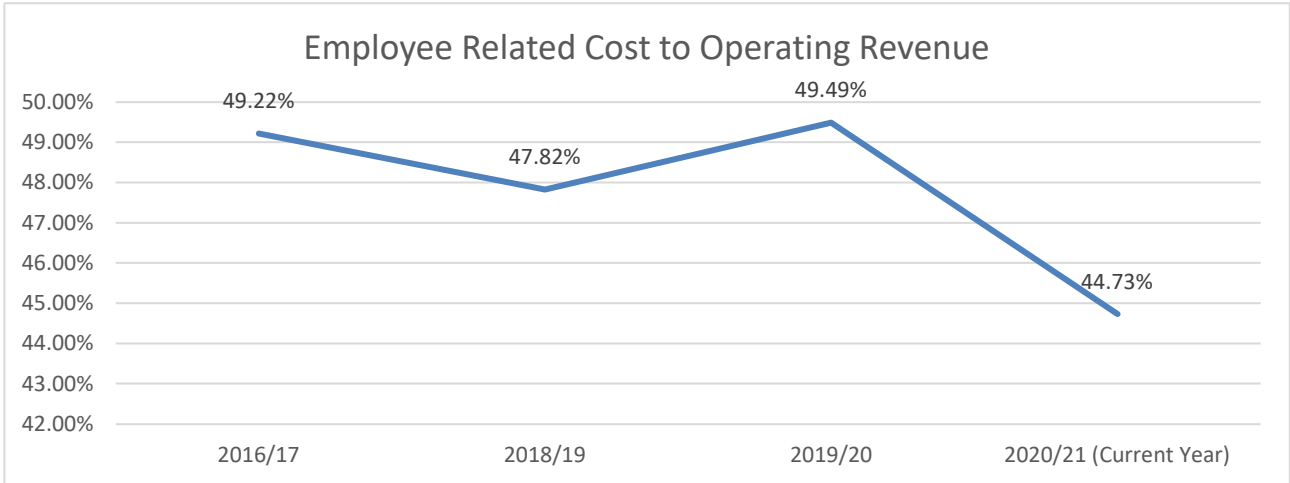
**Figure 23: Capital Charges to Operating Expenditure Ratio**



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



**Figure 24: Employee Related Cost to Operating Revenue**



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

**COMMENT ON FINANCIAL RATIOS**

The liquidity ratio increased due to an improved cash position of the municipality. The ratio is within the norm.

The services debtors’ ratio decreased mainly due to the amounts owed at year-end for fire services and waste management services, provided to local municipalities.

The debt service ratio decreased slightly due to revenue from the land sales (gains) that did not realized.

Capital charges decreased slightly due to the redemption of the outstanding loans and no new loans were taken during this financial year. However, this is still below the norm of 6%.

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

The employee related cost ratio decreased due to funded vacancies that were not filled during the financial year.

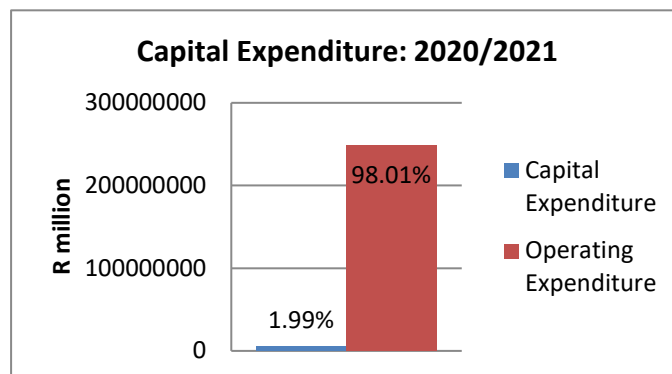
**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

**INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET**

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

**5.5 CAPITAL EXPENDITURE**

**Figure 25: Capital Expenditure 2019/2020**



## 5.6 SOURCES OF FINANCE

**Table 75: Capital Expenditure - Funding Sources: 2019/20 to 2020/21**

Capital Expenditure - Funding Sources Year 2019/20 to 2020/21						
R' 000						
Details	2019/20	2020/21				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans		4 900			0.00%	-100.00%
Public contributions and donations			5	667	0.00%	0.00%
Grants and subsidies	691	2 100	3 700	2 886	76.17%	37.41%
Other	2 307	1 465	1 039	1 483	-29.08%	1.24%
<b>Total</b>	<b>2 998</b>	<b>8 465</b>	<b>4 744</b>	<b>5 036</b>	<b>-43.96%</b>	<b>-40.50%</b>
<b>Percentage of finance</b>						
External loans	0.00%	57.89%	0.00%	0.00%	0.00%	246.88%
Public contributions and donations	0.00%	0.00%	0.11%	13.25%	0.00%	0.00%
Grants and subsidies	23.06%	24.81%	77.99%	57.30%	-173.26%	-92.36%
Other	76.94%	17.31%	21.90%	29.45%	66.14%	0.00%
<b>Capital expenditure</b>						
Water and sanitation					0.00%	0.00%
Electricity					0.00%	0.00%
Housing					0.00%	0.00%
Roads and storm water	3			3	100.00%	100.00%
Other	36 979	8 465	4 744	5 033	-43.96%	-40.54%
<b>Total</b>	<b>36 982</b>	<b>8 465</b>	<b>4 744</b>	<b>5 036</b>	<b>-43.96%</b>	<b>-40.50%</b>
<b>Percentage of expenditure</b>						
Water and sanitation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Electricity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Housing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roads and storm water	0.01%	0.00%	0.00%	0.06%	0.00%	0.00%
Other	99.99%	100.00%	100.00%	99.94%	100.00%	100.08%

### COMMENT ON SOURCES OF FUNDING

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

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

**Table 76: Capital Expenditure of 5 largest projects**

Capital Expenditure of 5 largest projects			
R' 000			
Name of Project	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
Training facility Emergency Services	2 100	2 017	1 534
Safety implementation Plan	-	750	513
Procure Emergency vehicles	-	657	632
Replace computer Equipment	200	200	221
Refuse removal - 2 skips and trailer	200	200	171

### COMMENT ON CAPITAL PROJECTS

Only one major capital project was executed during the financial year, being the Construction of the Fire Training Centre. If the contributed assets from donor funding is added, the total project cost amounted to R2.2 million.

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

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Not applicable.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

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

## 5.9 CASH FLOW

Table 77: Cash Flow Outcomes

Cash Flow Outcomes				
	R'000			
Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Service charges	9 962	12 418	14 186	13 729
Other revenue	25 631	132 009	33 737	34 779
Government - operating	176 155	80 883	200 470	212 845
Government - capital	266	2 100	1 232	1 232
Interest	1 877	1 963	1 944	2 257
Dividends			-	
<b>Payments</b>				
Suppliers and employees	(206 768)	(226 261)	(245 204)	(235 421)
Finance charges	(3 008)	(2 758)	(2 758)	(2 662)
Transfers and Grants	-	(401)	(680)	(680)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>4 115</b>	<b>(48)</b>	<b>2 927</b>	<b>26 079</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	-	9 420	9 420	-
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
<b>Payments</b>				
Capital assets	(2 998)	(8 465)	(4 739)	(3 701)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(2 998)</b>	<b>955</b>	<b>4 681</b>	<b>(3 701)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
<b>Payments</b>				
Repayment of borrowing	(2 918)	(2 949)	(2 949)	(2 949)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(2 918)</b>	<b>(2 949)</b>	<b>(2 949)</b>	<b>(2 949)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(1 801)</b>	<b>(2 042)</b>	<b>4 659</b>	<b>19 429</b>
Cash/cash equivalents at the year begin:	<b>38 448</b>	<b>35 362</b>	<b>36 647</b>	<b>36 647</b>
Cash/cash equivalents at the year end:	<b>36 647</b>	<b>33 320</b>	<b>41 306</b>	<b>56 076</b>

## COMMENT ON CASH FLOW OUTCOMES

The cash flow position of the Municipality improved since the previous financial year. However, included in this cash balances, are committed funds regarding unspent conditional grants, the remainder of the external loan was taken up as well as Karwyderskraal rehabilitation fund.

Although the gains on the disposal of land did not materialize, the capital projects that would have been funded from this source, was removed from the adjustments budget and did not affect the cash flow negatively.

## 5.10 BORROWING AND INVESTMENTS

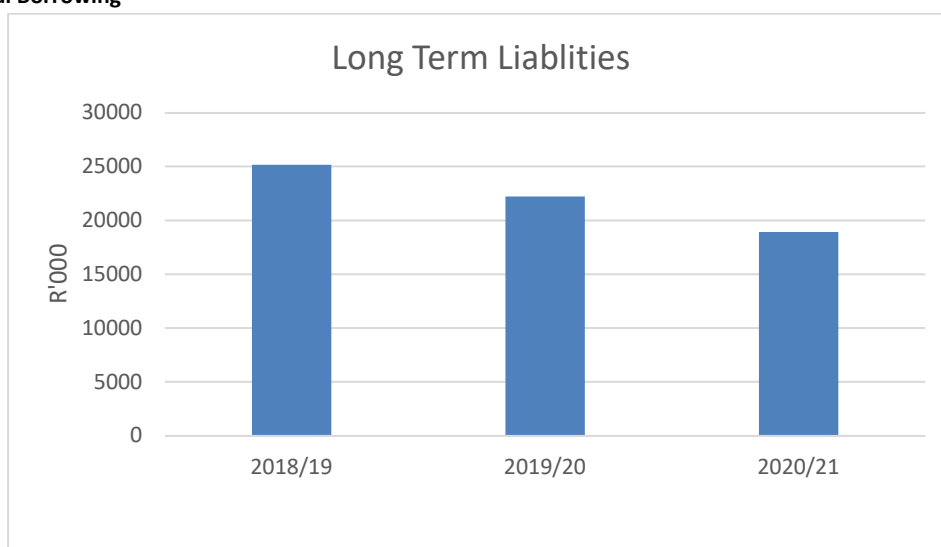
### INTRODUCTION TO BORROWING AND INVESTMENTS

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

Table 78: Actual Borrowings: Year 2018/19 to 2020/21

Actual Borrowings Year 2018/19 to 2020/21			
	R' 000		
Instrument	2018/19	2019/20	2020/21
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	25 161	22 211	18 916
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	-	-	-
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
<b>Municipality Total</b>	<b>25 161</b>	<b>22 211</b>	<b>18 916</b>

Figure 26: Actual Borrowing



**Table 79: Municipal Investments**

Municipal Investments			
R' 000			
Investment type	2018/19	2019/20	2020/21
	Actual	Actual	Actual
<b>Municipality</b>			
Deposits - Bank	38 441	36 640	56 074
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Total</b>	<b>38 441</b>	<b>36 640</b>	<b>56 074</b>

**COMMENT ON BORROWING AND INVESTMENTS**

Due to increase surplus funds, the municipality earned more interest on investments than was budgeted for.

**5.11 PUBLIC PRIVATE PARTNERSHIPS**

**PUBLIC PRIVATE PARTNERSHIPS**

*The Municipality has no Public Private Partnerships.*

**COMPONENT D: OTHER FINANCIAL MATTERS**

**5.12 SUPPLY CHAIN MANAGEMENT**

All Supply Chain Management (SCM) related policies were reviewed and the unit is functioning effectively. 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.

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

## CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

### INTRODUCTION

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

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

## COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2019/2020

### 6.1 AUDITOR-GENERAL REPORT 2019/2020

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

Auditor-General Report on Financial Performance Year 2019/2020	
<b>Audit Report Status*:</b>	Unqualified with no findings
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
The Municipality has no material findings on compliance with specific matters in key legislation as set out in the general notice issued in terms of the Public Audit Act.	None
<b>Internal Control Deficiencies</b>	<b>Remedial Action Taken</b>
No significant deficiencies in internal control were identified.	None
<b>Emphasis of matters</b>	<b>Remedial Action Taken</b>
<p><u>Restatement of corresponding figures:</u> As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.</p> <p><u>Uncertainty relating to the future outcome of exceptional regulatory action:</u> With reference to note 52.2 to the financial statements, the municipality claimed VAT inputs relating to expenditure incurred on the road maintenance function on the basis that it is a service provider, while in terms of the VAT Act the municipality is considered an agent. This raised the possibility of repayment the VAT claimed from the South African Revenue Service (SARS). The municipality's engagement with SARS on the matter was not yet finalised on the submission date of the financial statements. The ultimate outcome of the matter could not be determined and no provision for any liability that ay result was made in the financial statements.</p>	<p>It was rectified in the adjusted annual financial statements</p> <p>The matter was referred to SARS and is still awaiting an outcome.</p>

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

Auditor-General Report on Service Delivery Performance 2019/2020	
<b>Audit Report Status:</b>	Unqualified
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<p>Strategic goal 1 – To ensure the well-being of all in the Overberg District through the provision of efficient basic services and infrastructure:</p> <p>The material misstatements which were identified were corrected during the audit. No material findings were raised on the usefulness and reliability of the reported performance information for the selected development priorities.</p>	

Attention is drawn to the Achievement of planned targets:  
Refer to the annual performance report on page 63 to 67 for information on the achievement of planned targets for the year.

## COMPONENT B: AUDITOR-GENERAL OPINION 2020/2021

### 6.2 AUDITOR-GENERAL REPORT 2020/2021

**Table 82: Auditor-General Report on Financial Performance Year 2020/2021**

Auditor-General Report on Financial Performance Year 2020/2021	
<b>Audit Report Status*:</b>	Unqualified with no findings
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
The Municipality has no material findings on compliance with specific matters in key legislation as set out in the general notice issued in terms of the Public Audit Act.	None
<b>Internal Control Deficiencies</b>	<b>Remedial Action Taken</b>
No significant deficiencies were identified in internal control	None
<b>Emphasis of matters</b>	<b>Remedial Action Taken</b>
<u>Restatement of corresponding figures</u> As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of the errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.	It was rectified in the adjusted annual financial statements
<u>Significant uncertainties</u> With reference to note 55.2 of the financial statements, the municipality claimed VAT inputs relating to expenditure incurred on the road maintenance function on the basis that they are a service provider, while in terms of the VAT Act the municipality is considered an agent. This raised the possibility of repaying the VAT claimed from the South African Revenue Services (SARS). The municipality is in the process of engaging with SARS on the matter. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.	The matter was referred to SARS and is still awaiting an outcome.

**Table 83: Auditor-General Report on Service Delivery Performance 2020/2021**

Auditor-General Report on Service Delivery Performance 2020/2021	
<b>Audit Report Status:</b>	Unqualified
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
There were no material findings on the usefulness and reliability of the reported performance information for Strategic Goal 1 – To ensure the well-being of all in the Overberg District through the provision of efficient basic services and infrastructure.	
Achievement of planned targets - Refer to the annual report on pages 66 to 68 for information on the achievement of planned targets for the year.	

### **AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2020/2021**

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

### **COMMENTS ON AUDITOR-GENERAL'S OPINION 2020/2021**

The Municipality received an unqualified audit outcome with no findings (clean). 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 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

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

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

## APPENDICES

### APPENDIX A (I)– COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Andries Erwee Franken (Executive Mayor)	FT	Mayoral Committee, Council	DA	100.0%	0.0%
Archibald Gabriel Klaas (Deputy Mayor)	FT	Mayoral Committee / Financial Services, Council	DA	100.0%	0.0%
Lincoln De Bruyn (Speaker)	FT	Council Speaker	DA	100.0%	0.0%
Lindile Ntsabo	FT	MAYCO Member / Council / Chairperson Corporate & IGR Portfolio	DA	85.7%	14.3%
Helen Coetzee	FT	MAYCO Member / Council / Chairperson Financial services Portfolio	DA	100.0%	0.0%
Cornelius Marthinus Lamprecht	FT	Council /Finance Portfolio	DA	100.0%	0.0%
Steven Hendrikus Fourie	PT	Council / Community Portfolio member	DA	100.0%	0.0%
Kiro Jacobie Tiemie	PT	Council / Strategic services	DA	100.0%	0.0%
Charmain Resandt	PT	Council / Strategic services	DA	100.0%	0.0%
Ronald Brinkhuys	PT	Council / Community Services	DA	100.0%	0.0%
Evelyn Sauls	PT	Council / Strategic Portfolio	DA	100.0%	0.0%
Samuel Fredericks	PT	MAYCO member / Council/ Chairperson Strategic Services	DA	100.0%	0.0%
Jean Orban	PT	Council / Corporate Services	DA	100.0%	0.0%
Gcobisa Mangcu-Qotywe	PT	Council / Corporate Services	DA	85.7%	14.3%
Mario Hilton Witbooi	PT	Council / Strategic Services Portfolio	ANC	100.0%	0.0%
Jan Cornelius Gelderblom	PT	Council / Community Services Portfolio member	ANC	100.0%	0.0%
Unathi Toto Sipunzi	PT	Council / Corporate Portfolio member	ANC	57.1%	42.9%
Eve Catherine Marthinus	PT	Council / Finance Services Portfolio member	ANC	100.0%	0.0%
Ntombizine Michelle Sapepa	PT	Council / Corporate Services Portfolio member	ANC	100.0%	0.0%
Caroline Wood	PT	Council / Finance Portfolio member	ANC	71.4%	28.6%
Vuyiswa Elizabeth Mentile	PT	Council/ Strategic Services Portfolio member / Community Services Portfolio member	ANC	85.7%	14.3%

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

Executive Mayoral Committee meetings - 7

Council meetings (Ordinary and Special meetings) - 7

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

<b>Disclosures of Financial Interests 2020/2021</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial interests (Nil / Or details)</b>
Executive Mayor	Andries Erwee Franken	Property, Livestock, Trustee, Shares
Deputy Mayor	Archibald Gabriel Klaas	Property, Trustee, Shares
Speaker	Lincoln de Bruyn	Property, Pension
Member of Mayco	Helena Dorothea Coetzee	Property
Member of Mayco	Charmain Resandt	Property
Member of Mayco	Lindile Ntsabo	Nil
Councillor	Steven Hendrikus Fourie	Nil
Councillor	Kiro Jacobie Tiemie	Livestock, Shareholder
Councillor	Cornelius Marthinus Lamprecht	Property, Pension
Councillor	Samuel Fredericks	Property, shareholder, pension, employment salary)
Councillor	Jean Orban	Nil
Councillor	Ronald Brinkhuys	Nil
Councillor	Gcobisa Mangcu-Qotywe	Property, shareholder
Councillor	Evelyn Sauls	Nil
Councillor	Mario Hilton Witbooi	Nil
Councillor	Vuyiswa Elizabeth Mentile	Property
Councillor	Caroline Wood	Nil
Alderman	Eve Catherine Marthinus	Property, shareholder
Alderman	Ntombizine Michelle Sapepa	Shareholder, property
Councillor	Unathi Toto Sipunzi	Shareholder
Councillor	Jan Cornelius Gelderblom	Shareholder (Events Company), Trustee
Municipal Manager	D P Beretti	Property, Investment, Trust
CFO	N L Kruger	Investment, Property
Director Community Services	P A Oliver	Investment, Properties

**APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES**

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>			
<b>Municipal Committees</b>	<b>Purpose of Committee</b>	<b>Composition</b>	<b>Number of meetings held during the year</b>
<b>Section 80 Committee</b>	The Section 80 Committees assist the Executive Mayor and Executive Mayoral Committee in respect of Community Services, Financial Services, Corporate & IGR Services and Local Economic Development & Tourism. This Committee has no statutory powers and reports to the Executive Mayoral Committee.	Councillors	16
<b>Audit &amp; Performance Audit Committee</b>	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
<b>Municipal Public Accounts Committee (MPAC)</b>	In assisting the council with its oversight function, a Municipal Public Accounts and Oversight Committee was established in terms of section 79 of the Municipal Structures Act (Act 117 of 1998). Section 129(4)(b) of the MFMA. The MPAC also serves as the Oversight Committee of the Annual Report.	Councillors and invitees	1
<b>Training Committee</b>	In terms of the Skills Development Act (Act 97 of 1998). To promote skills development in the workplace.	Councillors, Management and Union member	4
<b>Employment Equity</b>	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
<b>Local Labour Forum</b>	According to the SALGBC Main Collective Agreement to promote sound Labour Relations.	Councillors, Management and Union member	7
<b>Health &amp; Safety Committee</b>	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
<b>Section 32 Committee</b>	It is an ad hoc committee, appointed by Council, to investigate unauthorised, irregular or fruitless and wasteful expenditure.	Councillors	2
<b>Alleged Breaches Committee</b>	It is a special committee established by Council to assist in the discipline of Councillors.	Councillors	0
<b>IDP Steering Committee</b>	To monitor the IDP process plan and IDP related processes and inputs.	Councillors and Officials	2
<b>Fraud and Risk Management Committee</b>	The Fraud and Risk Management Committee serves as a forum to assist the accounting officer in addressing its oversight requirements of fraud and risk management and evaluating and monitoring the Municipality's performance with regards to risk management.	Municipal Manager, Directors, IDP Manager, Performance Management, Member of the Audit and Performance Audit Committee Invitees: Internal Audit and CRO	4
<b>Disciplinary Board</b>	It is an ad hoc committee established accordance to the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings	Head Internal Audit, Chairperson of Audit and Performance Audit Committee, Senior official Responsible for legal, Representation of Provincial and National Treasury	0
<b>Budget Steering Committee</b>	To provide technical assistance to the mayor in discharging the Responsibilities set out in section 53 of the Act (MFMA)	Chairperson Finance Portfolio Committee, Municipal Manager, CFO, Director Community Services, Senior Manager: Corporate Services, Head: Financial Services and Head: IDP & Communication	2

**APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE**

<b>Third Tier Structure at 30 June 2021</b>	
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 &amp; Income - Vacant</i>
	<i>Head: Financial Services – Vacant</i>
	<i>Head: SCM – Mrs. D Kapot-Witbooi</i>
Directorate: Corporate Services	<i>Legal Advisor - Vacant</i>
	<i>Head: Human Resources - Vacant</i>
	<i>Head: Administrative Support – Mrs. A Thompson-Rossouw</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.

**APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY**

<b>Municipal / Entity Functions</b>		
<b>Municipal Functions</b>	<b>Function Applicable to Municipality (Yes / No)</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	Yes	Not applicable
Building regulations (Fire and Municipal Health)	Yes	
Childcare facilities (Environmental Health Certificate to the application of the facility)	Yes	
Electricity and gas reticulation		
Firefighting services	Yes	
Local tourism (Regional)	Yes	
Municipal airports		
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes, only a 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 2021

### INTRODUCTION

The Audit and Performance Audit Committee presents its report for the year ended 30 June 2021 in terms of its responsibilities and duties set out in the relevant legislation and the Audit Committee Charter.

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

### AUDIT COMMITTEE MEMBERS

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

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

### MEETINGS

Committee meetings	
Date	Reason
29/9/2020	Quarterly APAC meeting
5/10/2020	Review Annual Financial Statements for 2019/2020
25/11/2020	Quarterly APAC meeting
11/12/2020	Discussion of Auditor-General Strategic plan for 2019/2020
25/2/2021	Discussion of Auditor-General Draft Audit Report for 2019/2020
25/3/2021	Quarterly APAC meeting and review of Annual Report for 2019/2020
24/6/2021	Quarterly APAC meeting.

### AUDIT COMMITTEE RESPONSIBILITIES

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

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

- Asset review
- Capital projects
- COVID 19 Expenditure
- Division of Revenue Act 2020/2021
- Compliance Corporate Services
- Fire Brigade Services
- Karwyderskraal Sinking Fund for quarters 1 – 4
- Asset reconciliations for quarters 1 – 4
- Performance Information quarters 1 – 3 for 2020/2021
- Performance Information quarter 4 for 2019/2020
- New Tariffs
- Combined annual report on bank and cash management at resorts



- Follow up report on journals
- Follow up report on human resource management
- Repairs and maintenance costs
- Risk Management
- Inventory Controls
- OPCAR 2019/2020
- Year-end Stock procedures

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

- Review of 2019/2020 draft Annual Financial Statements on 5 October 2020;
- Shared Services;
- Quarterly Risk management committee meeting minutes;
- Minutes of the section 32 Committee;
- Performance Assessments of Municipal Manager, Director: Community Services and Chief Financial Officer.
- Progress Reports on Risk management and combined assurance;
- Financial reports and quarterly reports;
- Mid-year Budget and Performance Assessment report;
- Annual Report for 2019/2020;
- Progress reports on 2020/2021 audit plan and unresolved matters;
- Attending Strategic session;
- Approval of Risk Based Internal Audit Plan for 2021/2022;
- Evaluations of Audit Committee and Internal Audit;
- ICT Integration;
- Rendering Fire Services to Swellendam Municipality;
- Roads Agency Function;

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

## **PERFORMANCE MANAGEMENT AUDIT**

### **General**

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

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

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

The annual appraisal of the Municipal Manager as well as the Director: Community Services and CFO for 2019/2020, was carried out by a properly constituted panel on 10/12/2020 and 01/02/2021 respectively, and attended by the Chairperson, Mr. P Strauss. The mid-year appraisal of both the Municipal Manager and Director: Community Services 2020/2021 was carried out on 17/05/2021 and 02/06/2021 respectively. The member of the Performance Audit Committee served on the panels with the purpose of evaluating the process.

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

## **CONCLUSION**

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

PAL STRAUSS

Chairperson: Audit and Performance Audit Committee  
10 August 2021

**APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE  
2020/2021**

<b>Municipal Audit Committee Recommendations</b>		
<b>Date of Committee (Virtual meetings)</b>	<b>Committee recommendations during 2020/2021</b>	<b>Recommendations adopted (enter Yes) If not adopted (provide explanation)</b>
29 September 2020	Report on Karwyderskraal.	Yes
29 September 2020	Report on Bank and Cash Management.	Yes
29 September 2020	Report on Year-end Stock count for the financial year 2019/2020.	Yes
29 September 2020	Recommendations pertaining to Performance Management Report 4 <sup>th</sup> quarter 2019/20.	Yes
29 September 2020	Report on New Tariffs.	Yes
25 November 2020	Report on Asset Reconciliation.	Yes
25 November 2020	Report on Karwyderskraal.	Yes
25 November 2020	Report on Covid 19 Expenditure.	Yes
25 November 2020	Report on Fire Brigade Costs.	Yes
25 November 2020	Recommendations pertaining to Performance Information Report 2 <sup>nd</sup> quarter 2020/21.	Yes
25 March 2021	Report on Karwyderskraal.	Yes
25 March 2021	Report on Asset Reconciliation.	Yes
25 March 2021	Recommendations pertaining to Internal Audit Report on Inventory Control.	Yes
25 March 2021	Follow up on Human Resource Management Audit.	Yes
25 March 2021	Recommendations pertaining to Internal Audit Report on Performance Information for the 2 <sup>nd</sup> Quarter of 2020/21.	Yes
6 April 2021	Recommendations pertaining to External Report on Quality Assurance Review.	Yes
24 June 2021	Report on Assets.	Yes
24 June 2021	Report on Capital Projects.	Yes
24 June 2021	Report on Dora (Division of Revenue Act)	Yes
24 June 2021	Report on Karwyderskraal Rehabilitation.	Yes
24 June 2021	Report on Bank and Cash Management (Resorts).	Yes
24 June 2021	Report on Eunomia Compliance (Corporate Services)	Yes
24 June 2021	Report on Repair and Maintenance costs.	Yes
24 June 2021	Report on Asset Reconciliation.	Yes

**APPENDIX G – LONG-TERM CONTRACTS (LARGEST CONTRACTS)**

Long Term Contracts (Largest Contracts Entered into 2020/2021)					
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
Silver Lake Trading 305 (Pty) Ltd t/a Opulentia Financial Services	Short – Term Insurance	20/10/2020	30/06/2023	N Kruger	933 458.10
Worldwide Spares (Pty) Ltd	Appointment of Panel of Accredited Service Providers for the Supply & Delivery of Spare Parts & Service or Replacement of Components of Motor Vehicles, Earthmoving & Road Construction Equipment for the period ending 30 June 2023	11/01/2021	30/06/2023	M Van Eeden	1 161 911.56
Sleba Enterprises (Pty) Ltd	Annual Tender – Fuel	01/09/2020	30/06/2022	Various	7 350 303.21
Masimatse Holdings (Pty) Ltd		01/09/2020	30/06/2022	Various	3 533 672.95
Piston Power Chemicals (Pty) Ltd	Annual Tender – Oils & Grease	01/09/2020	30/06/2022	Various	513 765.93
TVM Konstruksie (Pty) Ltd	Annual Tender – Hire of Road Implements & Road Surfacing Material	01/09/2020	30/06/2022	Various	8 236 479.72
Afrimat Aggregates (Operations) (Pty) Ltd		01/09/2020	30/06/2022	Various	28 628 573.95
Colas South Africa (Pty) Ltd	Annual Tender – Supply of Bitumen, Bitumen Emulsion and Primer.	01/09/2020	30/06/2022	Various	2 745 171.60
Tosas (Pty) Ltd		01/09/2020	30/06/2022	Various	2 176 150.66
Fantastic Investments 456 CC t/a Hi – Q Bredasdorp	Annual Tender – Tyres: New, Retreads, Tubes & Repairs	01/09/2020	30/06/2022	Various	1 199 664.40
Caledon Retreading Factory (Pty) Ltd t/a Supa Quick Caledon		01/09/2020	30/06/2022	Various	813 101.60
Imvusa Trading 1411 CC t/a AJ Bandediens		01/09/2020	30/06/2022	Various	1 598 398.18
Soetmuis Vier BK/CK t/a Kwik ‘N Go Bredasdorp		01/09/2020	30/06/2022	Various	443 603.50
Invuyani Safety	Corporate Attire for the Fire Department	01/08/2020	30/06/2022	R Geldenhuys	445 050.00

**APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS**

<b>Disclosures of Financial Interests 2020/2021</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial interests (Nil / Or details)</b>
Executive Mayor	Andries Erwee Franken	Property, Livestock, Trustee, Shares
Deputy Mayor	Archibald Gabriel Klaas	Property, Trustee, Shares
Speaker	Lincoln de Bruyn	Property, Pension
Member of Mayco	Helena Dorothea Coetzee	Property
Member of Mayco	Charmain Resandt	Property
Member of Mayco	Lindile Ntsabo	Nil
Member of Mayco	Samuel Fredericks	Property, shareholder, pension, employment salary)
Councillor	Steven Hendrikus Fourie	Nil
Councillor	Kiro Jacobie Tiemie	Livestock, Shareholder
Councillor	Cornelius Marthinus Lamprecht	Property, Pension
Councillor	Jean Orban	Nil
Councillor	Ronald Brinkhuys	Nil
Councillor	Gcobisa Mangcu-Qotywe	Property, shareholder
Councillor	Evelyn Sauls	Nil
Councillor	Mario Hilton Witbooi	Nil
Alderman	Vuyiswa Elizabeth Mentile	Property
Councillor	Caroline Wood	Nil
Alderman	Eve Catherine Marthinus	Property, shareholder
Alderman	Ntombizine Michelle Sapepa	Shareholder, property
Councillor	Unathi Toto Sipunzi	Shareholder
Alderman	Jan Cornelius Gelderblom	Shareholder (Events Company), Trustee
Municipal Manager	D P Beretti	Property, Investment, Trust
Acting CFO	N Kruger	Annuity, Properties
Director Community Services	P A Oliver	Annuity, Properties

**APPENDIX I - REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**
**APPENDIX I (I) - REVENUE COLLECTION PERFORMANCE BY VOTE**

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Manager	10 533	20 748	21 297	11 540	-79.79%	-84.55%
Corporate Services	48	64	64	34	-89.18%	-89.18%
Finance	80 422	83 530	90 159	86 284	3.19%	-4.49%
Community Services	130 479	134 851	147 242	157 358	14.30%	6.43%
<b>Total Revenue by Vote</b>	<b>221 483</b>	<b>239 192</b>	<b>258 762</b>	<b>255 216</b>	<b>6.28%</b>	<b>-1.39%</b>

**APPENDIX I (II) - REVENUE COLLECTION PERFORMANCE BY SOURCE**

Revenue Collection Performance by Source						
R' 000						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Service charges	11 704	12 418	12 206	12 130	-2.37%	-0.63%
Rental of facilities and equipment	10 747	11 919	10 839	11 856	-0.53%	8.58%
Interest earned - external investments	1 899	1 800	1 800	2 287	21.31%	21.31%
Interest earned - outstanding debtors	-	163	144	-	0.00%	0.00%
Licences and permits	137	300	300	230	-30.50%	-30.50%
Agency services	10 127	10 561	11 110	11 343	6.90%	2.05%
Government Grants and Subsidies - Operat	169 680	80 883	201 770	205 928	60.72%	2.02%
Other revenue	16 498	109 629	7 468	7 889	-1289.71%	5.33%
Gains on disposal of PPE	-	9 420	9 420	-	0.00%	0.00%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>220 792</b>	<b>237 092</b>	<b>255 057</b>	<b>251 663</b>	<b>5.79%</b>	<b>-1.35%</b>

**APPENDIX J - CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG**

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual Recognition	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
Local Government Equitable Share	74 636	74 636	74 636	0.00%	0.00%	Division of Revenue Act
Local Government Equitable Share - Disaster relief (Covid-		2 912	1 727	100.00%	-40.71%	Division of Revenue Act - Covid-19
Finance Management	1 000	1 000	1 000	0.00%	0.00%	Interns and Financial Management Program
EPWP Incentive	1 188	1 188	1 188	0.00%	0.00%	Extended Public Works Program
Rural Roads Asset Management Grant	2 670	2 670	14	-99.47%	-99.47%	Assessment on roads in the district
Seta			87	0.00%	0.00%	Training
Health Subsidy	200	200	210	4.86%	4.86%	Comprehensive Health Services
Financial Management Support Grant		650	650	100.00%	0.00%	Management of Resorts (Sustainable Solution)
CDW Operational Support Grant	56	168	84	50.76%	-49.75%	Provincial allocation for community development workers
Local Government Graduate Internship Grant		67	67	100.00%	0.00%	Intern Human Resources
Fire Safety Plan Grant	2 832	3 460	2 317	-18.18%	-33.04%	Safety Plan Implementation (WOSA)
Municipal Service Delivery and Capacity Building Grant - Fire		1 931	1 714	100.00%	-11.28%	Provincial Capacity Grant
Grant	401	680	680	69.58%	0.00%	External Bursaries
<b>Total</b>	<b>82 983</b>	<b>89 562</b>	<b>84 373</b>	<b>1.67%</b>	<b>-5.79%</b>	

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

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

Capital Expenditure - New Assets Programme							
Description	R '000						
	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	-	-	-	-	255	-	-
<b>Infrastructure: Road transport - Total</b>	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
<b>Infrastructure: Electricity - Total</b>	-	-	-	-	-	-	-
<i>Generation</i>	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-
<b>Infrastructure: Water - Total</b>	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<b>Infrastructure: Sanitation - Total</b>	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-	-
<b>Infrastructure: Other - Total</b>	-	-	-	-	255	-	-
<i>Waste Management</i>	-	-	-	-	255	-	-
<i>Transportation</i>	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
<b>Community - Total</b>	-	1 000	-	-	-	1 000	2 000
<i>Parks &amp; gardens</i>	-	-	-	-	-	-	-
<i>Sportsfields &amp; stadia</i>	-	-	-	-	-	-	-
<i>Swimming pools</i>	-	-	-	-	-	-	-
<i>Community halls</i>	-	-	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-	-	-
<i>Recreational facilities</i>	-	-	-	-	-	-	-
<i>Fire, safety &amp; emergency</i>	-	1 000	-	-	-	1 000	2 000
<i>Security and policing</i>	-	-	-	-	-	-	-
<i>Buses</i>	-	-	-	-	-	-	-
<i>Clinics</i>	-	-	-	-	-	-	-
<i>Museums &amp; Art Galleries</i>	-	-	-	-	-	-	-
<i>Cemeteries</i>	-	-	-	-	-	-	-
<i>Social rental housing</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-

Table continued next page



Table continued from previous page

Capital Expenditure - New Assets Programme							
Description	R '000						
	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
<b>Capital expenditure by Asset Class</b>							
<b>Heritage assets - Total</b>	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Investment properties - Total</b>	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Other assets</b>	<b>1 869</b>	<b>2 300</b>	<b>4 285</b>	<b>4 584</b>	<b>3 861</b>	<b>3 910</b>	<b>3 275</b>
General vehicles	762	-	657	934	2 950	3 200	3 000
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	1 038	2 300	3 548	590	100	180	200
Computers - hardware/equipment	-	-	-	-	750	250	-
Furniture and other office equipment	69	-	80	95	4	280	75
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	-	-	-	2 298	57	-	-
Other Land	-	-	-	668	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Agricultural assets</b>	-	-	-	-	-	-	-
<i>List sub-class</i>							
<b>Biological assets</b>	-	-	-	-	-	-	-
<i>List sub-class</i>							
<b>Intangibles</b>	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-
Other ( <i>list sub-class</i> )	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>1 869</b>	<b>3 300</b>	<b>4 285</b>	<b>4 584</b>	<b>4 116</b>	<b>4 910</b>	<b>5 275</b>
<b>Specialised vehicles</b>	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-

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

Capital Expenditure - Upgrade/Renewal Programme							
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
R '000							
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	-	4 900	-	-	-	7 079	-
Infrastructure: Road transport -Total	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
<b>Infrastructure: Electricity - Total</b>	-	-	-	-	-	-	-
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>							
<i>Street Lighting</i>							
<b>Infrastructure: Water - Total</b>	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>		-	-		-	-	-
<b>Infrastructure: Sanitation - Total</b>	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-						
<b>Infrastructure: Other - Total</b>	-	4 900	-	-	-	7 079	-
<i>Waste Management</i>	-	4 900	-	-	-	7 079	-
<i>Transportation</i>					-	-	-
<i>Gas</i>					-	-	-
<i>Other</i>					-	-	-
<b>Community</b>	-	-	-	-	-	-	-
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							
<b>Heritage assets</b>	-	-	-	-	-	-	-
Buildings							
Other							

Table continued next page

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme							
							R '000
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
<b>Capital expenditure by Asset Class</b>							
<b>Investment properties</b>	-	-		-	-	-	-
Housing development							
Other							
<b>Other assets</b>	1 128	265	459	452	873	3 918	505
General vehicles	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	422	-	-	-	-	-	-
Computers - hardware/equipment	384	200	200	249	500	300	200
Furniture and other office equipment	238	65	65	35	68	463	-
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	84	-	194	169	305	3 155	305
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Agricultural assets</b>	-	-	-	-	-	-	-
<i>List sub-class</i>							
<b>Biological assets</b>	-	-		-	-	-	-
<i>List sub-class</i>							
<b>Intangibles</b>	-	-		-	-	-	-
Computers - software & programming	-			-			
Other ( <i>list sub-class</i> )							
<b>Total Capital Expenditure on renewal of existing assets</b>	1 128	5 165	459	452	873	10 996	505
<b>Specialised vehicles</b>	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

**APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2019/2020**

<b>Capital Programme by Project: 2020/21</b>					
					<b>R' 000</b>
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - OB) %	Variance (Act - Adj) %
Biodiversity and Landscape		5	4	100.00%	-18.35%
Budget and Treasury Office		80	74	100.00%	-7.61%
Executive and council	40	240	45	12.98%	-81.17%
Fire Fighting and Protection	3 100	3 800	3 657	17.96%	-3.76%
Information Technology	225	225	249	10.60%	10.60%
Recreational Facilities	200	394	340	69.87%	-13.77%
Solid Waste Disposal (Landfill Sites)	4 900		668	-86.37%	100.00%

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

<b>Declaration of Loans and Grants made by the Municipality: 2020/2021</b>				
All Organisation or Person in receipt of Loans /Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2020/2021 R' 000	Total Amount committed over previous and future years
Bursaries	Bursaries to Non-employees	Enrolled at a credit institution	0	480 000
<i>* Loans/Grants - whether in cash or in kind</i>				

## 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 113, which comprise the statement of financial position as at 30 June 2021, 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 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 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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 42 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of the errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

### Significant uncertainties

8. With reference to note 55.2 of the financial statements, the municipality claimed VAT inputs relating to expenditure incurred on the road maintenance function on the basis that they are a service provider, while in terms of the VAT Act the municipality is considered an agent. This raised the possibility of repaying the VAT claimed from the South African Revenue Services (SARS). The municipality is in the process of engaging with SARS on the matter. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.

### Other matters

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

### Unaudited disclosure note

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 on it.

### Unaudited supplementary schedule

11. The supplementary information set out on pages 114 to 129 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 on them.

### Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with 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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless 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

14. 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.
15. 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

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected strategic goal presented in the annual performance report. I performed procedures to identify material findings, but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. 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 goal presented in the municipality's annual performance report for the year ended 30 June 2021:

Strategic goal	Pages in the annual performance report
Strategic goal 1 – to ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure	66– 68

19. 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.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this strategic goal:
  - To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure

### **Other matter**

21. I draw attention to the matter below.

### **Achievement of planned targets**

22. Refer to the annual report on pages 66 to 68 for information on the achievement of planned targets for the year.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. I did not identify any 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**

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



27. 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 goal presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard on the draft report submitted for my review.

---

#### 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 2021



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 strategic goal 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 relating to events or conditions that may cast significant doubt on the ability of the Overberg District Municipality 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 my 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 determine 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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

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

**APPENDIX P – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT**

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

**VOLUME II: ANNUAL FINANCIAL STATEMENTS 2020/2021**

**Annual Financial Statements 2020/2021 – Volume II of Annual Report**