

OVERBERG DISTRICT MUNICIPALITY



ANNUAL REPORT 2021/2022

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ACRONYMS

AEL	Atmospheric Emission License
AFS	Annual Financial Statements
AG	Auditor-General
ALD.	Alderman
ANC	African National Congress
ASB	Accounting Standards Board
APAC	Audit and Performance Audit Committee
B-BBEE	Broad-Based Black Economic Empowerment
CDW	Community Development Worker
CFO	Chief Financial Officer
CLLR	Councillor
COMAF	Communication of Audit Finding
COSO	Committee of Sponsoring Organisations of the Treadway Commission
CommTech	Communications Technical
CPD	Continuing Professional Development
CRO	Chief Risk Officer
CSD	Central Supplier Database
CWP	Community Work Programme
DA	Democratic Alliance
DAPOTT	District Agri Parks Operational Task Team
DCAS	Department of Cultural Affairs and Sport
DCF	District Coordinating Forum
DCFTech	District Coordinating Forum – Technical
DEA&DP	Department Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DFFE	Department of Forestry, Fisheries and Environment
DFRI	District Funding Research Initiative
DDM	District Development Model
DLG	Department Local Government
DM	District Municipalities
DOCS	Department of Correctional Services
DORA	Division of Revenue Act
DPW	Department Public Works
DSD	Department Social Development
DTPW	Department of Transport and Public Works
DWS	Department of Water and Sanitation
ECD	Early Childhood Development
EHP's	Environmental Health Practitioners
EPIP	Environmental Protection and Infrastructure Programme
EPMDS	Employee Performance Management and Development System
EPWP	Expanded Public Works Programme
FTEs	Full-Time Equivalent
FARMC	Fraud and Risk Management Committee

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GDPR	Gross Domestic Product Review
GRAP	Generally Recognised Accounting Practices
GBV	Gender Base Violence
HAZMAT	Hazardous materials
HPCSA	Health Profession Council South Africa
ICLEI	International Council for Local Environmental Initiative
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IIWG	IDP Indaba Working Group
IOM	International Organisation for Migration
IRMSA	Institute of Risk Managements South Africa
ISO	International Organisation for Standardisation
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
JDA	Joint District Approach
JDMA	Joint District & Metro Approach
JOC	Joint Operational Centre
KPI	Key Performance Indicator
Km	Kilometre
Km ²	Square Kilometre
LAB	Local Action for Biodiversity
LED	Local Economic Development
LG	Local Government
LG MTEC	Local Government Medium Term Expenditure Committee
LGSETA	Local Government Sector Education and Training Authority
LLF	Local Labour Forum
LM	Local Municipality
LTO	Local Tourism Offices
MCC	Municipal Coastal Committee
MEC	Member of the Executive Council
MERO	Municipal Economic Review and Outlook
MFIP	Municipal Financial Improvement Program
MFMA	Municipal Finance Management Act
MGRO	Municipal Governance Review & Outlook
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MSA	Municipal System Act
mSCOA	Municipal Standard Chart of Accounts
MPAC	Municipal Public Account Committee
MTREF	Medium Term Budget and. Expenditure Framework
MOU	Memorandum of Understanding
Munics	Municipalities
NAIS	National Atmospheric Emission Inventory System
NEMA	National Environmental Management Act
NGO's	Non-Governmental Organisations
NT	National Treasury

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

COMPONENT A: MAYOR’S FOREWORD



It gives me great pleasure to present the 2021/2022 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, the 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 and financial Systems monitors the implementation of the strategic goals and budget. Key performance indicators and targets were assigned to each of the strategic goals. 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 fulfilment of the Municipality’s responsibilities in accordance with its strategic goals and legislative mandate during the reporting period.

The Local Government Election was held on 1 November 2021, where new Councillors was elected for the next five years. With the first Council meeting held in December 2022 the newly elected Council reaffirmed the strategic direction of the previous Council.

The conflict between Russia and Ukraine has interrupted the recovery from the COVID-19 pandemic and impacted on the economy and livelihood of the citizens in the Overberg. This was mainly due to increase of the fuel price and the price of key food production component like fertilizer, which is vital to the Overberg.

Key Service Delivery Improvements

The Municipality was able to deliver outstanding services to the community in an accountable, economical, effective, efficient and equitable manner. The Municipality received an unqualified audit outcome for the year under review.

During the year, intense involvement in the establishment and driving of the Overberg Safety Forum and Safety initiatives leading to successes in the community-safety realm of the Overberg District. The strengthening of human capacity and fleet in the Emergency Services Department contributed to the successful extinguishing of large fires. During the year a new fire station was erected in Caledon through a private partnership which will contribute to the successful response to incidents. The municipality regarded the road network as a high priority, as it forms the lifeline of the economy in the district. The Municipality is in the process of upgrading the Boontjies Kraal road to permanent surface, on a phased approach, and 3189 km's proclaimed roads maintained on an agent basis/function for the Department of Transport and Public Works. The Municipal Health Services Department role out several Community Outreach Programmes, especially for children at pre-schools to demonstrated proper health and hygiene habits. This department also plays a vital role to prevent and minimize the spread of COVID-19 in the Overberg.

The municipality maintained a high standard in the operation of the Karwyderskraal Regional Landfill Site and ensured compliance with the license conditions.

Public Participation

Public Participation is of utmost importance and our Municipality employs various opportunities and platforms for our community, the Local Municipalities and other stakeholders. Successful public participation events took place through various structures such as provincial and district IDP Forums and Intergovernmental Relation structures. Social media platforms and online platforms were optimally utilized for communication and to invite public representations.

Agreements/Partnerships

Partnerships were established and maintained during the year under review. Strategic partnerships exist with the Greater Overberg Fire Protection Association, Working on Fire, National Sea Rescue Institute, Commercial Agricultural, Provincial Departments and private sector, e.g. fire stations. The Municipality 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 district will continue to build on strategic partnerships through the Joint District and Metro Approach to rebuild the economy and improve the livelihoods of residents in the Overberg.

Future Action

The COVID-19 pandemic has had an overwhelmingly effect on the livelihoods of people in the Overberg. Due to the pandemic the priorities of the Western Cape shifted to have a more vigorous focus on the recovery of the economy with the focus on:-

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

In responding to the President's call for a District Development Model "One Plan", the Overberg Joint District and Metro Approach (JDMA) district-based approach model, through the collaborative efforts of all stakeholders, will include and monitor the implementation of various projects, such as:

- Rural Safety
- Water Security (water storage capacity)
- Safehouse Network
- Rail infrastructure
- Energy Security

The municipality in collaboration with stakeholders strives to address these focus areas by means of identified projects and programs through Supply Chain Management mechanisms, job creation programs and by empowering SMME's through Regional Economic Development/SCM open days.

Conclusion

I would like to express my gratitude to the Executive Mayoral Committee and all the Councillors for the smooth transition, contribution and commitment towards realizing the Vision and making a difference in the lives of all in the Overberg. I would like to thank the Management team and Staff members for their support and commitment during the year.

Ald. A Franken
Executive Mayor

1.1 MUNICIPAL MANAGER'S OVERVIEW



It is a great pleasure and privilege to present the Annual Report on the final year of the 4th Generation Integrated Development Plan (IDP). It reflects on the performance on strategic goals, priorities, as aligned with the IDP, Budget, as well as Provincial and National strategic directives.

Reflecting on the 2021/2022 Financial Year, this report captures the considerable effort made by the Overberg District Municipality to advance the efficiency and effectiveness of services rendered to its community and stakeholders.

The Municipality continues to focus on efforts to strengthen governance structures, through the review and adoption of policies, procedures, system improvements as well as the implementation of new policies. The Municipality continuously reviews the organizational structure to improve its functionality and alignment to the Municipality's strategy and to promote service delivery.

The past year embraced some challenges such as the returning to normal operations after the lapsing of the COVID-19 regulations, which impacted on the Municipality services. The municipality continues to conduct its meetings, as far as possible, on a virtual platform which contributed to cost saving. The conflict between Ukraine and Russia caused the petrol price to increase and was it necessary to re-allocate funds to ensure that optimal service delivery took place. The ongoing interruptions in the supply of electricity by ESKOM also places a burden on our citizens and the municipalities within the district. The Municipal Health Services Department has strived to deliver their best service levels to fulfill their responsibility by monitoring food safety in the district impacted by the ongoing different stages of loadshedding.

The Municipality is mainly dependent on government grants and support, with limited own funding resources. The total revenue received for 2021/2022 Financial Year amounted to R269,7 million. The overall status of the financial health for the Municipality continues to reflect positively. This is largely due to the cash balance at year-end, the net surplus, favorable liquidity and solvency positions as well as the Municipality's ability to effectively manage its working capital. Although the municipality managed to improve its financial sustainability, it continues to experience financial constraints to deliver services to its full potential due to limited funding sources as well as an increased demand for services. The municipality received an unqualified audit outcome for the year under review.

Considering the economic, social and financial realities in the area we have implement innovative strategies to address the socio-economic and infrastructure challenges. A strong focus is to 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 to respond to the needs of the community. The Municipality responded to the President's call for a Joint District Development and Metro approach process. The key principles of the JDMA are collaboration, which entails co-planning, co-budgeting and co-implementation between spheres of government.

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

Effective Governance Oversight continued to take place during this year. The Fraud and Risk Management Committee, met quarterly as well as the Audit and Performance Audit Committee.

During the year, formal Corporate strategic risks and departmental risk assessments were completed and measured to mitigate and manage all identified risks affecting the Municipality. The Municipality remains committed to accountable and ethical governance with zero tolerance towards fraud and corruption.

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

Mr. R Bosman
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 km² 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**.

Table 1: Municipalities within the Overberg District





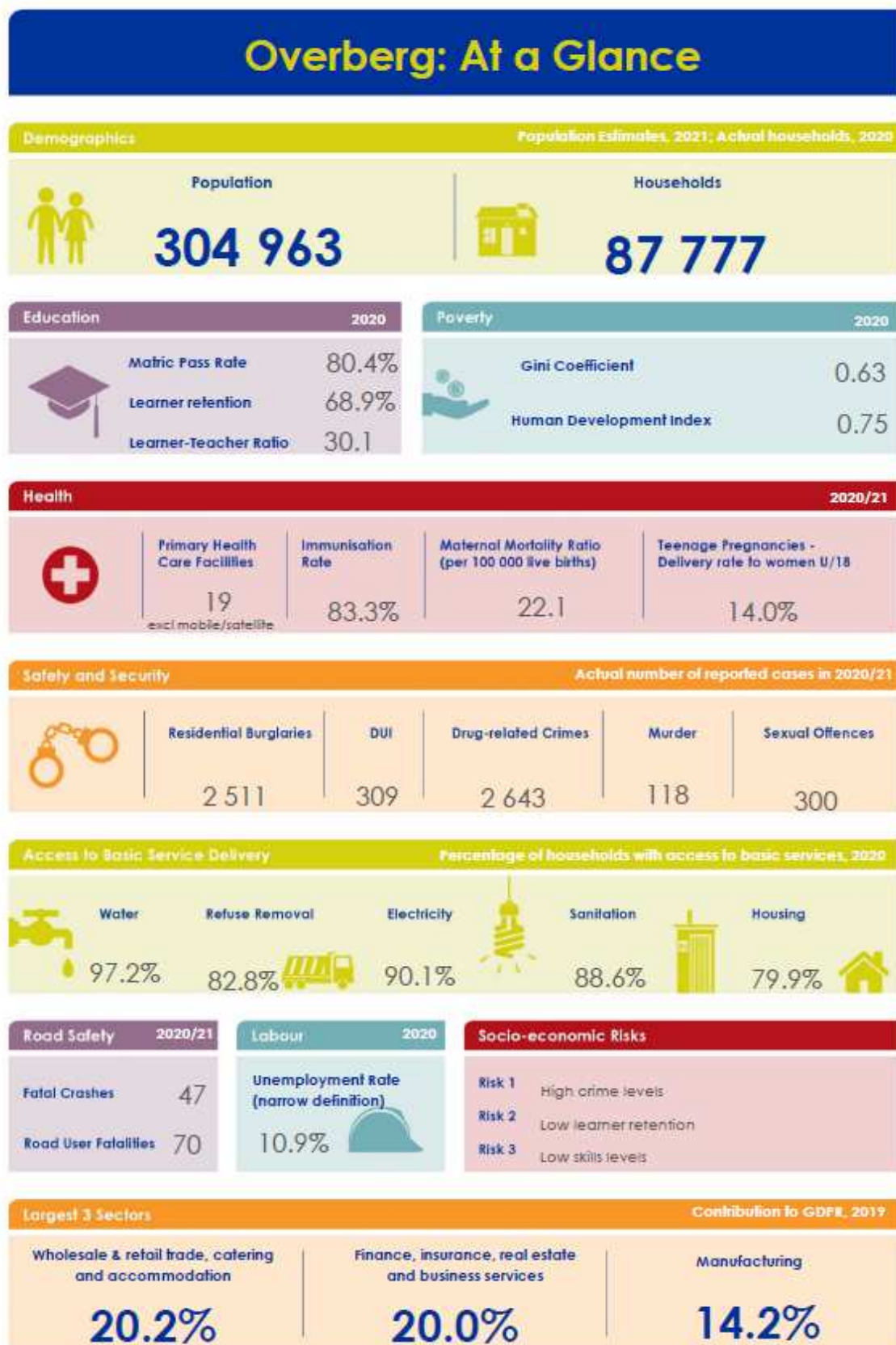
Local Municipality	Logo/Coat of Arms
Cape Agulhas Municipality with its headquarters in Bredasdorp includes Arniston (Waenhuiskrans), Struisbaai, L'Agulhas, Suiderstrand, Napier and Elim. Agricultural activities include wheat production, stock farming and small fishing communities. Cape Agulhas Municipality 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.	 KAAP AGULHAS MUNISIPALITEIT CAPE AGULHAS MUNICIPALITY U MASIPALA WASECAPE AGULHAS
Overstrand Municipality with its headquarters in Hermanus includes Baardskeerdersbos, Pearly Beach, Franskraal, Kleinbaai, Gansbaai, De Kelders, Stanford, Sandbaai, Onrus, Vermont, Hawston, Kleinmond, Betty's Bay, Hangklip, Pringle Bay and Rooi Els. The area is mainly known as a tourism and holiday destination and its small fishing communities.	Munisipaliteit • U-Masipala • Municipality OVERSTRAND 
Swellendam Municipality 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.	
Theewaterskloof Municipality with its headquarters in Caledon includes Genadendal, Grabouw, Villiersdorp, Greyton, Bot River and Riviersonderend. Agricultural activities include wheat production, stock farming and fruit production.	 Theewaterskloof Municipality

Figure 1: Map of the Overberg District

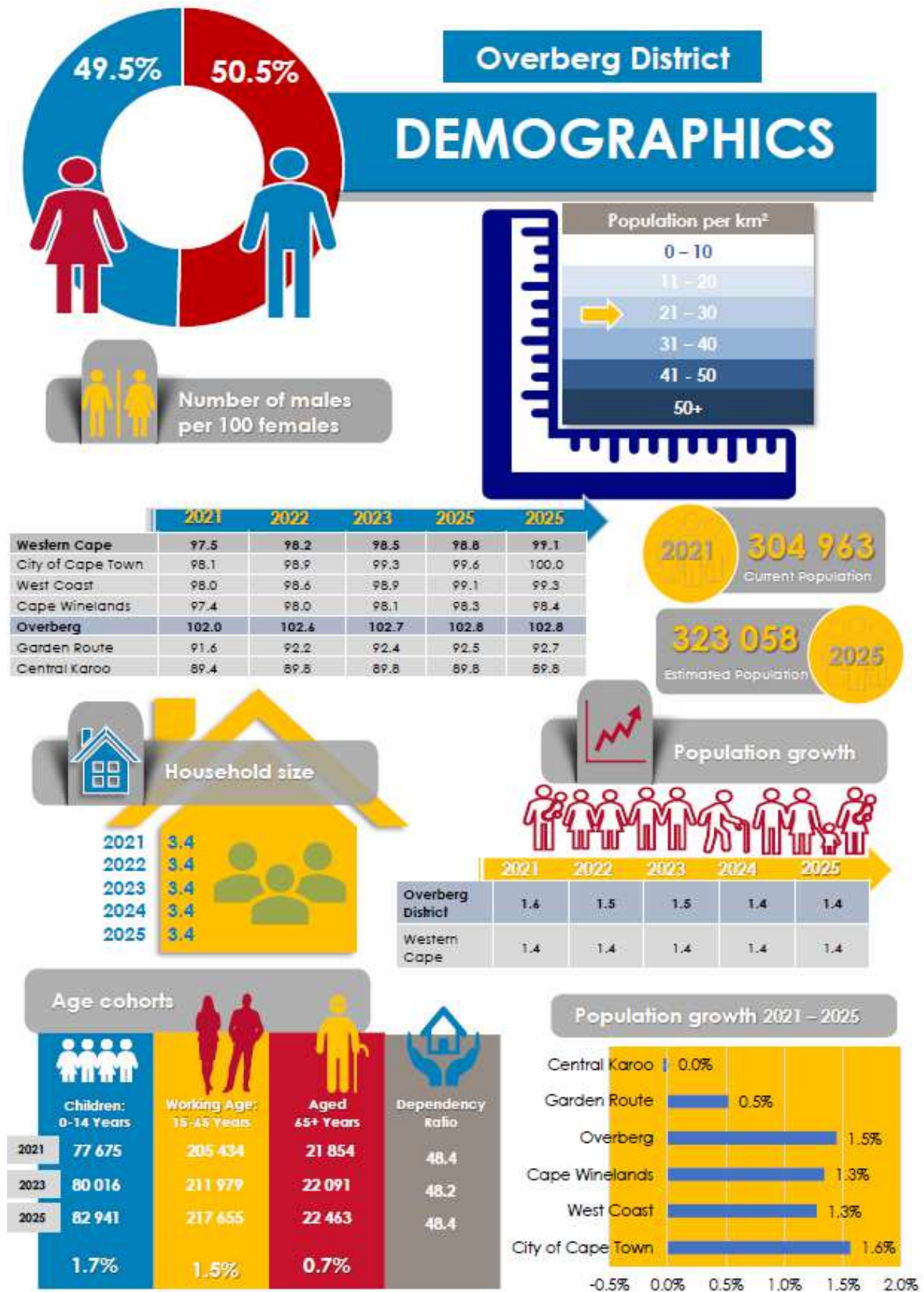


Figure 2: Infographic Summary¹



¹ 2021 Socio-Economic Profile: Overberg District Municipality

Figure 3: Overberg District Demographics²



² Socio-Economic Profile: Overberg District Municipality 2021

POPULATION DYNAMICS

Population

The Overberg District population is estimated at 304 963 people in 2021, who mainly reside in the Theewaterskloof (40.2%) and Overstrand (35.4%) municipal areas.

Sex Ratio

The overall sex ratio depicts the number of males per 100 females in the population. The data indicates that there is slightly more males (50.5%) than females (49.5%) in the region. The sex ratio for Overberg increases slightly year on year which could be attributed to a wide range of factors such as an increase in female mortality rates as well as the potential inflow of working males to the District.

Age Cohorts

Between 2021 and 2025, higher population growth is estimated for children, with expected growth for the period reaching an average annual rate of 1.7%. Similar growth is estimated for the working aged population, growing at 105% over the same period, while slower growth (0.7%) is expected for the 65+ aged group. The predicted growth decreases the dependency ratio slightly from 48.4 in 2021 to 48.2 in 2023, and then back up to 48.4 in 2025.

Household

Household sizes refers to the number of people per household. The average size of households in Overberg region is estimated at 3.4 people per household between 2021 and 2025. The number of households are currently 87 777 in the district. Overstrand municipal area accounts for the largest share of the households with Theewaterskloof municipal area, the second largest in the district.

Approximately 21.2% of households in the Overberg District were classified as indigent households in 2020, which is 1.9% points lower than 2019.

Figure 4: Person indicators³

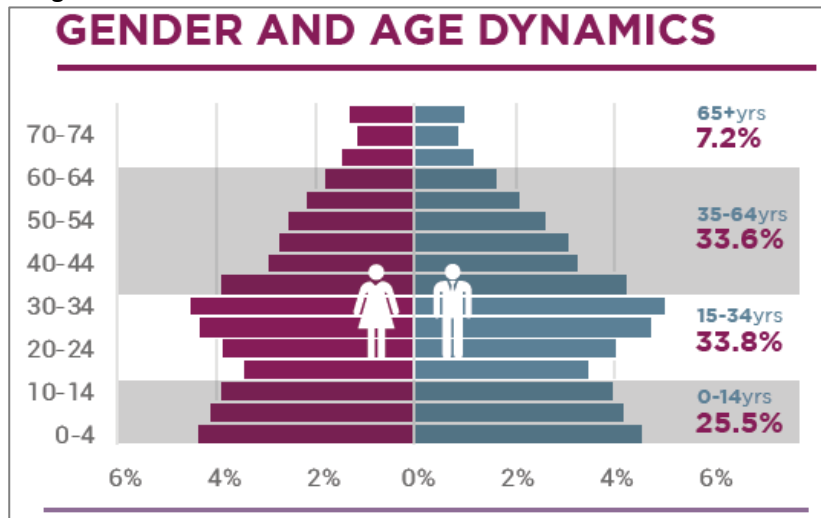
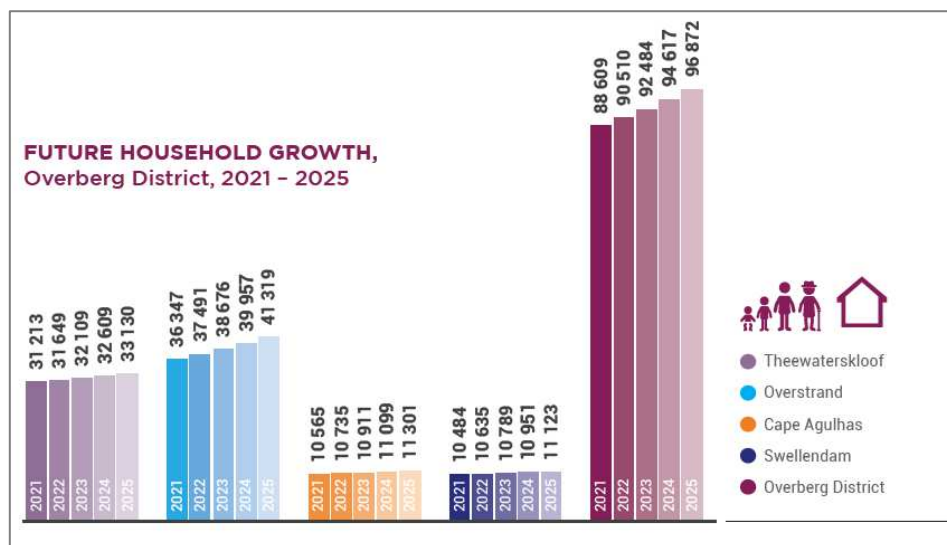


Figure 5: Future Household growth³



³ MERO 2021

Table 2: Indigent Households

	2018		2019		2020	
	Number	% of households	Number	% of households	Number	% of households
Theewaterskloof	4 248	14.2%	6 706	22.1%	5 435	17.7%
Overstrand	7 385	22.5%	7 630	22.4%	7 595	21.6%
Cape Agulhas	3 277	32.6%	3 001	29.4%	3 380	32.5%
Swellendam	1 975	19.7%	2 217	21.8%	1 967	19.0%
Overberg District	16 885	20.4%	19 554	23.1%	18 377	21.2%

Free basic services are available to households that qualified as indigent households provided by the local municipalities.

Population density

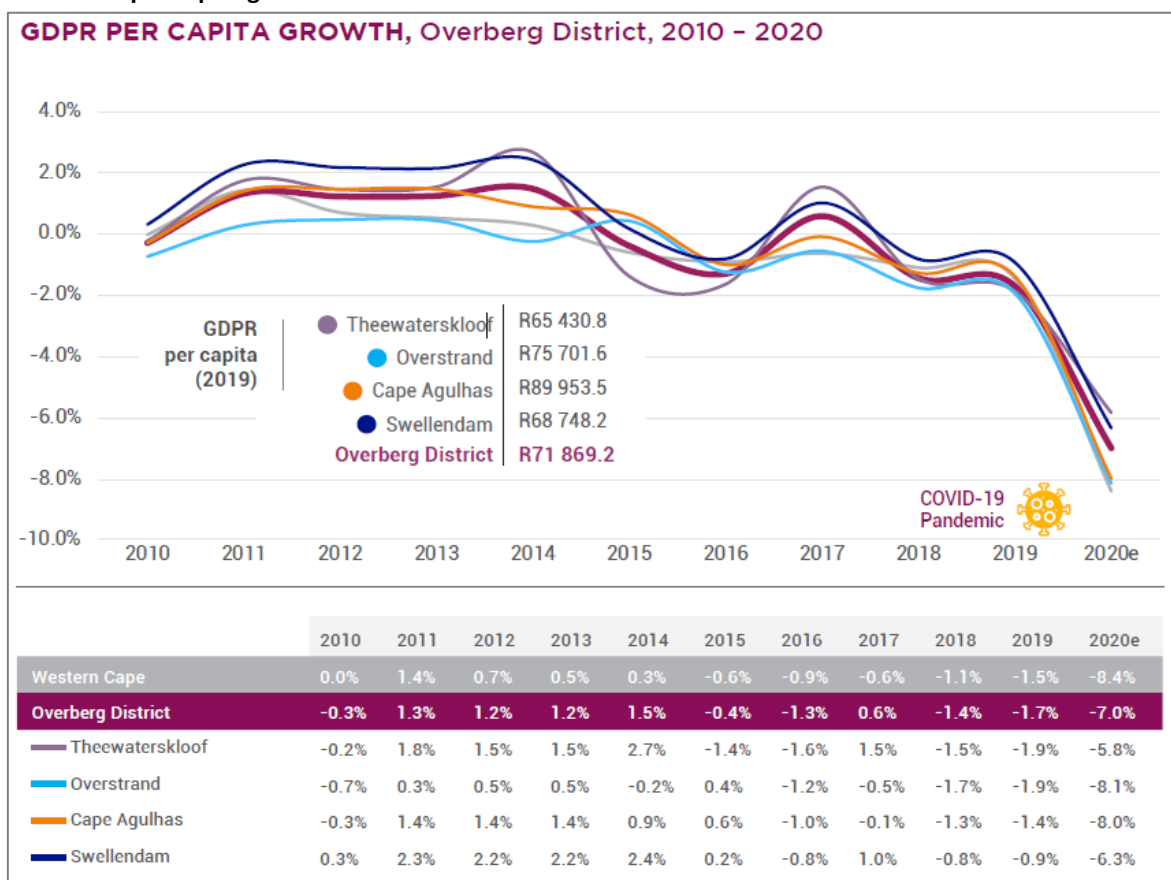
Amidst rapid urbanisation across the Western Cape, Population density figures will aid public sector decision makers to mitigate environmental, individual health and service delivery risk. In 2021, the population density of the Overberg District was 25 per square kilometre. In order of highest to lowest, the various local municipal areas in the Overberg District compare as follows:

- Overstrand 63 people/km²
- Theewaterskloof 38 people/km²
- Cape Agulhas 10 people/km²
- Swellendam 10 people/km²

Income

The District’s GDPR per capita decrease from R71 869 in 2019 to an estimated R69 643 in 2020. The key factor responsible for the contraction of GDPR per capita was the COVID-19 pandemic and the associated lockdown restrictions. However, the Swellendam and Theewaterskloof economies were less severely affected owing to strong growth in the agriculture sector.

Figure 6: GDPR per capita growth⁴



⁴ MERO 2021

Table 3: Average Monthly Household Income**AVERAGE MONTHLY HOUSEHOLD INCOME (CURRENT PRICES),
Overberg District, 2019**

MUNICIPALITY	Average household income 2019 (current prices)	Trend 2015 – 2019
● Theewaterskloof	R14 580	0.2%
● Overstrand	R15 990	0.5%
● Cape Agulhas	R19 193	-0.2%
● Swellendam	R15 905	0.7%
Overberg District	R15 804	0.3%
Western Cape	R19 430	-0.3%

Education⁵

The Overberg area had a total of 82 public schools. The number of student enrolments in the district increased from 43 887 in 2019 to 44 659 in 2020. The learner-teacher ratio stands at 30.1 learners per teacher. The Overberg's matric pass rate was 81.55%⁶ in 2021.

Health

In 2020/2021, the Overberg region had 19 primary healthcare facilities, which comprised of 17 fixed clinics, 1 community day centre and 1 community health centre, there are also 4 district hospitals and 1 private hospital.

The provision of more operational ambulances provides greater coverage of emergency medical services. The Overberg region has a total of 25 Provincial ambulances and private ambulance services also operates in the region.

Employment⁵

It is estimated that the Overberg region's total employed in 2020 amounted to 124 838 workers of which 90 474 (72.5%) are in the formal sector while 34 364 (27.5%) are informally employed.

Informal employment has been on the decline since 2017, while overall formal employment stagnated (zero growth) between 2016 and 2020. Most of the formally employed consisted of lower-skilled (39.7%) and semi-skilled (42.8%) workers. Although the skilled category only contributed 17.5% to total formal employment (2020), it outpaced the other two categories in terms of average annual growth – between 2016 and 2020, the skilled cohort grew on average by 1.1%, while the semi-skilled category growing at 0.4%; low skilled employment contracted at an average annual rate of 0.9% over the same period. The growth in the skilled category reflects the market demand for more skilled labour and the ability to sustain and even slightly expand skilled employment even during difficult economic times.

Table 4: Skill Levels

Skill Levels Formal employment	Skill Level Contribution 2020 (%)	Average growth (%) 2016 - 2020	Number of jobs	
			2019	2020
Skilled	17.5	1.1	16 408	15 844
Semi-skilled	42.8	0.4	40 988	38 743
Low-skilled	39.7	-0.9	38 151	35 887
TOTAL	100.0	0.0	95 547	90 474

The Overberg District has one of the lowest (10.9%) unemployment rates compared to other districts and is significantly lower than the Western Cape rate of 18.9%.

⁵ 2021 Socio-Economic Profile: Overberg District Municipality

⁶ Western Cape Government: Department Education

Table 5: Unemployment rates

Unemployment rates	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
West Coast	10.0	10.4	10.1	9.6	10.2	9.1	10.1	10.9	11.1	12.0	11.7
Cape Winelands	10.1	10.3	10.1	9.7	10.0	9.1	10.0	10.4	10.3	11.1	10.8
Overberg	9.1	9.4	9.2	8.9	9.3	8.3	9.4	9.8	9.8	10.8	10.9
Garden Route	15.0	15.0	14.7	14.3	14.3	13.9	14.8	15.2	14.9	15.9	15.4
Central Karoo	23.0	22.7	22.3	21.6	21.7	20.4	21.3	22.0	21.5	22.3	20.3
City of Cape Town	18.2	18.3	18.6	18.7	19.1	19.8	21.1	21.9	21.7	23.2	22.4
Western Cape	15.9	16.1	16.1	16.0	16.4	16.5	17.7	18.4	18.3	19.6	18.9

Table 6: 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

The wholesale & retail trade, catering and accommodation contributes to the highest employment sector, with Agriculture, forestry & fishing the second highest.

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.

Note: See Chapter 3 for more detail on service delivery.

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. An application for a second windfarm in the Theewaterskloof Municipal area was submitted.

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 Annual Financial Statements for the 2021/2022 budget year was submitted timeously on 31 August 2022 to the Auditor General. The budget and all related policies for the following fiscal year was reviewed and adopted by Council.

During the budget year (2021/2022) the municipality maintained a surplus budget, even after adjustment budgets were adopted taking external factor costs like increased fuel cost into account for the period reported. A net surplus of R14.34 million was reported and a top-up towards the Capital Replacement Reserve amounting to R12 589 543 was made for future capital projects to conclude with a closing balance of R13 000 000.

Including in the surplus was the recognition of the sale of land to the value of R11 724 380 (VAT exclusive) which was not yet registered at year end and thus included in the outstanding debtor balances as on 30 June 2022.

The finance department strive to reduce outstanding debtors and to pay creditors within 30 days as prescribed by legislation. The loan relating to the landfill site was honoured timeously and according to the borrowing agreement.

Revenue variance to budgeted was R325 142 more than budget anticipations, however expenditure also reduced significantly with R19 226 326. The final adjustment budget concluded with a projected surplus of R5 546 752 of which the actual amount is R25 243 701.

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

Table 7: Financial Overview 2021/20

Financial Overview - 2021/22			
	R' 000		
Details	Original budget	Adjustment Budget	Actual
<u>Income</u>			
Grants	84 969	90 298	87 187
Taxes, Levies and tariffs	27 969	27 332	25 565
Other	142 287	151 584	156 933
Sub Total	255 224	269 214	269 684
<u>Less Expenditure</u>	253 950	264 067	244 441
Net Total*	1 274	5 147	25 244
<i>* Note: surplus/(deficit)</i>			

Table 8: Operating Ratios

Detail	2021/2022
Employee Cost	48.44%
Repairs & Maintenance	4.36%
Finance Charges & Depreciation	4.89%

COMMENT ON OPERATING RATIOS

The staff complement’s cost amounts to 48.44% of the total expenditure budget for the fiscal year. The lower than anticipated expenditure on employee cost is due to the vacancies in the organisation which is currently being funded. However, the employee cost ratio is higher than the prescribed norm for municipalities, it must be emphasised that the district municipality’s functions require more labour-intensive staff complimenting.

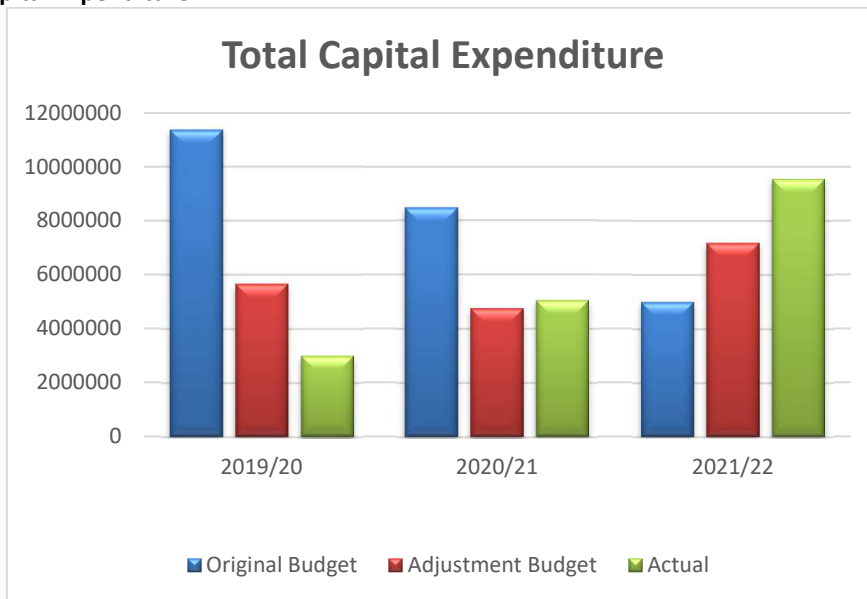
Repairs and maintenance forms part of various expenditure costs which include employee related costs, contracted services and other expenditure relating to repair and maintenance projects. When calculating repairs and maintenance, the Roads Agency function’s repairs and maintenance are excluded from the amount reported in the financial statements to report on a more accurate cost incurred by the municipality itself.

Finance charges and depreciation increased very little from the previous financial year, but remains within the norms and standards.

Table 9: Total Capital Expenditure: 2019/20 to 2021/22

Total Capital Expenditure: 2019/20 – 2021/22			
	R'000		
Detail	2019/20	2020/21	2021/22
Original Budget	11 353	8 465	4 989
Adjustment Budget	5 652	4 744	7 177
Actual	2 998	5 036	9 537

Figure 7: Total Capital Expenditure



COMMENT ON CAPITAL EXPENDITURE

Capital projects for the year was hampered due to the Concord ruling on preferential procurement within the SCM (Supply Chain Management) process. Although some projects commenced earlier in the fiscal year, almost all projects were halted that were planned to be executed in the last part of the fiscal year. Refer to note 22 for more information.

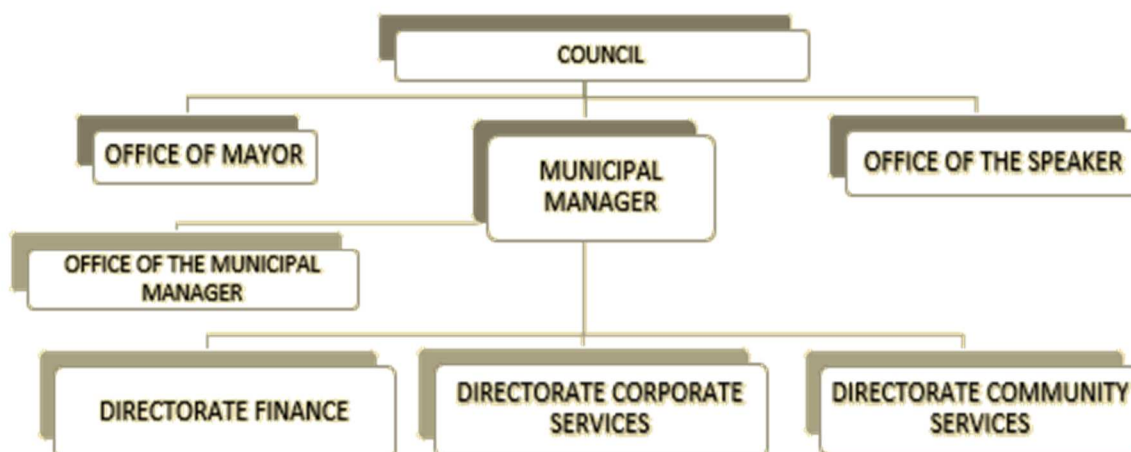
Finance leasing on printers resulted in the overspend on capital (accounting recognition), however multiple projects were roll-over to the new fiscal year. Projects to be carried over included generator/electricity supply equipment, ICT computer equipment (backup server), security and safety project as well as requests for roll-over on capital projects relating to Fire Safety grant, which could not realise due to the SCM court ruling.

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 District Municipality consists of the Office of the Municipal Manager and three directorates with their respective divisions.

Figure 8: Macro Organisational Structure



The Municipal Manager, as the head of the administration, was assisted by the Chief Financial Officer and Director Community Services. Ad hoc amendments to the Organisational Structure were approved by Council, which also included the amendment of the position of Manager: Corporate Services that was changed to Director: Corporate Services.

With the promulgation of the Local Government: Municipal Staff Regulations in September 2021, the municipality started with the process to align all Human Resources policies with the regulation. The regulation comes to effect on 1 July 2022.

1.6 AUDITOR-GENERAL REPORT

AUDITOR-GENERAL REPORT 2021/2022

The Municipality received an unqualified audit outcome with one finding and related irregular expenditure which prevented the Municipality from obtaining a clean audit report. Due to the time of the year, there was not sufficient time to resolve the disagreement between the municipality and the Auditor-General of South Africa over this audit finding. The next step in terms of the audit dispute resolution process will be to raise a formal dispute in writing to the Auditor-General. The final outcome of this process will be communicated to all the stakeholders.

Table 10: Audit Opinions

Financial year	Audit Opinions
2019/2020	Unqualified with no findings
2020/2021	Unqualified with no findings
2021/2022	Unqualified with findings

See Chapter 6 - Auditor-General Audit Finding - Component A and B for the Auditor-General opinions for 2020/2021 and 2021/2022. Auditor-General report on the 2021/2022 financial year– **Appendix N**.

1.7 STATUTORY ANNUAL REPORT PROCESS

Table 11: Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of the next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter report for previous financial year.	
4	Municipality submits annual financial statements and draft Annual Performance 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 PT, NT and MEC for Local Government.	
16	Commencement of Draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	November

CHAPTER 2 - GOVERNANCE

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, who is supported by the Deputy 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, who chaired council meeting, 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 for a period of five (5) year. The Local Government Election was held on 1 November 2021, where Councillors was elected for a 5-year period. The composition of the Council is through a system of proportional representation based on that municipality's segment of the national common voters roll, and which provides for the election of members from lists of party candidates drawn up in a party's order of preference; or proportional representation combined with a system of ward representation based on the municipality's segment of the national common voters roll. The political structures deemed the Councillors to have the necessary competence to serve as a Councillor.

A Council member's experience is indicated by the title of Councillor or Alderman. Mayors can change status from Councillor to Alderman after a 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) established in terms of section 79 of the MSA, comprised of non-executive Councillors and an independent member for oversight over the executive obligations of Council. This committee is chaired by a member from the opposition parties. One of the tasks of the MPAC is to provide Council with comments and recommendations on the Annual Report. Meetings were held on 18 February 2022 and one on 18 March 2022 to discuss the 2020/2021 Annual Report. An Oversight report on the Annual Report is published separately in accordance with the MFMA guidelines.

Note: MFMA S52 (a): The Executive Mayor must provide general political guidance over the fiscal and financial affairs of the municipality assisted by the Finance Steering Committee.

POLITICAL STRUCTURE

MUNICIPAL COUNCIL 23 Councillors



Ald. A Franken
Executive Mayor



Cllr. H Coetzee
Deputy Mayor



Ald. L M De Bruyn
Speaker

MAYORAL COMMITTEE



Cllr A Pokwas
(Chairperson: Strategic
Services Portfolio
Committee)



Cllr S H Fourie
(Chairperson: Community
Services Portfolio
Committee)



Cllr M Nomatiti
(Chairperson: Corporate
Services & IGR Portfolio
Committee)



Ald. J Nieuwoudt
(Chairperson: Corporate
Services & IGR Portfolio
Committee)

COUNCILLORS

The Overberg District Municipality has 23 Councillors, 13 of which represent local municipalities and 10 of which are directly elected.

Appendix A contains the names of Councillors (including committee allocations, political affiliation and attendance at Council meetings) until October 2021 and the newly elected Council. 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 formal meetings where all participating political parties in Council have an equal opportunity to deliberate the items as per agenda whereafter a resolution is adopted. The Executive Mayoral Committee also makes recommendations to Council on matters which have been delegated to it. In this way, effective service delivery can be accelerated.

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. R Bosman
B.Law

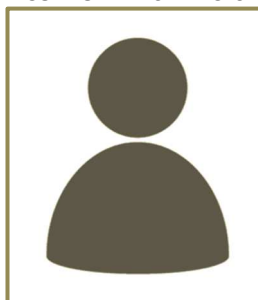
DIRECTORATE FINANCE



**CHIEF FINANCIAL
OFFICER**
Mr. N L Kruger

BComm (LG Accountancy) PGFO

DIRECTORATE CORPORATE SERVICES



VACANT

DIRECTORATE COMMUNITY SERVICES



**DIRECTOR COMMUNITY
SERVICE**
Mr. P A Oliver

MPS (US)

The outgoing Municipal Manager's contract comes to an end on 31 October 2021 and a new Municipal Manager was appointed by Council on a fixed-term contract, with effect from 1 June 2022. 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. Following the election and before the appointment of the new Municipal Manager, the Chief Financial Officer acted as Municipal Manager for three (3) months from 1 November 2021 to 31 January 2022 and the Director Community Services for four (4) months from 1 February to 31 May 2022. The position of Director: Corporate Services became vacant during the year. A recruitment process was followed and the newly appointed Director: Corporate Service will start on 1 July 2022.

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 administration 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 & Metro Approach (JDMA) 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, District 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, District Joint Operational Centre and others.

The benefit of the forums is that problems and solutions emanating from the district can be utilized to the benefit of the community.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

INTRODUCTION TO 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, etc. This is further enhanced through other direct engagements with the local municipalities and sectors in the district. In this regard, priority issues from local municipal areas are incorporated into the IDP of the District Municipality. The Council meetings are also open to the public.

IDP / BUDGET / PMS TIME SCHEDULE OF KEY DEADLINES 2021/2022

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 2021/2022 was developed in consideration of the COVID-19 pandemic and in preparation of the 2022/2023 Annual Budget and next 5-Year IDP, which was adopted by Council on 30 May 2022.

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 08 February 2022 to ensure horizontal and vertical alignment of various activities on a Provincial, District and Local level. Council adopted the Time Schedule on 23 August 2021.

IDP- AND BUDGET PUBLIC PARTICIPATION

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 2021/2022 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 virtually on 7 December 2022.

The 2022/2023 Draft 5-Year IDP and Budget was tabled to Council on 28 March 2022 and published for public comment till end April 2022. 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 utilized to invite public representations.

2.4 PUBLIC MEETINGS

Table 12: District and Provincial integrated municipal engagements

Structure	Date	Outcomes	Stakeholders
Overberg District Structures			
Strategic Session with Council	14 March 2022	Strategic session with full council to inform the 5-year IDP.	<ul style="list-style-type: none"> ▪ Full Council ▪ Senior Management
District IDP Managers Forum	08 February 2022	In the form of a Strategic Session of Council; Departmental implementation of Council Strategic Goals; achievement during Quarter 2 and progress of Quarter 3 KPIs to ensure the achievement of 5-year goals; reaffirmation of Council strategic trajectory.	<ul style="list-style-type: none"> ▪ District & Local IDP Partitioners ▪ District & Local Public Participation Practitioners ▪ District & Local Communicators ▪ Provincial IDP Directorate ▪ Provincial Public Participation ▪ Provincial Communications ▪ GCIS ▪ Western Cape Government Sector Departments

	22 April 2022	Revised Terms of Reference; Feedback Provincial/ Districts IDP engagement; IDP & Public Participation methods; Overberg Community Survey; Regional alignment of 2021/2022 Time Schedules.	
	03 May 2022	District engagement with DLG to re-assess the evaluation outcomes of the Time Schedule alignment.	
	27 May 2022	Identification of catalytic IDP projects; Mainstreaming environmental profile in IDPs; 2022/2023 Draft IDP Reviews; Time Schedule adoption; IDP assessments; Development of 5-year IDPs; Public participation meetings; IDP Indaba 2021; Joint District/Metro Approach (JDMA).	
District Public Participation & Communicators Forum	04 March 2021 09 December 2021 10&11 March 2022 2&3 June 2022	Overberg Community Outreach Project; Communications and Public Participation; District, Local and GCIS communications reports; Time Schedules of Key Deadlines 2021/2022.	<ul style="list-style-type: none"> ▪ District & Local IDP Partitioners ▪ Provincial IDP Directorate ▪ Western Cape Department Local Government ▪ Department Human Settlements
Provincial Structures			
Provincial IDP Managers Forum	02-03 June 2022	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"> ▪ Western Cape Municipalities ▪ Provincial Disaster Management ▪ Dept Local Government Extended role-players
Provincial Public Participation Forum	25 May 2021	Oversight visits by the National Assembly's Portfolio Committee; Legislative Review; Khoisan and CDWs presentation; Ward Councilor training; Ward Councilor Community Feedback Meeting; Civic education; WC Human Settlements APP.	<ul style="list-style-type: none"> ▪ Western Cape Municipalities Dept Local Government
	03 December 2021	Support actions to improve citizen interface; TWK Ward Committee	

		establishment readiness; Overstrand Ward Committee Establishment Plan; District and Metro report back on readiness for Ward Committee establishment.	
Provincial Comm Tech Forum	15 July 2021	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"> ▪ Western Cape Municipalities ▪ Dept Local Government
	26 November 2021	District municipalities report on activities in response to Covid-19 pandemic; DLG super spreader overview and plan; Updates on training programmes by DLG.	
Integrated Provincial/Municipal Engagements			
DCFTech / Technical Integrated Municipal Engagement (TIME)	17 February 2022	TIME conducted in accordance with the JDMA. Key transversal risks, challenges and opportunities presented from a district perspective.	<ul style="list-style-type: none"> ▪ Overberg Municipalities ▪ Western Cape Government

2.5 IDP PARTICIPATION AND ALIGNMENT

Table 13: 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	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

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

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

The 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 October 2021 until 30 April 2022. In the period before and after the filling of the position, each municipality was responsible for its own risk function. In the absence of the Chief Risk Officer the Department Performance and Risk Management provide assistance to the Fraud and Risk Management Committee.

The Fraud and Risk Management Committee consists of the Municipal Manager, Directors, IDP Manager, Performance Management and a member of the Audit and Performance Audit Committee who act as the Chairperson of the committee. Internal Audit and the Chief Risk Officer also form a fundamental part of this committee. Quarterly meetings were held where reports were submitted to address the following:

- Updated Strategic and operational risk registers.
- Progress on the risk actions.
- Progress report on the risk management implementation plan.
- Updated register on identified alleged corrupt, fraudulent and unethical incidents.
- Combined assurance report
- Any other relevant Fraud and Risk Management information.

The following documents were reviewed by the committee and recommended to Council for approval.

- Fraud and Risk Management Committee Terms of Reference
- Combined Assurance Policy Framework
- Anti-Corruption and Fraud Prevention Plan
- Anti-Corruption, Fraud and Financial Misconduct Policy
- Code of Ethics

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. In terms of assurance efforts

feedback and all Fraud and Risk Management Committee meeting minutes were submitted to the Audit and Performance Audit Committee on a quarterly basis.

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 9: Combined Assurance Framework

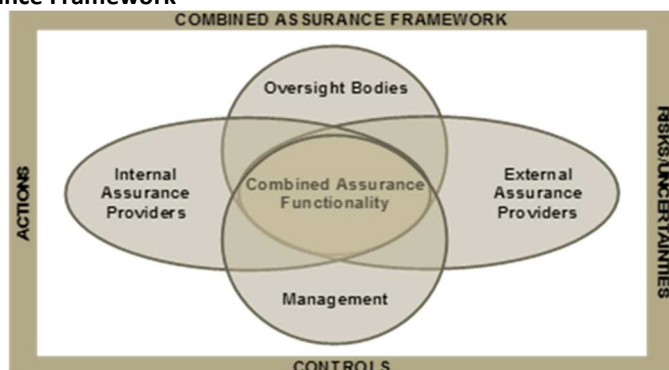


Table 14: Dates of Fraud & Risk Management Committee and Audit & Performance Audit Committee meetings

Committee	Date	Quorum	Risk Management Feedback
APAC	30/08/2021	Yes	No (AFS/ A-G and performance report)
FARMCO	20 September 2021	Yes	Yes
APAC	23 September 2021	Yes	Yes
APAC	06 October 2021	Yes	No (Auditor-General Strategic plan)
FARMCO	02 December 2021	Yes	Yes
APAC	09 December 2021	Yes	Yes
FARMCO	24 February 2022	Yes	Yes
APAC	21 January 2022	Yes	No (Draft Annual Report)
APAC	24 March 2022	Yes	Yes
FARMCO	20 May 2022	Yes	Yes
APAC	30 June 2022	Yes	Yes

Strategic risks were identified by the Executive Mayoral Committee and approved by Council. The identification of departmental risks and controls were done by the risk champions of each department. Internal Audit uses the information in the risk registers to draft a Risk Base Audit Plan.

The table below indicate the top five (5) strategic risks which were identified, through the risk management process and were monitored through the year. Strategies were implemented to mitigate all the risk identified.

Table 15: Top Five Strategic Risks

Risk Level	Risk Description	Cause of risk	Current Controls	Residual Risk
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.	64
Strategic	1. Performance Reliance on Local Municipalities to improve Waste Management Activities.	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

Risk Level	Risk Description	Cause of risk	Current Controls	Residual Risk
Strategic	Increasing incidents of consistent sewerage outflow at treatment plants at B-Municipalities.	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	Insufficient supply of electricity (Load-shedding).	Lack of maintenance of infrastructure by Eskom.	Generator only to operate limited equipment.	39.2
Strategic	Escalating Social Ills within the District.	1. Social development insufficient. 2. Lack of work in the region.	1. LED initiatives - create jobs and opportunities to mitigate unemployment through LED programmes. 2. Similar government initiatives aimed at job creation. 3. Employee Assistance programme (Internal). 4. Coordinating forums established to mitigate social ill.	28.8

2.7 ANTI-CORRUPTION AND FRAUD

The Municipality is committed to fighting fraudulent behaviour at all levels within the organisation. The Municipality has an Anti-Corruption and 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 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 in June 2022. Incidents of allege fraud, corruption and unethical behaviour are recorded in register and submitted on a quarterly basis to the Fraud and Risk Management Committee to evaluate the progress on the effectiveness on the implementation of the fraud related policies and controls.

During the year the Fraud and Risk Management Committee reviewed the Anti-Corruption and Fraud Prevention plan, Anti-Corruption, Fraud and Financial Misconduct Policy as well as the Code of Ethics. These documents were workshopped with the Trade Unions and Management and recommended to Council for approval. Continuous fraud and corruption awareness are done through the Municipality's internal newsletter (Decus Nostrum).

To maintain the Municipality's operations in terms of legislation, 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 16: Audit committee member’s appointments

Name	Capacity	Period of Appointment
Pieter Strauss	Chairperson	Appointed 29/11/2017, re-appointed 29/11/2020 (3 years)
Tom Blok	Member	Appointed 29/11/2020 (3 years)
Chessy Pieterse	Member	Appointed 29/11/2017, re-appointed 29/11/2020 (3 years)
Danie Smith	Member	Appointed 1/6/2021

Ethics are practically implemented in the Municipality through the Oath for Councillors, Code of Conduct of Councillors (Schedule 1 of the Local Government: Municipal Systems Act, 2000) 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 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 2021/2022 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 amended on 28 March 2022. Reports on the implementation of the Supply Chain Management policies are submitted monthly to the accounting officer and quarterly and annually to the Executive 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 17: Summary of B-BBEE awards during the financial year for formal quotations and tenders

B-BBEE Level	Total Contracts Awarded
Level 1	31
Level 2	4
Level 3	0
Level 4	7
Level 5	0
Level 6	1
Level 7	1
Level 8	1
Non-Compliant Contributor	4
TOTAL	49

Challenges

- The implementation of National Treasury instruction notes on local content and production.
- The Post – Constitutional Court Judgement on the PPPFA Regulations, 2017.

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 18: Website Checklist

Municipal Website		
Documents published	Yes/No	Publishing Date
Current annual and adjustments budget and budget-related documents	Yes	Various
All current budget-related policies	Yes	Various
The previous annual report 2020/21	Yes	2022-03-29
The annual report 2021/22 to be published	No	February 2023
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2021/22	Yes	2021-07-30
All service delivery agreements 2021/22	Yes	Various
All long-term borrowing contracts	Yes	Various
All supply chain management contracts above R0 value for Year 2021/22	Yes	Various
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 2021/22	Yes	2022-06-30
Contracts agreed in 2021/22 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	Yes	Various
Public-private partnership agreements referred to in section 120 made in 2021/22	No	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/22	Yes	Various

COMMENT ON THE MUNICIPAL WEBSITE CONTENT AND ACCESS

The Municipality's website address is <https://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.

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE

INTRODUCTION

This report provides an overview of the performance of the Overberg District Municipality for the period 1 July 2021 to 30 June 2022 as measured against the strategic goals that are set out in the 2021/2022 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.

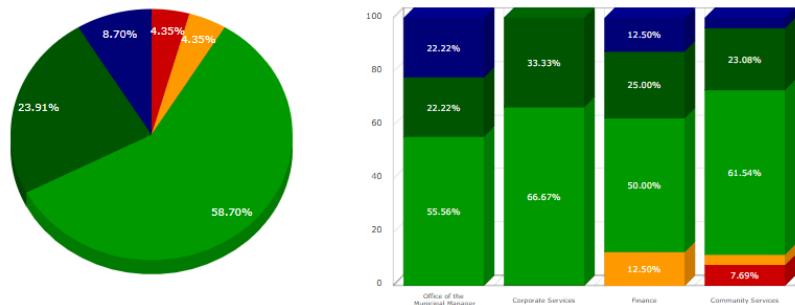
Strategic Goal 4 (SG4)

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 10: 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	-	-	-	-	-	-
Not Met	2	-	2	-	-	-
Almost Met	2	1	-	-	1	-
Met	27	10	6	2	3	6
Well Met	11	5	1	1	2	2
Extremely Well Met	4	1	-	1	1	1
Total	46 (100%)	17 (36.96%)	9(19.57%)	4 (8.70%)	7 (15.22%)	9 (19.57%)

Detailed performance report for 2021/2022 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 ODM developed and implemented several strategic documents to guide solid waste management in the district and for the regional landfill facility it owns and operates.

These documents are:

- Integrated Waste Management Plan (IWMP)
- Long Term Master Planning of Karwyderskraal Regional Landfill Site
- Karwyderskraal Regional Landfill Site- Organic Waste Diversion Plan
- Karwyderskraal Regional Landfill Site – Builder’s Rubble Diversion Plan

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 19: Implementation of the Integrated Waste Management Plan goals and objectives

Goal 1: Strengthened education, capacity, and advocacy towards Integrated Waste Management		
Objectives		2021/22
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	Awareness raising was done that focused on plastic pollution in municipal stormwater, during the annual coastal clean-up event. This was done through the Municipal Coastal Committee and Regional Waste Forum to involve the municipal Waste Managers. A stormwater drain stencilling project was rolled out to the coastal municipalities of Swellendam and Cape Agulhas for public awareness of plastic pollution.
Strategic Objective 3:	Build and strengthen waste management capacity	Follow-up interaction with Swellendam Municipality after 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.

Goal 2: Improved integrated waste management planning and implementation for efficient waste services and infrastructure		
Objectives		2021/22
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. Technical discussion with Waste Managers was facilitated in order to prioritise infrastructure expansion.
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 management planning for the years ahead. <ul style="list-style-type: none"> • Swellendam do not foresee to join as a user of Regional Landfill Facility at this stage due to costs. • Cape Agulhas responded with a phased strategy to put Waste Management Infrastructure in place that will enable them to make use of Karwyderskraal in 4-5 years' time. The current operational cell 4 is surveyed annually to determine the available airspace. Based on the volumes received currently there will be adequate airspace up to 2026/2027.
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. The facility received an average of 6000 tons of waste a month. The Organic waste diversion average is currently 51%. Going forward we will also calculate the total diversion rate for the regional facility that will include Construction and Demolition waste.
Goal 3: Effective and efficient utilisation of resources		
Objectives		2021/22
Strategic Objective 2:	Stimulate job creation within the waste economy	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.
Strategic Objective 3:	Increase waste diversion through re-use, recovery and recycling	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. The drafting and implementation of a SOP will standardise the methodology used and provide more accurate data outcomes. The Regional Waste Forum continues as platform to discuss waste diversion topics and targets. Decisions taken can assist local municipalities with their own strategies.
Goal 4: Improved compliance with environmental regulatory framework		
Objectives		2021/22
Strategic Objective 1:	Strengthen compliance monitoring and enforcement	Quarterly compliance audits are performed on Karwyderskraal Regional Landfill Site, followed by an annual external audit by an external service provider. The regional Landfill facility achieved an External Compliance Audit score of 99.07% for this period of review. 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.

Strategic Objective 2:	Remediate and rehabilitate contaminated land	Budget provision is made for the long-term rehabilitation of the Regional Landfill facility through the annual tariff setting and a ring-fenced account.
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Figure 11: Projected vs estimated available air space for Cell 4

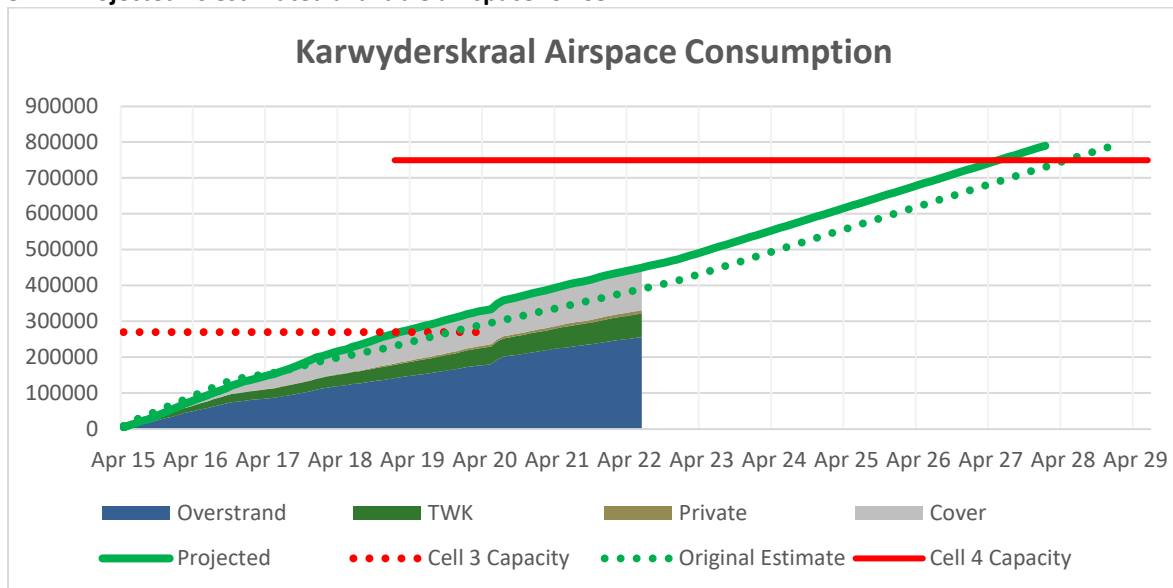


Table 20: Total waste volumes per user disposed at Karwyderskraal Regional Landfill up to June 2022

Months	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
Jul 21	2 458.61	143.06	145.65	6.36	942.65	1 436.94	16.00	-			252.57
Aug 21	2 751.83	101.18	190.84	-	921.93	314.71	2.96	-			137.98
Sep 21	2 481.63	164.36	196.13	4.78	958.59	148.98	-	-			141.20
Oct 21	2 788.24	238.62	212.96	-	858.38	274.26	-	-			165.90
Nov 21	2 735.79	153.70	235.10	4.18	1 031.92	1 020.16	-	-			246.31
Dec 21	2 967.74	66.56	144.40	-	1 106.58	1 269.90	5.34	20.16		45.36	201.78
Jan 22	3 642.14	157.30	189.76	-	965.32	977.02	30.66	-	10.62	114.00	154.42
Feb 22	3 029.81	146.82	-	7.06	1 053.47	794.20	12.32	11.08	-	43.80	151.48
Mar 22	2 867.44	104.48	43.06	-	1 067.10	807.30	45.1	8.74	10.16	15.62	233.92
Apr 22	2 266.43	133.52	170.28	-	731.02	777.10	17.10	9.84	-	70.32	97.20
May 22	2 420.02	178.44	287.00	13.27	939.52	675.50	10.56	24.42	-	39.70	127.84
Jun 22	2 506.61	185.95	388.10	11.61	976.83	760.75	12.80	13.44	-	103.79	186.52
Total	35 483.62	2 005.09	2 393.83	53.24	12 435.37	10 197.46	170.34	87.68	20.78	432.59	2 214.02

Service delivery highlights for 2021/2022

- 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.
- The Municipality received and audit outcome of 99.07% on the external compliance audit done on the regional Landfill facility (Karwyderskraal).

Service delivery challenges for 2021/2022

- 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.
- The increasing transport cost of both recyclable material to larger metros as well as the day-to-day transport of waste material for smaller rural municipalities are putting a lot of strain on the service.

Table 21: Financial Performance: Solid Waste Management

Financial Performance 2021/22: Solid Waste Management						
R'000						
Details	2020/21	2021/22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
Total Operational Revenue	11 851	12 428	11 978	11 480	-4%	(497)
Expenditure:						
Employees						
Other	9 001	8 030	9 040	10 062	11%	1 022
Total Operational Expenditure	9 001	8 030	9 040	10 062	11%	1 022
Net Operational Revenue/(Expenditure)	2 850	4 397	2 937	1 418	-52%	(1 519)
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>						

Table 22: Capital Expenditure: Solid Waste Management

Capital Expenditure 2021/22: Waste Management Services						
R' 000						
Capital Projects	2021/22					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	255			0%		

Description	2021	2022	Comment
Surplus - Solid Waste Department per AFS	-2 850 411.95	- 1 418 453.36	
Less: Overhead Costs	542 910.48	678 998.68	Actual as per module
Surplus - Solid Waste Department	-2 307 501.47	- 739 454.68	
Add Back iGRAP 2 entries	- 361 243.44	1 235 570.96	
Add Back Depreciation	- 649 237.70	- 637 096.55	
Add Back Rehabilitation Fees Raised	880 333.46	739 766.70	
Surplus after adding back specific items	- 2 437 649.15	598 786.43	
Capital Repayments	2 439 196.66	2 725 655.27	Note 1
Deficit/(Surplus)	1 547.51	3 324 441.70	
Note 1			
Capital Repayments	2 949 452.89	3295835.86	
Portion relating to upgrading of Cell 4	0.83	0.83	
To be included	2 439 196.66	2 725 655.27	

COMMENT ON SOLID WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The landfill site owned by the municipality Karwyderskraal service two local municipalities in the region (Theewaterskloof and Overstrand). The landfill was fully operational during the fiscal year, and a deficit of R 3295835 was recorded after taking the overhead costs as well as the GRAP 2 and 19 accounting adjustments into consideration.

The capital expenditure project did not realise, due to not enough budget, however a larger scale capital project is planned in the next financial year.

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 of 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 roads section. The function is performed from sub-district depots at Swellendam, Bredasdorp and Caledon.

Service delivery highlights for 2021 / 2022

- Over achievement of KM's of roads graded.
- Upgrade 1.34km of Boontjies Kraal road to permanent service.

Service delivery challenges for 2021 / 2022

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

Table 23: Gravel Roads Infrastructure

Gravel Road Infrastructure					
Financial Year	Total gravel Roads at beginning of financial year	New gravel roads	Gravel roads upgraded to asphalt (tar)	Gravel roads re-gravelled	Kilometers Gravel roads maintained at year-end
2019/20	3195.07	0	4.05	37.01	3191.02
2020/21	3191.75	0	0	54.51	3191.02
2021/22	3191.02	0	1.34	48.18	3189.68

Table 24: Tar Road Infrastructure

Tar Road Infrastructure					
Financial Year	Total tar roads at beginning of financial year	New tar roads	Existing tar roads re-tarred	Existing as tar roads re-sheeted	Kilometers Tar roads Maintained at year-end
2019/20	500.18	4.05	41.10	0	504.23
2020/21	504.23	0	28.19	0	504.23
2021/22	504.23	1.34	24.90	0	505.57

Table 25: Cost of Roads Infrastructure

Cost of Roads Infrastructure						R'000
Financial year	Gravel			Tar		
	Regravel	Gravel-Tar	Maintained	Rehabilitation	Re-seal	Maintained
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
2021/22	35 360	34 008	41 080	0	10 163	11 206

Figure 12: Roads Infrastructure Costs

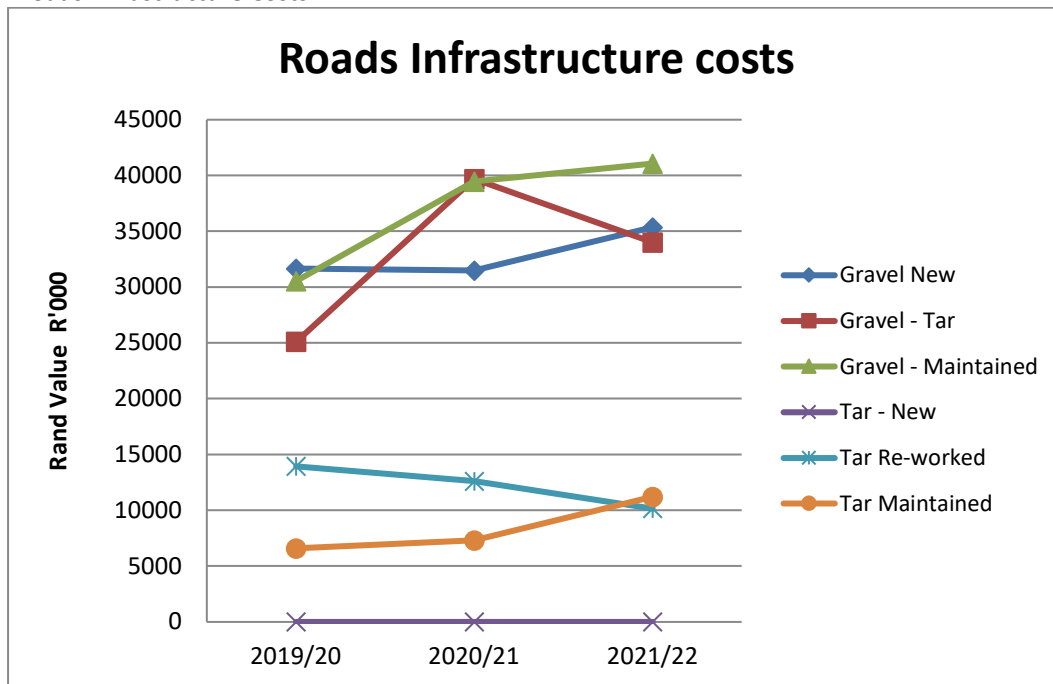


Table 26: Employees at Roads Services

Employees: Roads Services				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	108	102	6	5.56%
4 - 6	43	36	7	16.28%
7 - 9	45	39	6	13.33%
10 - 12	17	14	3	17.65%
13 - 15	6	5	1	16.67%
16 - 18	1	1	0	0.00%
19 - 20	0	0	0	0.00%
Total	220	197	23	10.45%

Table 27: Financial Performance: Road Services

Financial Performance 2021/22: Road Services							R'000
Details	2020/21	2021/22					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	124 599	109 595	114 591	119 269	4%	4 678	
Expenditure:							
Employees	45 696	47 699	45 043	48 968	9%	3 925	
Other	71 234	61 896	69 548	62 831	-10%	(6 717)	
Total Operational Expenditure	116 930	109 595	114 591	111 799	-2%	(2 792)	
Net Operational Revenue/(Expenditure)	7 669			7 470		7 470	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 28: Capital Expenditure: Roads Services

Capital Expenditure: Roads Services							R' 000
Capital Projects	2021/2022						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All			358	100%		358	

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The Roads function is performed by the municipality as an agency function on behalf of the Provincial Department Transport and Public Works, as per the memorandum of agreement. This function contributes largely to the total operations of the Municipality.

The Department of Transport and Public Works transfer funds to the Overberg District Municipality for which an annual business plan for road maintenance for the region be submitted to the department in line with the approved budget allocated. The roads department's spending is reported continuously and reconciled against the budgeted funding allocated to ensure spending is in line with revenue received by the municipality. The actual spending reflect on the capital project was the recognition of a finance lease pertaining printers.

3.3 TRANSPORT**INTRODUCTION TO TRANSPORT****Integrated Transport Plan**

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 revised Integrated Transport Plan (ITP) was adopted by Council on 25/10/2021.

Rural Roads Asset Management System (RRAMS)

The Municipality received grant funding as stated in the Division of Revenue Act (DoRA) to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa. This is a three (3) year project.

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 2021/2022

The IDP/Budget/PMS Time Schedule of Key Deadlines for 2021/2022 was developed in preparation for the 2022/2023 Annual Budget and 5-Year IDP and adopted by the Council on 23/08/2021.

The 2022/2023 Draft 5-Year IDP and Budget was tabled to the Council on 28/03/2022 and the final 2022/2023 5-Year IDP was adopted by the Council on 30/05/2021.

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 2021/2022 financial year, project implementation status can be reported as follows:

Table 29: Joint District / Metro Approach – projects completed

Municipality	Project	Description	Funding
ALL	Red tape: ease of doing business	Red tape reduction jointly developed with municipalities	DEDAT
Overstrand	Establishment of safe houses	Safe houses established to ensure the safety of women and children	DOCS; DSD; Health
Theewaterskloof Cape Agulhas	Water security (boreholes)	Geohydro-logical study conducted on boreholes in CAM and TWK	DLG/Agriculture DEA&DP DHWS
Theewaterskloof	Expand on rail infrastructure	Expand and upgrade rail section between Somerset West and Grabouw (completed in the 2019/20 year)	Funded by Transnet
Theewaterskloof	Upgrade of basic services' infrastructure in Grabouw	Conducted a Feasibility Study to determine the need	Human Settlements
Theewaterskloof	High mast lighting in Grabouw	Construction of high mast lighting to ensure the safety of citizens in informal settlements	DLG

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.

OVERBERG IDP AWARENESS

As part of the District Awareness Campaign and public participation process, the IDP & Communications Department invited both permanent and temporary workers to a District IDP Awareness Workshop on 26 April 2022. An overview of the distinct roles and functions of a District and a Local Municipality was presented, as well as the District's Draft 5th Generation Integrated Development Plan (IDP) for the five-year period of 2022/23 – 2026/27. Participants were encouraged to inspect the Draft IDP and Budget and make use of the public comment period.



IDP Awareness with ODM staff

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 2021 and June 2022.

SPATIAL DEVELOPMENT PLANNING

The Municipal Spatial Development Framework is a core component of the municipality’s economic, sectorial, spatial, social, institutional and environmental vision. It serves as a tool to achieve the desired long term spatial vision of the municipality and is reviewed or amended every five years. The District SDF is a strategic policy document focusing on broad spatial planning guidelines which inform detailed policies and strategies within the Local Municipal Spatial Development Frameworks. The ODM amended its Spatial Development Framework, with the guidance and support of the Western Cape Department of Environmental Affairs and Development Planning, and the SDF was adopted on 30 May 2022.

The municipality in its capacity 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.

Table 30: Employees: IDP/Communication

Employees: IDP/Communication				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	1	1	0	0.00%
10 - 12	1	0	1	100.00%
13 - 15	0	0	0	0.00%
16 - 18	1	0	1	100.00%
19 - 20	0	0	0	0.00%
Total	3	1	2	66.67%

Table 31: Financial Performance: Planning Services

Financial Performance 2021/22: Planning Services							R'000
Details	2020/21	2021/22					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	1 251	1 360	1 108	702	-37%	(406)	
Other	73	49	54	67	25%	14	
Total Operational Expenditure	1 323	1 409	1 162	769	-34%	(392)	
Net Operational Revenue/(Expenditure)	(1 323)	(1 409)	(1 162)	(769)	-34%	392	

Variances are calculated by comparing the Actual and Adjustment Budget.

Table 32: Capital Expenditure: Planning

Capital Expenditure 2021/22: Planning Services							R' 000
Capital Projects	2021/22						
	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. The position of IDP Manager was vacant as from 1 July 2021 and the function was attended to by means of a temporary appointment. After a recruitment process was followed, a new IDP Manager had been appointed which will start on 1 July 2022.

3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)**INTRODUCTION TO ECONOMIC DEVELOPMENT AND TOURISM**

After a long, disruptive COVID-19 pandemic, the Overberg started to slowly reopen and recover in collaboration between the public, private sector and B municipalities in the district, but it will be a lengthy recovery. Loadshedding and other Global factors, impacted on the Economy and tourism sector.

An Economic Recovery Action Plan was developed in 2020 which complement the implementation plan of the adopted Regional Economic Development/Tourism Strategy. The key interventions were determined based on their ability to build consumer, investor, public confidence and to kick-start the economy. Regular progress reports on the implementation were submitted to the Portfolio Committee and progress reports on the Recovery Plan are submitted bi-annually to the Western-Cape Cabinet.

The following Regional Economic Projects were rolled-out through the year in collaboration with stakeholders.

- Regional Economic Development and Supply Chain open days were held collaboration with B Municipalities in Barrydale and Bredasdorp. The purpose of the open days is to assist small entrepreneurs to register on the procurement database of the local and district municipality.
- Woman in Tourism AGM
- Wine Awards

- Youth Open day
- Assistance with Xenophobic attacks



Youth Open day



Wine Awards



RED/LED Open day

Expanded Public Works Programme (EPWP)

The municipality received a DoRA grant for the Expanded Public Works programme and with the contribution of own funding the municipality created 251 work opportunities.

EPWP work opportunities were created through the following projects:

- Fire, rescue, disaster management
- Natural Resources Management through Alien invasive species and pollution control
- Maintenance at Resorts
- Cleaners at Resorts for Easter
- Safer Communities Project - COVID-19 awareness
- Assistance to people with disability
- Safer Communities Project

The Overberg District Economy⁷

The total GDP for the Overberg District amounted to R21 134.80 billion in 2019 with economic activity mostly focussed within the tertiary sector (R14 283.20 billion; 67.6%).

Table 33: Overberg: GDP performance per sector³

GDP PERFORMANCE PER SECTOR, Overberg District, 2019 - 2022 (%)

SECTOR	R million value 2019	Trend 2015 - 2019	Real GDP growth		
			2020e	2021f	2022f
PS Primary Sector	R1 800.0 (8.5%)	-4.2%	11.2%	4.2%	-1.9%
Agriculture, forestry & fishing	R1 777.9 (8.4%)	-4.3%	11.5%	4.2%	-1.9%
Mining & quarrying	R22.2 (0.1%)	0.8%	-18.9%	11.1%	-0.6%
SS Secondary Sector	R5 051.5 (23.9%)	1.4%	-11.1%	2.3%	8.5%
Manufacturing	R3 010.2 (14.2%)	2.5%	-7.6%	3.7%	9.4%
Electricity, gas & water	R547.5 (2.6%)	-0.8%	-6.6%	-1.3%	3.7%
Construction	R1 493.8 (7.1%)	-0.2%	-21.2%	-0.5%	7.7%
TS Tertiary Sector	R14 283.2 (67.6%)	2.1%	-5.7%	6.1%	2.1%
Wholesale & retail trade, catering & accommodation	R4 262.6 (20.2%)	2.0%	-9.6%	10.0%	4.2%
Transport, storage & communication	R2 340.5 (11.1%)	2.1%	-14.5%	11.5%	-2.3%
Finance, insurance, real estate & business services	R4 235.1 (20.0%)	3.0%	-2.2%	4.5%	4.4%
General government	R1 973.5 (9.3%)	0.2%	0.2%	-2.5%	-0.6%
Community, social & personal services	R1 471.4 (7.0%)	1.7%	-2.0%	6.0%	-2.2%
Total Overberg District	R21 134.8 (100.0%)	1.2%	-5.1%	5.1%	2.9%

⁷ & ⁹ MERO 2021

TOURISM

The main activities enjoyed by tourists to the Overberg District in 2020 included outdoor activities (57.1%), scenic drives (34.5%) and cuisine (15.6%). Activities participated in the least by tourists included cruises (4.9%) and flowers (4.9%). These could be low because of low awareness levels, or because tourists simply do not choose to take part in these activities

Visitors Trends for the period January 2022 – June 2022⁸

Figure 13: Purpose of Visits

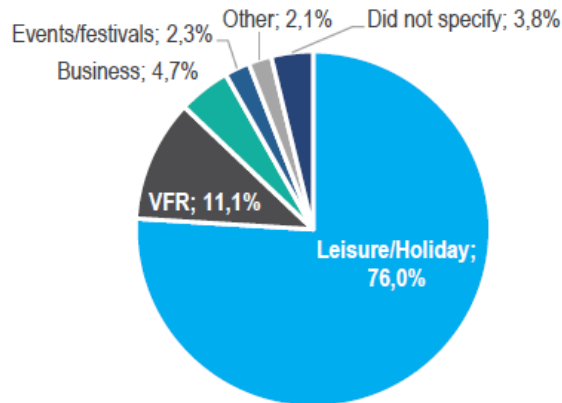


Figure 14: Top Activities undertaken

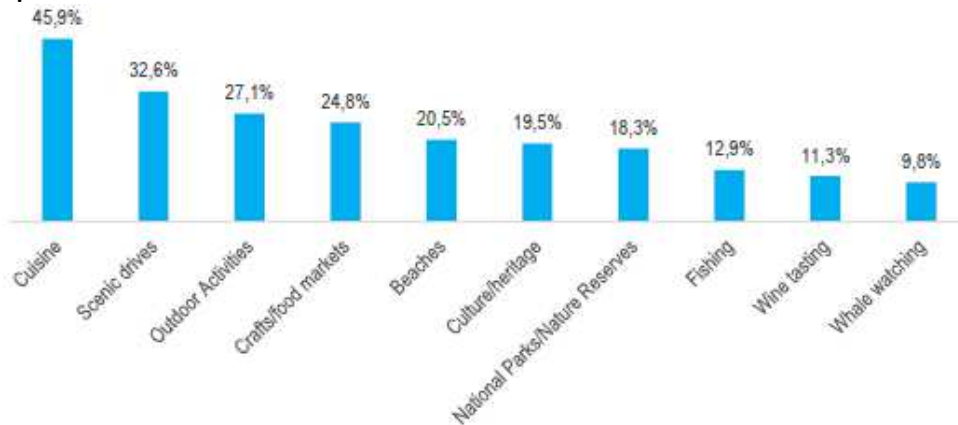
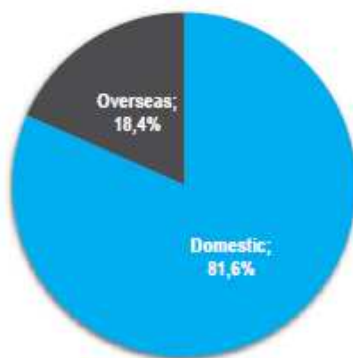
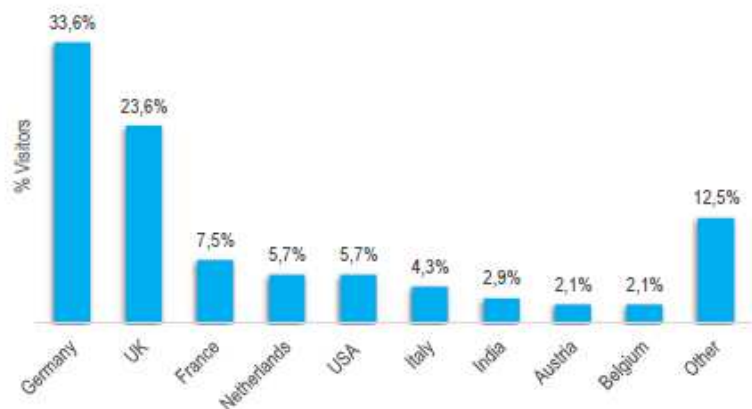


Figure 15: Origin of Visitors

% SHARE OF OVERSEAS AND DOMESTIC VISITORS TO THE CAPE OVERBERG, JAN - JUN 2022



TOP INTERNATIONAL VISITORS TO THE CAPE OVERBERG, JAN - JUN 2022



⁸ Wesgro Overberg Tourism Visitors Trends (January – June 2022)

The Overberg Regional Tourism Liaison Committee meets on a quarterly basis to discuss the different processes surrounding tourism applications. One of the focus areas is the application of tourist signs.



Table 34: Applications for Tourist Signs

Applications for Tourist Signs		
Number of applications	Approved	Not approved
7	6	1

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

Social development is the cornerstone of building sustainable communities. It is about improving the well-being of every individual in society so that they can reach their full potential. It requires the removal of barriers so that the community can journey together as a collective towards their dream with confidence and dignity. Social development is broadly understood as the overall improvement and enhancement in the quality of life of all people, especially the poor and marginalized.

The Overberg District Municipality displayed its commitment towards social development as well as its willingness to render support to Local Municipalities to address social ills in the region by concluding a Memorandum of Understanding with the Department of Social Development. The parties committed themselves to be the champions of the MOU and agreed to build sustainable communities in fighting poverty and promote economic development.

Service Delivery Highlights 2021/2022

Gender Based Violence Awareness

- Several awareness workshops were implemented across the district with a focus on general awareness of the concepts, understanding the cycles of abuse, challenges experienced within the justice system and referral pathways.
- A total of 268 participants were reached during these interventions which included men and women.
- Radio interviews and virtual platforms were created to discuss topics such as the role of men and boys in society, the role of the National Prosecuting Authority, the Human Rights Commission, the Department of Justice, and SAPS in combatting violence against women and children.
- Gender based violence webinars were facilitated exploring various approaches.

Sanitary towel drive

- About 12000 sanitary towels distributed to schools in need of support through the community development workers’ programme.

Learners License

- Learners license opportunities created for 32 unemployed/semi-employed youth.

Youth skills development and training

- Leadership training workshops were implemented across the district and 110 young people benefited through the programme.
- A three-day youth camp was facilitated in partnership with the Cape Agulhas Municipality and the Film and Publication Board. The dangers of social media and the cyber space was one of the topics highlighted during the camp.

Fourth Industrial Revolution (4IR)

- An information sharing session was held with 30 youth, introducing the Fourth Industrial Revolution (4IR) with specific focus on Robotics and coding.
- The Municipality supported a two-day training session that was held for 44 participants from the Working on Fire group. The purpose of the course was to help them better understand the 4IR and the different Mobile Applications available that can assist in building their capacity.

Substance Use Disorder

- Local drug action committees established for Swellendam and Cape Agulhas.
- Approximately 40 young women from remote areas in the region received mentorship training in substance use disorder which addressed issues such as fetal alcohol syndrome and gender-based violence.

Agricultural support

- The Municipality distributed 10-ton of fertilizer/compost to community and household garden beneficiaries in support of the upcoming World Food Day celebrations to be held in Suurbraak. A total of 295 households were identified and approved for agricultural support for poultry and food gardens and municipality will continue to assist with the delivery of equipment and the facilitation of training opportunities for these beneficiaries.

Digital Migration

- The Municipality supported the Universal Service and Access Agency of South Africa (USAASA) and the Department of Communications and Digital Technologies to alert communities regarding the digital migration process, the requirements and cut-off dates. Posters and leaflets were distributed to key points and free radio advertisements arranged and aired via the local community radio stations.

National Youth Day

- The Municipality partnered with the various stakeholders to celebrate youth day in Swellendam, showcasing local talent through various forms of arts such as poetry, drama, dance, and drumming. A career exhibition complimented the event and afforded young people the opportunity to explore the various fields of study available. About 200 people were in attendance.

National Women's Day

- Women's day celebrated and supported, with approximately 100 women from across the Cape Agulhas municipal area participating in the event. The day included motivational talks, lucky draws and discussions regarding challenges faced by women on a daily basis.

Social Cohesion

- The Municipality is in a partnership with the International Organisation for Migration (IOM) in aid of promoting social cohesion within communities. The partnership led to the hosting of a four-day training session, aimed at supporting government's efforts to mobilise communities through community conversations and dialogues to promote social cohesion as outlined in the National Action Plan to Combat Racism, Discrimination, Xenophobia and Related Intolerance and its Strategic Implementation Plan.
- Another project undertaken in partnership with the IOM was the Seven A- Side Soccer Tournament held in Ward 3, Cape Agulhas in collaboration with the Local Municipality, Department of Cultural Affairs and Sport, the Community Safety Forum, and local businesses.
- Project support will be granted for the roll-out of community dialogues aimed at enhancing integration and social cohesion among populations in vulnerable situations.

Table 35: Employees: Social Services

Employees: Social Services				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	0	0	0	0.00%
10 - 12	1	1	0	0.00%
13 - 15	0	0	0	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	1	1	0	0.00%

COMMENT ON SOCIAL SERVICES PERFORMANCE OVERALL

The departments budgets forms part of Support Services (See Chapter 3 nr 3.16). Funding for programmes is primarily funded by grants received (e.g., Fire Safety grant) and co-operational engagements between other spheres of government and local municipalities co-funding events.

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.

The following departments form part of the municipality’s Section 30 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 36: Section 30 Incidents

Section 30 incidents reported		
Nature of incident	Submission of Emergency Incident Report	Closure of Section 30 Incident
Milk and diesel spillage at Ouplaas, Swellendam	Reported 07/10/2021	No
One Logix UB diesel spillage on the R43, Elim	Reported 31/01/2022	Yes, 13/05/2022

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.

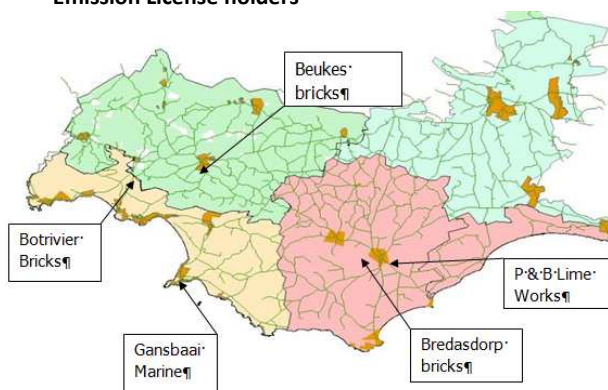
Table 37: Atmospheric Emission License Holders

Business	Type of industry	Status	Sub-District	Date issued
Gansbaai Marine	Fish meal production	AEL	Overstrand	19 November 2021
Bredasdorp Lime Works	Producing Lime products	*PAEL	Cape Agulhas	27 February 2013
Bredasdorp Steenwerke	Manufacturing of clay bricks	AEL	Cape Agulhas	30 July 2021
Botrivier Steenwerke	Manufacturing of clay bricks	AEL	Overstrand	19 November 2021
Beukes Steenwerke	Manufacturing of clay bricks	AEL	Theewaterskloof	20 May 2022

*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.

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.

Figure 16: Geographical distribution of Atmospheric Emission License holders



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 2021/2022

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

Service delivery challenges for 2021/2022

- Shortage of funding to expand the water sampling programs.
- Personnel vacancies.
- 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 newly adopted Spatial Development Framework and 5th generation 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, Nuwejaars Wetland Special Management Area, Breede-Sonderend Catchment Collaborative and Agulhas Biodiversity Initiative.

CLIMATE CHANGE RESPONSE

In order to promote an integrated approach to climate change response in the Overberg, ODM in partnership with the Department of Forestry, Fisheries and Environment, and the Provincial Department of Environmental Affairs and Development Planning ongoing capacity building and support are provided to all the local municipalities through the Overberg Climate Change and Biodiversity Forum platform.

Service delivery highlights for 2021/2022

Prioritisation of climate change response within strategic documents such as the IDP and SDF.

Service delivery challenges for 2021/2022

Climate change has been identified as a 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, and 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. The municipality focus the year under review on Uilenkraalsmond Holiday Resort.

Table 38: Own property Alien Invasive Clearing

Property Description	No of Hectare cleared
Uilenkraalsmond Holiday Resort	16

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 project was implemented in partnership with the Nuwejaars Wetland Special Management Area.

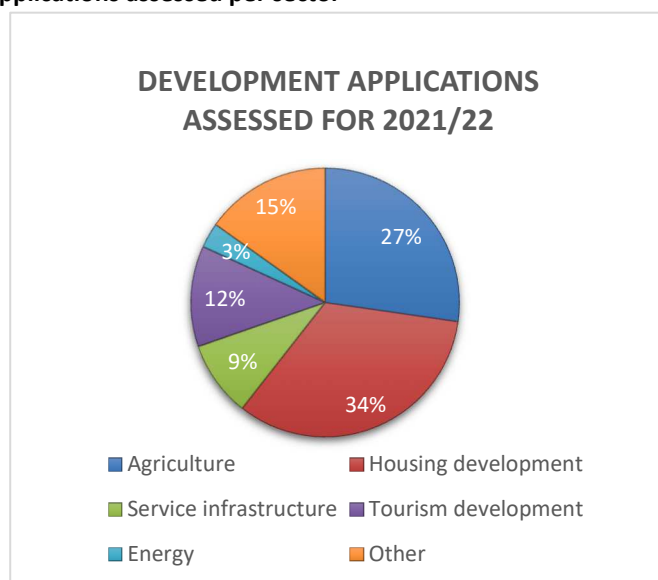
Table 39: Environmental Management – EPWP Alien vegetation clearing project

Project Name	Project Description	No of Hectares cleared
River and wetland rehabilitation.	Removal of alien vegetation within the Nuwejaars river and wetland systems.	80

1.3. 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 17: Development applications assessed per sector



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 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 play an oversight and co-ordination role and perform coastal and catchment monitoring, in order to inform and advise the Municipality and role-players on required actions.

Service delivery highlights for 2021/2022

Environmental awareness – Stormwater stenciling project to create awareness the impact of pollution on the coast.
Adoption of the Overberg District Municipality’s Spatial Development Framework.

Service delivery challenges for 2021/2022

The municipality does not have a centralised GIS database to inform decision making and forward planning at a municipal level. There is an increased need from multiple departments for a credible multi-user data management system that will also provide for public access.

Table 40: Employees: Environmental Management

Employee: Environmental Management				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	1	1	0	0.00%
10 - 12	1	1	0	0.00%
13 - 15	1	1	0	0.00%
16 - 18	1	1	0	0.00%
19 - 20	0	0	0	0.00%
Total	4	4	0	0.00%

Table 41: Financial Performance: Environmental Management

Financial Performance 2021/22: Environmental Management						
R'000						
Details	2020/21	2021/22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)
Total Operational Revenue		135	135		-100%	(135)
Expenditure:						
Employees	1 899	2 625	2 625	2 522	-4%	(103)
Repairs and Maintenance						
Other	301	1 103	585	473	-19%	(111)
Total Operational Expenditure	2 201	3 727	3 209	2 995	-7%	(214)
Net Operational Revenue/(Expenditure)	(2 201)	(3 592)	(3 074)	(2 995)	-3%	79
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>						

Table 42: Capital Expenditure: Environmental Management

Capital Expenditure 2021/22: Environmental Management						
R' 000						
Capital Projects	2021/22					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All			58	100%		58

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL MANAGEMENT

Environmental Management managed to stay within their operational budget, however the largest expense relates to employee costs. Ad-hoc revenue anticipated did not realized.

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.

Municipal Health Services, renders effective and sufficient Municipal Health Services to improve quality of life. The service is delivered in an integrated approach, through skilled professionals in collaboration with stakeholders. The following are Municipal Health Services rendered:

1. **Water Quality Monitoring.**
2. **Disposal of the Dead**
3. **Food Safety Monitoring**
4. **Environmental Pollution**
5. **Chemical Safety**
6. **Vector Control**
7. **Communicable Diseases Surveillance**
8. **Surveillance of Premises**
9. **Waste Management Monitoring**

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)

Environmental Health Practitioners are focused on prevention, consultation, investigation, and education of the community regarding health risks and maintaining a safe environment. Overberg District Municipality has a legal mandate to provide Municipal Health Services to all areas within its jurisdiction, in terms of National Health Act (Act 61 of 2003).

- 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.

Table 43: List of activities Municipal Health Services is playing a role in the district

Tourism	Monitoring hygiene standards at cafes, shops, restaurants, accommodation facilities, parks, recreation facilities, quality of drinking and sewage, recreational and milking sheds water and food, festivals and air quality management and other premises to create acceptable and safe facilities and environments in the district.
Agriculture	Subsistence facilities on farms; monitoring hygiene standards at milking sheds (R 961) and pollution control are services what are delivered on an ongoing basis on farms.
Industry	Chemical safety. Air Quality monitoring and licensing of listed activities as well as general pollution control are being attended to in this sector.
Education	Health Certificates issued to crèches, schools, and childcare facilities to bring the facilities to compliancy to Municipal Health legislation / By- Laws and standards and to create a healthy environment for learners.

Service delivery highlights for 2021/2022

Community Outreach Programme

In a quest to educate communities, especially children at pre-school level regarding the benefits of proper health and hygiene habits, Environmental Health Practitioners (EHPs) from Overberg District Municipality, regularly visits Crèches in the district.



Hand Washing Awareness Project roll-out at various Crèches in the district

Water Quality Safety Monitoring

For lifetime consumption, the microbiological, physical, aesthetic and chemical quality of water provided by Water Services Institutions and Water Services Intermediaries must conform to the requirements as set out in the SANS 241 for drinking water.

- a) Water must be suitable for all domestic uses (drinking, food preparation and personal hygiene).
- b) Water provided must not only be safe but also acceptable in appearance, taste and odour (aesthetically acceptable water).
- c) Water must not be harmful to water supply systems and household appliances e.g. geysers, kettles

Drinking water

During 2021/2022 financial year monitoring period, a total of **433** drinking water samples were taken for analysis with **101** samples failed to comply with drinking water standards, as a result water was deemed unfit for human consumption in some areas. The highest non-complying drinking water was in Swellendam and Cape Agulhas area. Water Analysis report compiled and sent to both Swellendam and Cape Agulhas Municipality, to inform the municipality regarding, non-compliance, to investigate cause of failures and to implement corrective water treatment measures.

Wastewater Compliance Monitoring

Total of **162** wastewater samples sampled during the financial year, with **88** samples failed to comply with drinking water quality standard. All service authority with non-complying water sampled were informed to investigate the cause of failures & implement the corrective measures. Swellendam Area experienced the highest non-complying samples during the period. On general cause of poor performance are due to lack of maintenance and upgrade of the infrastructures at the sewerage plants and this is clearly displayed in some of the B-municipalities where maintenance is a huge challenge.

Food Safety Monitoring

Total of **444** food samples sampled and analysed with **40** sample none complying with food safety standards. On overall average food quality within the Overberg region was found fairly complying. Food samples are sampled within manufacturing factories, retailer shops, spaza shops and school feeding schemes. The best complying food samples are within school feeding schemes provided by Department of Education.

Municipal Health Services Strategic Planning Session 3 March 2022

The strategic session identified four priority areas of focus areas: address the 1 EHP:10 000 population norm backlog by appointing additional Environmental Health Practitioners personnel to address the shortage of staff, Intensify Water and Wastewater quality monitoring, Food Safety analysis & Community awareness program as a way to promote good health practices. The Department will in the next five years **deliver and implement an effective preventative Municipal Health Services.**

Service delivery challenges for 2021/2022

Municipal Health Services plays an important function to protect Public Health, it still faces some serious challenges in terms of:

- Shortage of Environmental Health Practitioners Personnel to cover Overberg Region, as per National Health Policy of 1 Environmental Health Practitioner per 10 000 Population.
- High number of businesses to be monitored versus number of community members to be served.
- Lack of Infrastructure such as Accessible office space to the public and equipment's.
- Inadequate financial provision for Municipal Health Services Community Programmes.
- Inspection turnaround time as per National Environmental Health National Norm.

- Town planning and development in general do not always consider the impact on environmental health issues.
- Environmental Health Practitioners Safety.
- B- Municipalities Wastewater Effluent Compliance.
- To comply to the new Norms and Standards Notice 1229 of 3 December 2015 National as per National Health Act 61 of 2003.
- To deliver a service to all the communities in the Overberg region on an equal basis.
- Lack of a MHS Tariff Structure, which maximise the implementation of Municipal Health Services – By law as a revenue generating stream, through cost reflective tariffs.

Table 44: Employees: Municipal Health

Employee: Municipal Health				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	3	1	2	66.67%
7 - 9	4	4	0	0.00%
10 - 12	25	12	13	52.00%
13 - 15	5	5	0	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	37	22	15	40.54%

Table 45: Financial Performance: Municipal Health

Financial Performance 2021/22: Municipal Health						
						R'000
Details	2020/21	2021/22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)
Total Operational Revenue	440	369	369	408	10%	39
Expenditure:						
Employees	12 665	15 482	14 182	13 411	-5%	(771)
Repairs and Maintenance						
Other	1 839	2 165	2 302	2 101	-9%	(202)
Total Operational Expenditure	14 503	17 648	16 485	15 512	-6%	(973)
Net Operational Revenue/(Expenditure)	(14 064)	(17 278)	(16 116)	(15 104)	-6%	1 011

Variances are calculated by comparing the Actual and Adjustment Budget.

Table 46: Capital Expenditure: Municipal Health

Capital Expenditure 2021/22: Municipal Health						
						R' 000
Capital Projects	2021/22					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	22	40	451	1025.87%		411

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. Initiatives to enhance revenue and costing exercises are performed to render services more cost reflective to businesses in the region.

Capital – The capital spending refers to printer leases which reflects to a serious overspend, however this is accounting base.

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, Theewaterskloof and Swellendam 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 and 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.

In this reporting year a new fire station was completed in Caledon through a private partnership.



Caledon fire station



Training Centre: Bredasdorp

The Training Centre was well utilized during the year. Various outside courses were also held at the centre, and for the first time a full three-day Veldfire Safety course was held for all staff. This was done according to the Provincial Veldfire Training curriculum.

The municipality also assisted in training volunteer groups in the Overberg with a successful full day exercise in September 2021 together with Volunteer Wildfire Services.

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 second Klein Swartberg Burn near Caledon is testament of this where large tracks of land were burnt in controlled block burns to reduce the risk of huge wildfires.

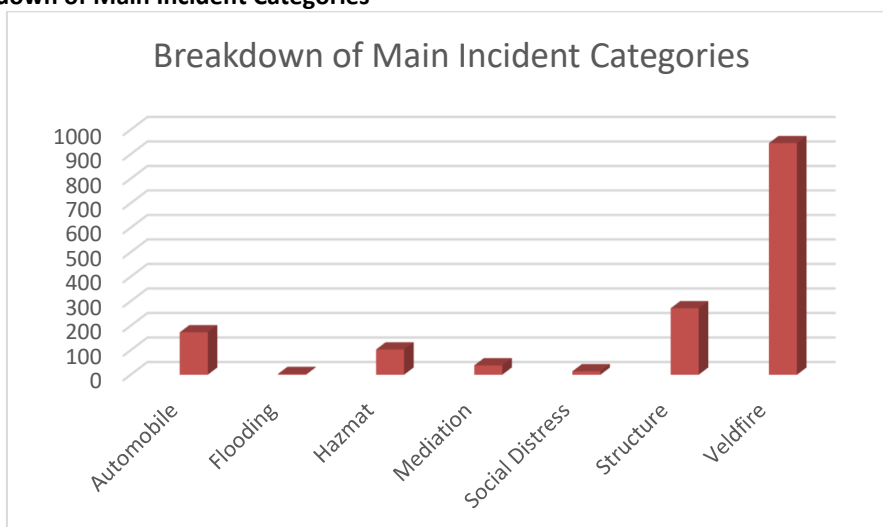
Table 47: Fire Services Data

Details	2020/2021	2021/2022
	Actual Number	Actual Number
Total incidents attended in the year	1762	1747
Average turnout time – urban areas	Office hours 7 min, after hours 15 min Grabouw and 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	53	55
Total fire vehicles at year end	33	34
Average number of appliances off the road during the year	2	2

One additional new fire vehicle was deployed in Grabouw.



Figure 18: Breakdown of Main Incident Categories



Service delivery highlights for 2021/2022

Several big fires in Knofflokskraal and Napier was successfully dealt with an integrated effort. One additional new fire vehicle was deployed in Grabouw.

Service delivery challenges for 2021/2022

Maintaining service delivery standards in a shrinking financial environment.

Table 48: Employees: Emergency Services

Employees: Emergency Services (Fire and Disaster Management)				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0.00%
4 - 6	37	17	20	54.05%
7 - 9	57	31	26	45.61%
10 - 12	4	2	2	50.00%
13 - 15	3	3	0	0.00%
16 - 18	1	1	0	0.00%
19 - 20	0	0	0	0.00%
Total	103	55	48	46.60%

Table 49: Financial Performance: Emergency Services

Financial Performance 2021/22: Emergency Services (Fire and Disaster Management)						
						R'000
Details	2020/21	2021/22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)
Total Operational Revenue	4 701	4 020	4 060	5 265	31%	1 245
Expenditure:						
Employee	22 330	25 095	26 095	25 505	2%	410
Repairs and Maintenance						
Other	10 270	7 231	9 787	9 234	28%	2 002
Total Operational Expenditure	32 600	32 327	35 882	34 739	7%	2 412
Net Operational Revenue/(Expenditure)	(27 899)	(28 306)	(31 822)	(29 474)	4%	(1 167)
<i>Variations are calculated by comparing the Actual and Adjustment Budget.</i>						

Table 50: Capital Expenditure: Emergency Services

Capital Expenditure 2021/22: Emergency (Fire and Disaster Management)						
						R' 000
Capital Projects	2021/22					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	2 800	5 514	5 474	-0.72%		(40)

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

Fire Services are rendered to the region, where agreements are signed between Theewaterskloof, Cape Agulhas and Swellendam to render additional services. Disaster management services forms part of this budget.

Capital projects funding increased significantly during the year and grant funding contributed towards the total budget approved (roll-over and current funding).

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

Disaster Management maintained a coordination role by having regular JOC meetings and supporting municipalities and running an effective information campaign together with municipal communications.

Loadshedding

The second half of this reporting period we experienced severe loadshedding reaching high stages of six to eight. Disaster Management played a coordinating roll with municipalities and through regular Disaster Management Advisory Forum Meetings.

Overberg Safety

During the year, intense involvement in the establishment and driving the Overberg Safety Forum and Safety initiative leading to the following successes in the community-safety realm in the Overberg District:

- Funds and strategies for Safety Initiatives were obtained through a Conditional Grant from Department of Community Safety and distributed.
- Recruitment, Selection, Training and deployment of mediators and mediation teams in the Overberg. Mediators per municipality was also appointed.
- Strengthening of registered Neighbourhood watches and funding of Social Crime prevention projects in the municipalities.
- Strengthening of Rural Safety Systems; and

Service delivery highlights for 2021/2022

- With minimum staff the unit played a key leading role in the Covid Pandemic.
- The successful coordination of both Covid and ESCOM Power Crisis.

Service delivery challenges for 2021/2022

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 2021/2022

Uilenkraalsmond

- A project was launched by the Department of Environmental Management for the clearing of alien vegetation in Uilenkraalsmond Resort.
- Twenty (20) bungalows have been painted as at the end of June 2022. The remainder of the bungalows will be finalized by the end of the first quarter in the 2022/2023 financial year.
- Four bungalows and the Wooden House have been tiled and reflect a significant difference in the appearance of the bungalows. The remainder of the bungalows will be tiled by November 2023, before the festive period starts.



Before



After

Die Dam

- The two walkways were rebuilt and revamped enabling easier and safer access to the beach.
- The shop, the entrance and chalet no. 1 at Die Dam were repainted.
- Spotlights were installed in the B Camp, which increases visibility and contributes to security,
- The office building's roof has been rethatched.
- The Supervisor's house has been refurbished.

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

Service delivery challenges for 2021/2022

The continuous illegal building and permanent residency remain a challenge for the Municipality. There were several managerial discussions and legal opinions obtained regarding these challenges and the resolution is to act swiftly and ultimately review the contracts. By-Laws as well as revised Lease Agreements for the Resorts have been drafted and will be finalised in the next financial year,

Coastal erosion has a significant impact on the resorts in respect to the coastal line and related coastal infrastructure. The Wooden House at Uilenkraalsmond is classified as a high-risk due 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 approved to resolve the challenge. Camping sites at Die Dam are also affected by coastal erosion.

Vandalism and power outages have a significant impact on the submersible pumps and sewage dams at Uilenkraalsmond.

Table 51: Resorts Occupancy Rate

Accommodation per year					
Resort	Type of accommodation	Quantity	2020/2021	2021/2022	% Increase / Decrease
Uilenkraalsmond	Chalets	36	1912	2293	16.62%
	Camping Sites	110	2752	4044	31.95%
	Hall	1	1	15	93.33%
Die Dam	Chalets	2	217	258	15.89%
	Camping Sites	89	2150	1963	-9.53%

Table 52: Employees: LED, Tourism, Resorts and EPWP

Employees: LED/Tourism/Resorts and EPWP				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	8	3	5	62.50%
4 - 6	23	12	11	47.83%
7 - 9	4	3	1	25.00%
10 - 12	3	3	0	0.00%
13 - 15	1	0	1	100.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	39	21	18	46.15%

Table 53: Financial Performance: LED, Tourism, Resorts and EPWP

Financial Performance 2021/22: LED, Tourism, Resorts and EPWP							R'000
Details	2020/21	2021/22					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	15 767	16 980	16 686	16 771	1%	84	
Expenditure:							
Employees	4 736	5 462	5 357	5 035	-6%	(322)	
Repairs and Maintenance							
Other	11 499	11 413	12 174	10 647	-13%	(1 527)	
Total Operational Expenditure	16 235	16 875	17 531	15 682	-11%	(1 849)	
Net Operational Revenue/(Expenditure)	(468)	105	(845)	1 089	-229%	1 933	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 54: Capital Expenditure: LED, Tourism, Resorts and EPWP

Capital Expenditure 2021/22: LED, Tourism, Resorts and EPWP							R' 000
Capital Projects	2021/22						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	412	458	613	34.06%		156	

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

The financial figures on the tables above, refers to the collective of Resorts, LED, Tourism and EPWP. Revenue received was close to anticipated budgets and are predominantly received from the resorts department. Capital projects was also impacted by the lease printers, however good achievements were made against budgeted spending.

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

Municipal elections were held on 1 November 2022 and a new Council was elected. The inaugural council meeting was held on 6 December 2021 where the Executive Mayor, Deputy Mayor and Speaker were elected.

All newly elected Councillors underwent Councillors induction training during February 2022.

A strategic session was held during March 2022 to review the 5-year strategic direction of the Municipality to inform the 5th Generation IDP (2022/ 2023 to 2026/2027). The IDP was approved by Council on 30 May 2022.

Throughout the year, 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.

After the Municipal Manager's contract ended on 31 October 2021, the Chief Financial Officer and Director Community Services respectively act as Municipal Manager until the appointment of a Municipal Manager. A recruitment process was followed, and a new Municipal Manager was appointed with effect from 1 June 2022. The recruitment process for the position of Director: Corporate Services was also finalised and the newly appointed Director will start on 1 July 2022.

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 Joint District /Metro Approach.

Challenges: The primary challenge the Municipality is facing is financial sustainability, which places a limitation on fulfilling its constitutional mandate, optimizing service delivery as well as ensuring the ongoing sustainability of the Municipality for the future.

Table 55 Employees: Executive and Council

Employee: Executive and Council				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	0	0	0	0%
7 - 9	0	0	0	0%
10 - 12	1	0	1	100%
13 - 15	1	0	1	100%
16 - 18	0	0	0	0%
Contract	4	3	1	25%
Total	6	3	3	50%

Table 56: Financial Performance: The Executive and Council

Financial Performance: Executive & Council							R'000
Details	2020/21	2021/22					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	11 343	24 921	24 996	23 225	-7%	(1 771)	
Expenditure:							
Employees	2 319	2 561	2 206	1 906	-14%	(299)	
Repairs and Maintenance							
Other	7 619	8 161	10 979	10 496	-4%	(483)	
Total Operational Expenditure	9 939	10 722	13 185	12 403	-6%	(782)	
Net Operational Revenue/(Expenditure)	1 404	14 200	11 811	10 823	-8%	(988)	

Variances are calculated by comparing the Actual and Adjustment Budget.

Table 57: Capital Expenditure: The Executive and Council

Capital Expenditure: The Executive and Council							R' 000
Capital Projects	2021/22						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	0	2	102	5882.10%		100	

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Revenue relates predominantly towards the sale of properties. The department stayed well within their budgeted parameters.

Table 58: Employees: Internal Audit

Employee: Internal Audit				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	0	0	0	0.00%
10 - 12	2	1	1	50.00%
13 - 15	1	1	0	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	3	2	1	33.33%

Table 59: Financial Performance: Internal Audit

Financial Performance: Internal Audit							R'000
Details	2020/21	2021/22					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	1 402	2 012	2 012	1 482	-26%	(530)	
Repairs and Maintenance							
Other	35	352	345	39	-89%	(306)	
Total Operational Expenditure	1 438	2 364	2 356	1 520	-35%	(836)	
Net Operational Revenue/(Expenditure)	(1 438)	(2 364)	(2 356)	(1 520)	-35%	836	

Variances are calculated by comparing the Actual and Adjustment Budget.

Table 60: Capital Expenditure: Internal Audit

Capital Expenditure: Internal Audit							R' 000
Capital Projects	2021/22						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All		1	160	11327.74%		159	

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Internal Audit managed to stay within its allocated operational budget. The overspending on the capital project was the recognition of a finance lease pertaining printers.

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, the SCM Court ruling also resulted in several challenges for the Municipality during the year.

The SCM Court ruling impacted negatively especially on ensuring that service delivery is rendered effective, efficient, and economically. Due to the uncertainty that remains, capital projects and larger tender products and services were at risk. The outcome from the ruling was obtained and business could continue as normal until new regulations be published early 2023.

Notwithstanding the challenges as indicated, all compliance reports in terms of the Municipal Finance Management Act were submitted as required and all creditors were paid timeously.

To promote regional economic development in the district, RED/SCM open days were held, and suppliers were encouraged to register on the Municipality's database. The focus is to enhance local economic development by using local suppliers.

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 innovative best practices. All existing financial- and budget related policies were reviewed, including the Cost Containment Policy. An inclusive process was followed in compiling the 2022/23-2024/25 MTREF Budget with the involvement of all Departments as well as the Budget Steering Committee.

The Municipality is in the process to migrate its current financial system to a web-based system. The mSCOA reporting was fully implemented in the Financial Services Department. Further focus areas include SCM Contact Management, Procurement and Expenditure Management.

Bi-monthly Project Coordinating Meetings were initiated by the Financial Services Department, attended by all relevant user departments, to monitor the implementation of the budget, with capital projects as one of the focus areas.

Due to the well-established assist management function in place, the AG place reliance on Internal Audit to perform their verification/validation on assets in the annual audit process, which resulted in cost saving, and is commendable.

The position of Head: Financial Services was also permanently filled on 1 December 2021 by following a recruitment process after it was vacant since September 2019. During this period the position was filled on a temporary and acting basis. The position of Head: Revenue & Expenditure Management is also vacant since 1 March 2021 and the supervisors in this unit reported directly to the CFO.

The Directorate is in the process to review its organisational structure to ensure optimal utilisation of staff resources.

Service delivery highlights for 2021/2022

- Appointment of various critical positions in the directorate: Head: Financial Services, Accountant Assets, Chief Clerk Finance, Senior Administrator SCM.
- Extract Reporting from mSCOA to compare with actual financial reporting to validate and perform due diligence.
- Policy re-alignment towards new business processes and procedures.

Service delivery challenges for 2021/2022

- Bank fraud attempts.
- SCM Constitutional Court Ruling on the Preferential Procurement Regulations, hampering capital spending and larger projects in the municipality.

Table 61: Debt Recovery

Debt Recovery									R' 000
Details of the types of account raised and recovered	2019/20		2020/21			2021/22			
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %	
Municipal and other Services	29 384	83.55%	30 365	35 953	118.40%	29 535	29 534	100.00%	

Table 62: Employees: Finance

Employee: Finance				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	7	5	2	28.57%
7 - 9	7	6	1	14.29%
10 - 12	6	5	1	16.67%
13 - 15	4	3	1	25.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	24	19	5	20.83%

Table 63: Financial Performance: Financial Services

Financial Performance: Financial Services							R'000
Details	2020/21	2021/22					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	83 399	85 973	93 645	91 886	-2%	(1 760)	
Expenditure:							
Employees	8 815	11 086	10 461	9 361	-11%	(1 100)	
Repairs and Maintenance							
Other	13 150	16 783	19 156	14 212	-26%	(4 944)	
Total Operational Expenditure	21 965	27 869	29 617	23 573	-20%	(6 044)	
Net Operational Revenue/(Expenditure)	61 433	58 104	64 028	68 313	7%	4 284	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 64: Capital Expenditure: Financial Services

Capital Expenditure: Financial Services							R' 000
Capital Projects	2021/22						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All	250	245	476	94.43%		231	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

Financial Services as custodian department of selected grants received by the municipality, 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. Some grants were directly impacted by the SCM Con court scenario. In addition, vacancy savings also contributed to the significant reduction in expenditure for the period.

One capital project was identified and well met.

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 2021/2022

- Review and aligning all the necessary HR policies with the new Municipal Staff Regulations.
- Ad hoc amendments on the Organisational Structure.
- Awareness Roadshow on the Municipal Staff Regulation.
- The training budget was fully spent.
- Allocation of external bursaries to disadvantage student in the district.
- Allocation of internal bursaries to municipal staff members.

Organisational development challenges for 2021/2022

- The full implementation of the Municipal Staff Regulation
- Leave system

Table 65: Employees: Human Resources

Employee: Human Resources				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	0	0	0	0.00%
10 - 12	4	3	1	25.00%
13 - 15	1	1	0	0.00%
16 - 18	0	0	0	0.00%
19-20	0	0	0	0.00%
Total	5	4	1	20.00%

Table 66: Financial Performance: Human Resources Services

Financial Performance: Human Resource Services						
						R'000
Details	20120	2021/22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
Total Operational Revenue						
Expenditure:						
Employees	1 653	2 893	2 568	1 581	-38.42%	(987)
Repairs and Maintenance						
Other	644	909	1 591	1 109	-30.32%	(482)
Total Operational Expenditure	2 298	3 802	4 159	2 690	-35.32%	(1 469)
Net Operational Revenue/(Expenditure)	(2 298)	(3 802)	(4 159)	(2 690)	-35.32%	1 469
<i>Variations are calculated by comparing the Actual and Adjustment Budget.</i>						

Table 67: Capital Expenditure: Human Resources Services

Capital Expenditure: Human Resources Services						
R' 000						
Capital Projects	2021/22					
	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). Savings was due to positions being filled later in the financial year as budgeted and training that had to stand over to the next financial year due to SCM Con court, haltering processes to obtain training facilitators. The Head: Human Resource position that was vacant since December 2020 was permanently filled on 1 December 2021 by following a recruitment process.

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 170 end-users. The effectiveness of technology and information management is monitored by regularly reporting 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 450 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 and security awareness training are being done.

Service delivery highlights for 2021/2022

- Assisted with the implementation of a new web-based Human Resources Leave Module.
- Implemented the new printer tender.

Service delivery challenges for 2021/2022

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

Table 68: Employees: ICT

Employee: ICT				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	1	1	0	0.00%
10 - 12	1	1	0	0.00%
13 - 15	1	0	1	100.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	3	2	1	33.33%

Table 69: Financial Performance: ICT

Financial Performance: ICT							R'000
Details	2020/21	2021/22					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	838	960	960	927	-3.44%	(33)	
Repairs and Maintenance							
Other	2 236	2 525	2 750	2 229	-18.94%	(521)	
Total Operational Expenditure	3 074	3 485	3 711	3 157	-14.93%	(554)	
Net Operational Revenue/(Expenditure)	(3 074)	(3 485)	(3 711)	(3 157)	-14.93%	554	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 70: Capital Expenditure: ICT

Capital Expenditure: ICT							R' 000
Capital Projects	2021/22						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All	500	409	299	-27%		(110)	

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The department managed to stay within their allocated operational budget. Uncomplete capital projects will be rolled over to the new financial year due to SCM Con Court holdup on procurement. All the IT related policies are in process of being workshopped to be presented to Council for approval.

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

The Department focuses on the following top priorities during the year under review.

Provide administrative and secretariate services to Council and Committees, which included compilation and circulation of agenda, taking of minutes and logistic arrangements during the meetings. Support was provided to 61 statutory meetings.

Provided administrative support and assistance to Councillors on Council's day-to-day activities.

With the announcement of the COVID-19 pandemic, the municipality implemented a digital platform (MS Teams) for all its meetings. The continuation of this practice contributes to municipalities cost saving initiatives with a saving in printing and delivering cost.

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.

Record Management

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). Application for destruction of record was submitted and approved by Western Cape Archives and Record Services. Amendments on the Archive Registry Procedure Manual and to the file plan were made to ensure POPI Act compliance.

Service delivery highlights for 2021/2022

The successful arrangements of the inaugural meeting for the new elected Council held on 6 December 2021

Service delivery challenges for 2021/2022

Network connectivity and unexpected loadshedding issues during meetings.

PROPERTY MANAGEMENT

Municipal properties are listed in either the Final Asset Register when utilised for service delivery purposes or in the Investment Asset Register when held for capital growth or revenue opportunities, depending on their classification, location, value, etc.

During the 2021/2022 financial year ODM was fortunate to sell five (5) investment properties in order to enhance service delivery in the region. These funds are kept committed to be utilised solely for purchasing other assets or for the repairs and maintenance or upgrades of capital related items as prioritised.

Council will however again identify specific investment properties to dispose in the new financial year, for better service delivery. Some investment properties will also be identified for possible rentals as well as possible projects where revenue and RED (Regional Economic Development) can be developed. Investment properties are continuously reviewed to see how Council can optimally utilise its resources effective and efficiently.

LEGAL SERVICES

The Municipality has no internal legal capacity and makes use of external legal assistance from a panel of legal firms. A directive was developed for the use of the legal panel for internal control.

A Labour Court review application related to TASK job evaluations was finalised and is awaiting the judgement.

RISK MANAGEMENT

The risk management function was performed on a Shared Service basis to four participating municipalities in the district. The municipality was in a process to fill the position of a Chief Risk Officer but was unsuccessful to appoint a

suitable candidate. A Chief Risk Officer was appointed on a six-month contract to assist the participating municipalities in the district. While the CRO post was vacant, the function was handled by the Performance and Risk Management unit. The participating municipalities to the Risk Management Shared Services decided to abolish the shared services with effect from 1 July 2022 and each municipality will be responsible for its own risk function.

The following activities and actions were performed during the year:

- The periodic reviews conducted by management on their departmental risks.
- Coordinate quarterly FARMCO 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 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 FARMCO and Chief Risk Officer provide feedback.
- Quarterly Risk reports were submitted to all the Portfolio Committee meetings (and if required to Council).
- The following documents were reviewed by the FARMCO:
 - FARMCO - Terms of Reference
 - Anti-Corruption, Fraud Prevention Plan
 - Anti-Corruption, Fraud and Financial Misconduct Policy
 - Combined Assurance Policy Framework
 - Code of Ethics
 - Risk Management Annual Implementation Plan for 2022/2023

PERFORMANCE MANAGEMENT

The Municipality has a functional Performance Management System in place, which includes the Service Delivery Budget and Implementation Plan (SDBIP) and individual performance management. During October 2021 individual performance agreements were concluded with employees in 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 2020/2021 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.

PROCUREMENT SERVICES – Part of Financial Services - nr. 3.13

Table 71: Employees: Committee Services, Records Management & Councillor Support Services

Employee: Support, Committee Services, Records Management & Council Support				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	3	2	1	33.33%
4 - 6	4	3	1	25.00%
7 - 9	3	1	2	66.67%
10 - 12	1	1	0	0.00%
13 - 15	1	1	0	0.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	12	8	4	33.33%

Table 72: Employees Performance and Risk Management

Employee: Performance and Risk Management				
Job Level	2021/2022			
	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0.00%
4 - 6	0	0	0	0.00%
7 - 9	2	0	2	100.00%
10 - 12	0	0	0	0.00%
13 - 15	2	1	1	50.00%
16 - 18	0	0	0	0.00%
19 - 20	0	0	0	0.00%
Total	4	1	3	75.00%

Table 73: Financial Performance: Support Services

Financial Performance: Support Services						
R'000						
Details	2020/21	2021/22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
Total Operational Revenue	231	803	803	265	-67.02%	(538)
Expenditure:						
Employees	7 265	10 025	9 625	7 016	-27.11%	(2 609)
Repairs and Maintenance						
Other	2 100	6 074	3 514	2 524	-28.17%	(990)
Total Operational Expenditure	9 366	16 099	13 139	9 540	-27.39%	(3 599)
Net Operational Revenue/(Expenditure)	(9 135)	(15 296)	(12 336)	(9 275)	-24.81%	3 061
<i>Variations are calculated by comparing the Actual and Adjustment Budget.</i>						

Table 74: Capital Expenditure Support

Capital Expenditure 2020/21: Support Services						
R' 000						
Capital Projects	2021/22					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All	750	509	1 545	203.63%		1 036

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 shared services model for risk management. The users of the function are only billed on the actual expense. Vacancies also contributed to the lower expense. Please note that Social Development Services and supporting staff cost also forms part of this divisions cost.

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	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				
						Target	Actual	R	Comments	Corrective measures
TL21	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended).	Number of samples taken per annum.	All	411	400	400	433	G2	433 Samples were taken. Additional samples were required due to the non-compliance of water quality in municipal areas.	None required.
TL22	Take food samples to monitor the quality of Food into the FCD Act and legislative requirements.	Number of samples taken per annum.	All	424	400	400	444	G2	444 Samples were taken. Additional requests for sampling resulted in overperformance.	None required.
TL23	Take water sample at Sewerage Final Outflow to monitor water quality. (National Water Act: General Standards)	Number of samples taken per annum	All	164	160	160	162	G2	162 Samples were taken. Extra monitoring was needed due to non-compliance of water quality.	None required.
TL24	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee.	Number of reports submitted per annum	All	4	3	3	3	G	Reports were tabled on: 27/09/2021 07/03/2022 06/06/2022	None required.
TL25	Report annually to the Community Services Portfolio Committee on the outcome of Karwyderskraal Landfill site adherence to the permit conditions.	Number of reports submitted per annum.	All	1	1	1	1	G	The outcome of Karwyderskraal Landfill site's adherence to permit conditions was reported to the Community Services Portfolio Committee on 7/03/2022.	None required.
TL26	Report quarterly to the Community Services Portfolio Committee on the activities of the Regional Waste Forum.	Number of reports submitted per annum.	All	4	3	3	3	G	Reports were tabled on: 27/09/2021 07/03/2022 06/06/2022	None required.

TL29	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Climate Change & Biodiversity Forum.	Number of reports submitted per annum.	All	New	3	3	3	G	Reports were tabled on: 27/09/2021 07/03/2022 06/06/2022	None required.
TL30	Table the revised Disaster Risk Management Plan to Council by June.	Revised Disaster Risk Management plans tabled to Council.	All	1	1	1	1	G	The revised Disaster Risk Management Plan was tabled to Council on 27/06/2022, Item A82.	None required.
TL31	Table to Council the revised Disaster Management Framework by June.	Revised Disaster Management Framework tabled to Council.	All	1	1	1	1	G	The revised Disaster Management Framework was tabled to Council on 27/06/2022, Item A80.	None required.
TL32	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	1	1	G	The plan was tabled to the Community Services Portfolio Committee meeting held on 6/06/2022, Item 9.3	None required.
TL33	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	1	1	G	Plan presented to DCFTech on 14/12/2021.	None required.
TL34	Report quarterly to the DCFTech on current disaster risks (e.g. Covid-19).	Number of current disaster risk reports presented per annum.	All	17	4	4	7	B	7 DCFTech meetings were held where current risks were reported. Overperformance was due to the pandemic (Covid-19) which needed to be closely monitored within the district for the first quarter.	None required.
TL35	Upgrade roads to permanent surface by June (Boontjies Kraal Road). ⁷	Number of kilometres road upgraded per annum.	All	0 (Roll over to 2021/2022)	1.32	1.32	1.34	G2	Project was completed. Amendments to the design of the road led to an increase of 0.02 km.	None required.

⁷ (Start date of project was 1 June 2020 and was completed in July 2022)

TL36	Kilometres of gravel roads to be regravelled.	Number of kilometres road regravelled per annum.	All	54.51	48.5	48.5	48.18	O	48.18 Km of roads were regravelled during the year. Target was not met as one gravel team was re-assigned to emergency work on MR.279 Grabouw. (Removing windblown sand from road)	Backlog to be addressed in next financial year.
TL37	Kilometres of gravel roads to be bladed.	Number of kilometres roads bladed per annum.	All	6771.73	6 500	6 500	7 677.90	G2	7677.90 Km of roads were bladed during the year. Due to the availability of plant, more kilometers of road were bladed.	None required.
TL38	Kilometres of road to be resealed.	Number of kilometres road resealed per annum.	All	28.19	24.9	24.9	24.9	G	24.9 Km of roads were resealed during the year.	None required.
TL39	Submit annually the Business Plan for Provincial Roads budget allocation to Provincial DTPW by March.	Annual Business Plan submitted.	All	1	1	1	1	G	Business plan submitted and signed off by Department of Transport and Public Works on 09/03/2022.	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	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				
						Target	Actual	R	Comments	Corrective measures
TL20	Invite service providers to register on the suppliers database by June.	Number of Invitation placed in local media per annum.	All	1	1	1	1	G	Advert placed in media in April 2022.	None required.
TL27	Create temporary work opportunities through the alien vegetation clearing initiatives by 30 June.	Number of work opportunities created per annum.	All	29	25	25	17	R	17 Temporary work opportunities were created through two alien vegetation clearing projects. Under performance was due to change in priorities.	To ensure that Target aligns with registered projects.

TL40	Report quarterly on the progress of planned deliverables in the RED & Tourism Strategy and Economic Recovery Plan to the Community Portfolio Committee.	Number of progress reports tabled per annum.	All	4	3	3	3	G	Report on: 27/09/2021 07/03/2022 06/06/2022	None required.
TL41	Create temporary work opportunities through the municipality's EPWP programme by 30 June.	Number of temporary EPWP work opportunities created per annum.	All	136	196	196	251	G2	251 Temporary work opportunities were created through the municipal EPWP programme. The availability of additional own funding resulted in more opportunities be created.	None required.
TL42	Revise the semi-permanent contract for implementation upon expiration of contracts and submit to the Community Services Portfolio Committee.	Submitted revised semi-permanent contract to portfolio committee by June.	All	New	1	1	1	G	Resort Semi-permanent contract was reviewed and tabled to Portfolio Committee on 06/06/2022, Item 10.3.	None required.
TL43	Submit bi-annually progress reports to the Community Services Portfolio Committee on the application for funding to investigate the sustainability of ODM Resorts.	Number of progress reports submitted per annum.	All	New	1	1	0	R	No funding application and progress report was submitted as the Municipality is awaiting feedback from Department of Public Works regarding the ownership of Uilenkraalsmond.	KPI roll over to next financial year.
TL44	Coordinate two SCM/LED Open days.	Number of SCM/LED open days coordinated per annum.	All	1	2	2	2	G	LED/SCM Open days held on: 11/11/2021 - Barrydale 01/06/2022 - Bredasdorp	None required.
TL45	Report quarterly on the progress in respect of social development Implementation Plan to the Community Services Portfolio Committee.	Number of progress reports tabled per annum.	All	2	3	3	3	G	Reports tabled on: 27/09/2021 07/03/2022 06/06/2022	None required.

TL46	Report Bi-annually on the progress of the establishment of the Drug Rehab Centre for the District to the Community Services Portfolio Committee.	Number of progress report submitted per annum.	All	New	1	1	1	G	Report submitted on 06/06/2022, Item 11.3	None required
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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	Region	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				
						Target	Actual	R	Comments	Corrective measures
TL1	People from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan (Reg).	Number of people appointed in the three highest levels in terms of the Municipality's approved Employment Equity plan per annum.	All	0	1	1	3	B	Head: Human Resources - 01/12/2021 Manager: Municipal Health - 01/02/2022 Municipal Manager - 01/06/2022 Vacant positions were filled.	None required.
TL10	Compile and submit Workplace Skills Plan (WPS) to LGSETA by 30 April.	Number of WSP submitted per annum.	All	1	1	1	1	G	Workplace Skills Plan was submitted on 29/04/2022.	None required.
TL11	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	0.05%	0.27%	0.27%	0.29%	G2	R767872 / R264 067 035 = 0.29% Managed to spend more on training which include bursaries.	None required.
TL12	Coordinate two Health and Safety evacuation drills at ODM workstations.	Number of evacuation drills coordinated per annum.	All	2	2	2	2	G	Evacuation drills were held on: 21/12/2021 29/06/2022	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	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				
						Target	Actual	R	Comments	Corrective measures
TL13	Measured financial viability in terms of the municipality's ability to meet its service debt obligations by 30 June (Debt coverage) (Reg).	The number of times the municipality was able to meet its Debt obligation ((Total operating revenue received - operating grants)/debt service payments)).	All	8.1	7.5	7.5	7.6	G2	R43119642/R5 611 160 = 7.6 Higher revenue was received than anticipated.	None required.
TL14	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	2.7	2	2	2.25	G2	(R44931903/(239534869/12))= 2.25 More cash available as expected on year-end.	None required.
TL15	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	24.60%	28.00%	28.00%	14.10%	B	R4 550 686 / R32 204 855 = 14.10% The revenue raised iro of gains of sale of land of R12 mil. had not been taken into account. This will increase the percentage to 51%. The debtor was raised at year end as the property registration process had not been finalized before 30 June 2022. The proceedings of the sales will be transferred from the Attorneys Trust account to ODM to clear the debtor once the registration is finalized at the Deeds office.	None required.

TL16	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	92.20%	90.00%	90.00%	78.20%	O	R5609334/R7177400 = 78.20% Underspending was due to the ConCourt judgement that delayed procurement processes.	Projects not completed to be rolled over to next financial year.
TL17	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	4	4	4	4	G	Reports were submitted on: 23/09/2021 09/12/2021 24/03/2022 30/06/2022	None required.
TL18	Compile and submit Draft Annual Financial Statement to Auditor-General by August.	Draft Annual Financial Statements submitted.	All	1	1	1	1	G	2020/2021 AFS submitted on 31 August 2021 to Auditor-General.	None required.
TL19	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	2	2	G	Reports were submitted on: 29/10/2021 30/05/2022	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	Region	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				
						Target	Actual	R	Comments	Corrective measures
TL2	Develop a Risk-based Audit Plan (RBAP) for the next 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	1	1	G	RBAP tabled on 30/06/2022, Item O25	None required.
TL3	Execute audit projects in terms of the Risk Base Audit Plan (RBAP).	Number of audits executed per annum.	All	29	31	31	33	G2	33 Audits were executed. Additional requests for audits resulted in overperformance.	None required.

TL4	Coordinate IDP and Public Participation & Communication engagements with Local Municipalities and stakeholders.	Number engagements coordinated per annum.	All	6	8	8	9	G2	9 Engagements were held. Additional engagements were required in preparation of the IDP.	None required.
TL5	Publishing of bi-annual External Newsletter to stakeholders.	Number of External Newsletters published per annum.	All	2	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 Budget.	Top Layer SDBIP submitted to the Mayor for approval.	All	1	1	1	1	G	Budget was approved on 30/05/2022. Mayor approved the 2022/2023 Top Layer SDBIP on 27/06/2022.	None required.
TL7	Review annually the TL SDBIP to inform Council should a revised TL SDBIP be necessary and table the Section 72 report to Council.	Section 72 report tabled to Council by January.	All	1	1	1	1	G	Tabled report to Council on 31/01/2022, Item A40.	None required.
TL8	Submit the Annual Performance Report to the Auditor-General by August.	Annual Performance Report submitted.	All	1	1	1	1	G	The 2020/2021 Annual Performance Report was submitted on 31 August 2021 to the Auditor-General.	None required.
TL9	Report quarterly to the DCFTech on the Shared Services Risk Management function.	Number of reports submitted per annum.	All	4	4	4	7	B	7 Reports were submitted. Additional reporting due to discussions on the way forward of the Risk Management Shared Services.	None required.
TL28	Revise the District Spatial Development Framework by June.	Revised District Spatial Development Framework and tabled to Council.	All	0 (Roll over to 2021/2022)	1	1	1	G	Tabled to Council on 30/05/2022, Item A70.	None required.

COMPONENT K: PERFORMANCE ASSESSMENT OF GOODS AND SERVICE PROVIDERS

Performance assessments were done throughout the 2021/2022 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 75: Service providers assessed during the year

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

Name of Service Provider	Goods & Services Supply
Fantastic Investments 456 CC t/a Hi – Q Bredasdorp	Annual Tender – Tyres: New, Retreads, Tubes & Repairs
Caledon Retreading Factory (Pty) Ltd t/a Supa Quick Caledon	
Invusa Trading 1411 CC t/a AJ Bandediens	
Soetmuis Vier BK/CK t/a Kwik 'N Go Bredasdo	
Langeberg Bande t/a Supa Quick Swellendam	
Bokamoso Mining Supplies (Pty) Ltd	Annual Tender – Supply of Cement
Memotek Trading CC	
Brand Universe Pty Ltd	
Dense Seal (Pty) Ltd	Annual Tender – Supply Bags with Tar Products
Startune (Pty) Ltd	Annual Tender – Road Sign- and Fencing Poles
Sukuma Distributors (Pty) Ltd	Annual Tender – Herbicide
Brima Logistics	Annual Tender – Courier Services
AC Airconditioning (Pty) Ltd	Annual Tender – Servicing and Installation of Air-con
Gansbaai Aircon & Refrigeration	
Brand Universe Pty Ltd	
Arina Wilson	Annual Tender – Translations & Editing
Arina Wilson	Annual Tender – Advertisements
Lithotech PE / George (A Division of Bidvest Paperplus (Pty) Ltd)	Annual Tender – Forms
Bidvest Waltons	Annual Tender – Printing & Eycline Paper
Brand Universe Pty Ltd	
Bidvest Waltons	
Hermanus Extinguisher Services	Annual Tender – Supply, Servicing and Refilling of Fire Extinguishers and Hose Reels
Hermanus Extinguisher Services	Annual Tender – Hoses Nozzles and Foam for the Fire Department
Caledon Retreading Factory (Pty) Ltd t/a Supa Quick Caledon	Annual Tender – Supply of Batteries (Vehicles)
Soetmuis Vier BK/CK t/a Kwik 'N Go Bredasdorp	
Langeberg Bande t/a Supa Quick Swellendam	
Diesel Electric Worcester	
Ubuntu BM Holdings (Pty)	Annual Tender – Supply of Welding Rods
Startune (Pty) Ltd	
Brand Universe Pty Ltd	
V du Toit	Services –Ferry at Malgas for a three (3) year period
Nashua Breede Vallei	Rental of Printers
The Grail Centre Trust	Office Rental Space for the period ending November 2018
Johannes De Villiers De Kock t/a Sunjomar Accountants	Lease of Office Space in Hermanus for a Three (3) Year Period
Silver Lake Trading 305 (Pty) Ltd t/a Opulentia Financial Services	Short – Term Insurance
JPCE (Pty) Ltd	Karwyderskraal Landfill
Spinning Your Web (Pty) Ltd	Fire Station Web Based Application
Zana Manzi Services (Pty) Ltd	Pumps – Resorts
RTC Control Systems (Pty) Ltd	Water Treatment: Chemicals – Eoxide LQ 85%

Name of Service Provider	Goods & Services Supply
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	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.
Nupower Automative Engineering	
AAD Truck & Bus (Pty) Ltd	
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	
Silverrock Projects t/a Overberg Trekker en Motor Onderdele– O.T.M	

Name of Service Provider	Goods & Services Supply
NCC Environmental Services (Pty) Ltd	Provision of Ground Firefighting Resources
Enviro Wildfire (Pty) Ltd	
Henley Air (Pty) Ltd	Ad hoc Aerial Firefighting Services – Overberg District Municipality
NCC Environment Services (Pty) Ltd	
Working on Fire (Pty) Ltd	
NCC Environmental Services (Pty) Ltd	Provision of a Strike Team / Taskforce
Metro City Protection Services	Guarding and Security Services at the Overberg District Municipality's Bredasdorp and Caledon premises for the period ending 30 June 2021
Tourvest Travel Services	Provision of travel agency services for a period of three years
Enviroserv Waste Management	Operation of Cell 4 at Karwyderskraal Landfill
BLT Boiler Services CC	Supply, service and repairs to boilers, burners, hot water tanks, heat exchangers, circulation pumps and all other parts pertaining to hot water system
Pro Heat & Energy Electrical CC	
L.A. Cranes & Hydraulics	Inspection & Testing of Lifting Equipment and Com-Pressors at the Roads Department for three (3) year period until June 2023
BLT Electrical, Mechanical & Consulting Services	Hiring, Servicing, Repairs and Supplies
Simons Electric	
Juno Corp (Pty) Ltd	
Genadendal Jackies Bazaar CC	
Controlab South Africa (Pty) Ltd	Rendering of Laboratory Test Services for Civil Work for the period ending June 2022
Roadlab Laboratories Pty Ltd	
SGS Matrocast t/a Matrocast Laboratories	
Startune (Pty) Ltd	Supply and Delivery of Protective Clothing and Footwear for the period ending 30 June 2022
Vida E Sport (Pty) Ltd	
MC Agri (Pty) Ltd	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
Barloword Equipment	
Synerlytic Services (Pty) Ltd / Wearcheck	
Rodney Jacobs Holdings	
HD Transmissions (Pty) Ltd	
Altron Nexus Pty Limited – Altron Nexus Solutions	Supply, Installation and Commissioning of a wide Area ETSI DMR Two-Way Radio Network.
Invuyani Safety	Corporate Attire for the Fire Department
Stepahead Manufacturing	
Integrum Global Solutions Pty Ltd	Personal Protective Gear and Various Articles of Human Protective Equipment for the Fire Department
Stevenridge CC	
OHSCARE CC	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
Central Road Products (Pty) Lt	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
Setlatlapi Business Entreprises (Pty) Ltd	
Western Cape Signs	
Southern Ambition	
Through It All Signs & Markings (Pty) Ltd	

Name of Service Provider	Goods & Services Supply
Crawford and Pheiffers Uyathembeka Services and Supplies (Pty) Ltd t/a Uyathembeka Security Services	Guarding and Security Services at the Overberg District Municipality's Bredasdorp, Caledon and Swellendam premises for the period ending 30 June 2023
CAB Holdings (Pty) Ltd	Printing and Distribution of Municipal Accounts for the period ending 30 June 2022
Cities Landscape & Projects	Control and Eradication of Alien and Invasive Vegetation
JHH Civils	
DS Alien Plant Clearing Services	
Denza's Alien Clearing	
Rimpi Wire (Pty) Ltd	Supply and Delivery of Guardrail Sheets and Poles
Potts Devco (Pty) Ltd	Supply, Delivery, and Installation of Two (2) Walkways at Die Dam Holiday Resort
Riel Hugo & Associates	Recruitment and Selection Process of Two Management Posts
Grants Contracting (Pty) Ltd	Supply and Delivery of Free-Standing Steel Lockers
TWK Communications (Pty) Ltd	Housing, Powering and Data linking Of Four VHF Repeaters
Enviro Wildfire (Pty) Ltd	Veldfire Cause and Origin Investigation
Gray Security Solutions (Pty) Ltd	Guarding and Security Services at the ODM Resorts
Lukhozi Consulting Engineers (Pty) Ltd	Appointment of an Environmental Assessment Practitioner to Undertake a Basic Assessment Process
Potts Devco (Pty) Ltd	Supply and Delivery of Guardrail Sheets, Poles, Bullnoses, Bolts & Nuts, Spacer Blocks and Reflectors
Ithuba Industries	Supply and Delivery of Guardrail Baseplates or Supports
Altron Nexus Solution	Supply and Programming of a Portable Digital Mobile Radio Repeater
Ignite Advisory Services	Electronic Programme (SDBIP)
SMEC South Africa (Pty) Ltd	The Management and Implementation of the Rural Road Asset Management System within the Overberg District Municipal area for a period of three years
Potts Devco (Pty) Ltd	Supply and Delivery of Resin Moulded Fibreglass Grating Panels
TTR 080914 PTY LTD T/A ATA 080914	Supply, Delivery and Installation of Aluminium Window Frames and Windows at the Overberg District Municipality's Roads Department, Caledon
TTR 080914 PTY LTD T/A ATA 080914	Supply, Delivery, and Installation of Roll Up Garage Doors at the Overberg District Municipality's Roads Department, Caledon
Savannah Helicopters (Pty) Ltd	Ad hoc Aerial Firefighting Services Overberg District Municipality
Henley Air (Pty) Ltd	
Working On Fire (Pty) Ltd	
Startune (Pty) Ltd	Supply and Delivery of High Visible Clothing "Bunny Jackets"
BFECT (Pty) Ltd	Supply and Delivery of Tiles and Materials at Uilenkraalsmond Resort
Innovo Networks	Supply and Delivery of Three Drones
Blueline Industries	
Pro Heat and Energy Electrical Cc	Supply, Service and Repairs to Boilers, Burners, Hot & Cold-Water Tanks, Heat Exchangers, Circulation Pumps and all other parts pertaining to the Hot Water System at Overberg District Municipality's Resorts
Komatsu	Servicing of Vehicles: PA 65018 And PA 35139

Name of Service Provider	Goods & Services Supply
First Technology Western Cape (Pty) Ltd	Office 365
Simons Electric	Hiring (Services), Servicing, Maintenance & Repairs and Supplies
Juno Corp (Pty) Ltd	
Nasionale See en Sand Instituut	
Premium Consulting	Rendering of Professional (Psychology) Counselling Services for a period of three years
The Grail Centre Trust (It 1981 / 2004)	Office Space in Kleinmond for one Environmental Health Practitioner – Three (3) Year Period
African Online Scientific Information Systems (Pty) Ltd t/a AOSIS (Pty) Ltd	Electronic CPD Points (ECPD) for Environmental Health Practitioners – three (3) year period
Acu - Chron (Pty) Ltd	Asbestos Services
KFC Engineering & Industrial Supplies	Supply and Delivery of Hardox 500 Steel Sheets
Kobua Industrial Valves	Supply and Delivery of Three (3) Centrifugal and Self-Priming Pumps
Swift Silliker (Pty) Ltd t/a Merieux Nutrisciences	Food and water sample analysis for the period ending June 2025
Tech Alliance (Pty) Ltd	Backup Server Software for a three-year period ending 30 June 2025
INCA Portfolio Managers	Update Long Term Financial Plan
Biddulphs International	Relocation of Household Furniture

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:

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

The Overberg District Municipality employs 340 (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 76: Employees Total

Description	Employees				
	2021/2022	2021/2022			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Roads	188	220	197	23	10%
Planning (IDP/Communications)	2	3	1	2	67%
Environmental Management	4	4	4	0	0%
Municipal Health Services	19	37	22	15	41%
Emergency, Fire and Disaster Services	52	103	55	48	46%
Social Development	0	1	1	0	0%
LED, Tourism, Resorts and EPWP	17	39	21	18	46%
Office of Municipal Manager/Executives	4	6	3	3	50%
Internal Audit	2	3	2	1	33%
Finance	16	24	19	5	24%
Human Resources	2	5	4	1	20%
Legal Services	0	1	0	1	100%
Support Services, Committee Services, Records Management & Council Support	8	12	8	4	33%
ICT Services	2	3	2	1	33%
Performance & Risk Management	1	4	1	3	75%
Totals	317	465	340	125	27%

Calculation: Employees and approved posts on 30 June 2022

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 77: 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	2	0	1	0	0	0	0	0	0	3
Senior Management (Level 16-22)	0	0	0	3	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management (Level 14-15)	0	2	0	6	3	2	0	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Level 9-13)	4	21	0	13	4	16	0	6	0	0	64
Semi-skilled and discretionary decision making (Level 4-8)	49	56	0	13	9	19	0	3	0	0	149
Unskilled and defined decision making (Level 1-3)	25	35	0	3	22	20	0	3	0	0	108
TOTAL PERMANENT	78	116	0	39	38	57	0	12	0	0	340
*Temporary employees	19	52	0	6	23	46	0	4	0	0	150
GRAND TOTAL	97	168	0	45	61	103	0	16	0	0	490

**The number of EPWP employees on 30 June 2022 forms part of the temporary employees.*

Table 78: Turn-over Rate

Turn-over Rate			
Year	Number of employees at year-end	Number of terminations during the year	Turn-over Rate*
2019/2020	334	23	6.89%
2020/2021	317	28	8.83%
2021/2022	340	17	5.00%

** Calculation: Terminations/by total number of permanent employees on 30 June 2022*

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 79: 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	Cellular Tablet and Data Policy	100%	100%	27 July 2015
2	Dress Code Policy	100%	100%	28 June 2021
3	Employee Assistants Programme	100%	100%	27 July 2015
4	Financial Support for Driving Lesson	100%	100%	5 December 2017
5	HIV/Aids Policy	100%	100%	18 June 2012
6	Occupational Health & Safety	100%	100%	28 June 2021
7	Overtime Policy	100%	100%	18 July 2018
8	Recruitment and Selection Policy	100%	100%	To be approved on 22/08/2022
9	Sexual Harassment Policy	100%	100%	6 December 2019
10	Skill Retention Policy	100%	100%	27 July 2015
11	Smoking Policy	100%	100%	27 July 2015
12	Substance Abuse Policy	100%	100%	6 December 2019
13	Task Job Evaluation Policy	100%	100%	3 December 2012
14	Travel & Subsistence Policy	100%	100%	25 May 2020
15	Private work (Employees)	100%	100%	5 December 2017
16	Performance Management Framework Policy	100%	100%	To be approved by Council on 22/08/2022
17	Time-off to attend funerals	100%	100%	24 May 2021
18	Remuneration Policy	100%	100%	28 May 2018
19	Acting Allowance Policy	100%	100%	8 September 2014
20	Extra Services Allowance Policy	100%	100%	8 September 2014
21	Covid-19 Policy	100%	100%	24 May 2021
22	Induction Policy	New		To be approved by Council on 22/08/2022
23	Exit Interview Policy	New		To be approved by Council on 22/08/2022
24	External & Internal Bursary Policy	100%	100%	To be approved by Council on 22/08/2022
25	Grievance Policy	New		To be approved by Council on 22/08/2022

Continue on the next page

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Name of Policy		Completed %	Reviewed %	Date adopted/reviewed by Council or comment on failure to adopt
26	Education, Training and Development Policy	New		To be approved by Council on 22/08/2022
27	Integrated Human Resources Framework Policy	New		To be approved by Council on 22/08/2022
28	Employment Equity	New		To be approved by Council on 22/08/2022

COMMENT ON WORKFORCE POLICY DEVELOPMENT

The Human Resource policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff. The Department Human Resources is in the process to review Human Resources policies and also developed new policies to be in line with the Local Government: Staff Regulations promulgated on 20 September 2021.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

COMMENT ON INJURY AND SICK LEAVE

Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. The occupational injury will influence the loss of man hours and therefore financial and productivity performance.

During the year 38 injury on duties were reported with no fatalities.

Sick leave

During the year 294 employees took sick leave, which has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective actions can be instituted.

Table 80: 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 81: 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 employees and no rewards were made to the employees. However, the Performance Agreements of Municipal Manager and Directors specify whether a performance bonus is payable. Performance bonuses were paid to the Directors on their 2020/2021 performance outcome. The Municipal

Manager voluntarily requested that no performance bonus be paid to him as part of cost containment measures which 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, that received training in the year under review:

Table 82: Skills Matrix

Skills Matrix										
Management level	Gender	Employees in post on 30 June 2022	Number of skilled employees required and actual as of 30 June 2022							
			Learnerships		Skills programmes & other short courses		Other forms of training Unemployed		Total	
			No.	Actual: End of 2022	Target	Actual: End of 2022	Target	Actual: End of 2022	Target	Actual: End of 2022
MM and s57	Female	0	0	0	0	0	0	0	0	0
	Male	3	0	0	1	0	0	0	1	0
Councillors	Female	7	0	0	0	0	0	0	0	0
	Male	16	0	0	0	0	0	0	0	0
Middle managers	Female	7	0	0	0	5	0	15	0	20
	Male	12	0	0	5	4	0	3	5	7
Professionals	Female	15	0	0	7	14	15	19	22	33
	Male	8	0	0	10	3	12	4	22	7
Technicians and associate professionals	Female	29	0	0	3	7	0	2	3	9
	Male	29	0	0	7	11	0	2	7	13
Clerical support workers	Female	22	0	0	5	22	0	7	5	29
	Male	13	0	0	7	7	0	3	7	10
Services and sales workers	Female	6	0	0	1	6	0	0	1	6
	Male	44	0	0	2	43	0	0	2	43
Plant and Machine Operators and Assemblers	Female	3	0	0	2	3	0	0	2	3
	Male	41	0	0	58	49	0	0	58	49
Elementary Occupations	Female	45	0	0	41	42	0	0	41	42
	Male	63	0	0	29	55	0	0	29	55
Sub total	Female	134	0	0	59	99	15	43	74	142
	Male	229	0	0	119	172	12	12	131	184
Total		363	0	0	178	271	27	55	205	326

Table 83: Financial Competency Development: Progress Report

Financial Competency Development: Progress Report 30 June 2022						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	2	0	2	2	2	2
Any other financial officials	19	0	19	10	0	10
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	0	0	0
Total	24	0	24	15	4	15

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 as amended.

A total of amount of R771 188 was spent on training during the financial year.

During the 2021/2022 financial year, a total of 178 employed beneficiaries and 27 unemployed beneficiaries participated in various training and skills development programmes, including but not limited to structured skills programmes, internal and short courses. No formal skill gap process was followed during the year under review. However, where gaps were identified the municipality addressed these gaps through the Workplace Skills Plan.

The ODM reported on its Workplace Skills Plan to LGSETA on 29/04/2022, which includes the training plan for 2022/2023.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

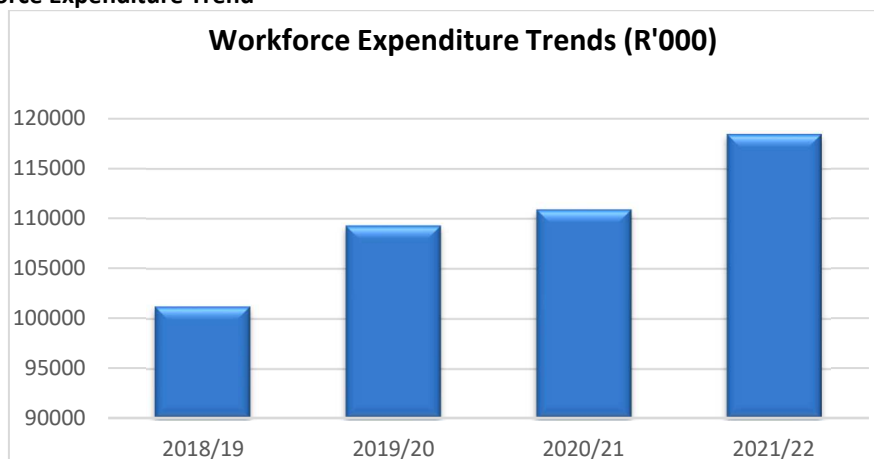
The workforce expenditure is controlled by means of an approved staff establishment and a salary budget. Internal factors that influenced remuneration are the organisational structure, job evaluations system and policies. Salaries are controlled by Bargaining Council Collective Agreements, legislation 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 adopted a remuneration policy and relied on legislation and Bargaining Council Collective Agreements. Salaries of the Municipal Manager, CFO and Directors are regulated by legislation.

4.6 EMPLOYEE EXPENDITURE

Figure 19: Workforce Expenditure Trend



COMMENT ON WORKFORCE EXPENDITURE

The workforce expenditure for the year under review amounted to 44.05% of the total operating revenue, which is above the norm of 25 – 40%. The reason for the high percentage is that most of the functions are labour intensive, e.g., the roads function, emergency services and municipal health.

Table 84: Employees appointed to posts not approved

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

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

No parament appointments were made to post not approved.

DISCLOSURES OF FINANCIAL INTERESTS

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

CHAPTER 5 - FINANCIAL PERFORMANCE

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 with R11 143 626, mainly due to the decrease in funding from Provincial Department of Transport and Public Works recognised for the year. The municipality reviewed their investment property portfolio and identified specific properties which can contribute more effectively towards the sale thereof for the municipality. Successful transactions have occurred during the year and others was still in the finalisation stages, which will indirectly again increase the cash position of the municipality.

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 R179 123 million with the current assets amounting to R76.76 million and the non-current assets amounting to R102.36 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 R94.9 million with the current position amounting to R25.86 million and the long-term liabilities amount R69.04 million. Assets, both current and non-current, exceed liabilities indicating that the Municipality will be able to cover all liabilities.

Consultant performing services and functions to the municipality, needs to comply with skills transfer specification as stipulated in the tender documentation, hence, to support the cost containment regulations and to enhance the reduction in consultant strategy, while upskilling the staff compliment.

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 85: Financial Summary

Financial Summary							R' 000
Description	2020/21	Current Year: 2021/22			2021/22 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Financial Performance							
Service charges	12 130	13 160	12 323	10 091	-23.32%	-18.11%	
Investment revenue	2 287	2 144	2 144	2 558	19.32%	19.32%	
Transfers recognised - operational	205 928	194 564	202 939	202 394	4.02%	-0.27%	
Other own revenue	31 318	45 357	49 859	52 775	16.35%	5.85%	
Total Revenue (excluding capital transfers and contributions)	251 663	255 224	267 264	267 817	4.93%	0.21%	
Employee costs	115 487	132 303	127 046	122 751	-7.22%	-3.38%	
Remuneration of councillors	5 852	6 548	6 428	5 872	-10.33%	-8.66%	
Debt impairment	67	200	200	67	0.00%	0.00%	
Depreciation & asset impairment	3 831	4 614	4 614	3 575	-22.53%	-22.53%	
Finance charges	3 448	3 582	3 363	3 492	-2.52%	3.82%	
Inventory Consumed and Bulk Purchases	57 124	45 269	56 688	50 845	12.32%	-10.31%	
Contracted Services	17 207	27 410	27 820	24 539	-10.47%	-11.79%	
Transfers and grants	680	250	2 549	399	0.00%	-84.33%	
Other expenditure	36 853	33 774	35 359	32 094	-4.98%	-9.23%	
Loss on disposal of PPE	322	-	-	807	0.00%	0.00%	
Total Expenditure	240 871	253 950	264 067	244 441	-3.74%	-7.43%	
Surplus/(Deficit)	10 792	1 274	3 197	23 377	1734.73%	631.26%	
Transfers recognised - capital	2 886	-	1 950	1 116	-	-42.79%	
Contributions recognised - capital & contributed assets	667	-	-	980	-	-	
Surplus/(Deficit) after capital transfers & contributions	14 345	1 274	5 147	25 472	1899.20%	394.91%	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	
Surplus/(Deficit) for the year	14 345	1 274	5 147	25 472	1899.20%	394.91%	
Capital expenditure & funds sources							
Capital expenditure							
Transfers recognised - capital	2 886	-	1 950	1 116	0.00%	0.00%	
Public contributions & donations	667	-	-	980	-	-	
Borrowing	-	-	-	2 948	0.00%	0.00%	
Internally generated funds	1 483	4 989	5 227	4 494	-9.92%	-14.03%	
Total sources of capital funds	5 036	4 989	7 177	9 537	91.18%	32.88%	
Financial position							
Total current assets	78 697	55 119	60 672	77 795	41.14%	28.22%	
Total non current assets	102 653	100 114	106 106	106 601	6.48%	0.47%	
Total current liabilities	42 359	36 115	37 736	27 202	-24.68%	-27.92%	
Total non current liabilities	77 668	69 818	72 603	70 399	0.83%	-3.04%	
Community wealth/Equity	61 324	49 299	56 440	86 796	76.06%	53.79%	
Cash flows							
Net cash from (used) operating	26 079	(4 392)	(11 508)	(2 899)	-33.98%	-74.81%	
Net cash from (used) investing	(3 701)	8 497	6 308	(4 305)	-150.67%	-168.25%	
Net cash from (used) financing	(2 949)	(3 296)	(3 296)	(3 939)	19.53%	19.53%	
Cash/cash equivalents at the year end	56 076	42 115	47 580	44 932	6.69%	-5.56%	
Cash backing/surplus reconciliation							
Cash and investments available	56 076	42 115	47 580	44 932	6.69%	-5.56%	
Application of cash and investments	30 552	18 049	26 797	23 753	31.60%	-11.36%	
Balance - surplus (shortfall)	25 524	24 066	20 783	21 179	-12.00%	1.91%	
Asset management							
Asset register summary (WDV)	79 721	79 554	82 283	84 409	6.10%	2.58%	
Depreciation & asset impairment	3 101	4 614	4 614	3 575	-22.53%	-22.53%	
Renewal of Existing Assets	452	873	2 345	1 665	90.80%	-29.00%	
Repairs and Maintenance	9 324	12 331	10 491	10 663	-13.52%	1.64%	

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

Table 86: Financial Performance of Operational Services

Financial Performance of Operational Services						
						R '000
Description	2020/21	2021/22		2021/22 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Waste Management	9 001	8 030	9 040	10 062	20.19%	10.16%
Component A: sub-total	9 001	8 030	9 040	10 062	20.19%	10.16%
Roads	116 930	109 595	114 591	111 799	-2.50%	-2.50%
Component B: sub-total	116 930	109 595	114 591	111 799	1.97%	-2.50%
Planning	1 323	1 409	1 162	769	-83.11%	-51.01%
Component C: sub-total	1 323	1 409	1 162	769	-83.11%	-51.01%
Human Development	-	-	-	-	-	-
Component D: sub-total	-	-	-	-	-	-
Environmental Mangement	2 201	3 727	3 209	2 995	-24.45%	-7.16%
Component E: sub-total	2 201	3 727	3 209	2 995	-24.45%	-7.16%
Health	14 503	17 648	16 485	15 512	-13.77%	-6.27%
Component F: sub-total	14 503	17 648	16 485	15 512	-13.77%	-6.27%
Fire Services and Disaster Management	32 600	32 327	35 882	34 739	6.94%	-3.29%
Component G: sub-total	32 600	32 327	35 882	34 739	6.94%	-3.29%
Sport and Recreation	16 235	16 875	17 531	15 682	-7.60%	-11.79%
Component H: sub-total	16 235	16 875	17 531	15 682	-7.60%	-11.79%
Executive & Council	9 939	10 722	13 185	12 403	13.55%	-6.31%
Internal Audit	1 438	2 364	2 356	1 520	-55.46%	-54.98%
Financial Services	21 965	27 869	29 617	23 573	-18.23%	-25.64%
Human Resource Services	2 298	3 802	4 159	2 690	-41.32%	-54.62%
Support Services	9 366	16 099	13 139	9 540	-68.76%	-37.73%
Performance Management	-	-	-	-	-	-
ICT Services	3 074	3 485	3 711	3 157	-10.39%	-17.54%
Component G: sub-total	48 079	64 340	66 167	52 882	-21.67%	-25.12%
Total Expenditure	240 871	253 950	264 067	244 441	-3.89%	-8.03%

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

5.2 GRANTS

Table 87: Grant Performance

Grant Performance						
Description	R' 000					
	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Transfers and Grants						
National Government:	78 565	82 136	83 321	83 233	1.34%	-0.11%
Local Government Equitable Share	76 363	77 375	78 560	78 560	1.53%	0.00%
Finance Management	1 000	1 000	1 000	1 000	0.00%	0.00%
EPWP Incentive	1 188	1 053	1 053	1 053	0.00%	0.00%
Rural Roads Asset Management Grant	14	2 708	2 708	2 619	-3.27%	-3.27%
Provincial Government:	127 363	112 428	119 618	119 161	5.99%	-0.38%
Roads Subsidy	124 441	109 595	114 591	116 095	5.93%	1.31%
Seta	87	-	200	303	-	51.47%
Health Subsidy	210	203	203	183	-9.63%	-9.63%
Financial Management Support Grant	-	-	-	-	100.00%	-100.00%
Fire Safety Plan	1 045	2 323	1 734	1 905	100.00%	9.85%
Municipal Finance Improvement Program - Resorts	650	-	-	-	100.00%	-100.00%
Municipal Service Delivery and Capacity Building Grant - Fire	100	-	-	-	100.00%	-100.00%
CDW Operational Support Grant	84	57	141	76	0.00%	-45.72%
Municipal Service Delivery and Capacity Building Grant	-	-	350	-	100.00%	-100.00%
Joint District and Metro Approach Grant	-	-	1 799	-	100.00%	-100.00%
Local Government Graduate Internship Grant	67	-	-	-	100.00%	-100.00%
Local Government Public Employment Support Grant	-	-	200	200	100.00%	0.00%
Human Capacity Building Grant	680	250	400	399	59.75%	-0.15%
Total Operating Transfers and Grants	205 928	194 564	202 939	202 394	4.02%	-0.27%

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 2021/2022 fiscal year. When funding is not spent or committed at year end, the funding (outstanding balance) needs to be repaid to the various treasuries. Funding which is however committed already will form part of the roll-over applications submitted to the treasuries respectively and when approved, will form part of the next adjustment budget in the new fiscal period.

Appendix J indicates conditional grants received.

Table 88: 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 2020/21	Actual Grant 2021/22	Date Grant terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals				
SETA	168 031	230 169	On-going	Training as per WSP
Municipal Capacity Building	1 032 000	2 549 000	Once-off	Provincial allocation for capacity building and JDMA
CDW Operational Support	56 000	57 000	Once-off	Provincial allocation for community development workers
LG Public Employment Support Grant	-	200 000	Once-off	Provincial allocation
WOSA Safety Grant	2 100 000	2 323 000	Once-off	Provincial Allocation for Disaster and Fire Management – Fire Safety Plan

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

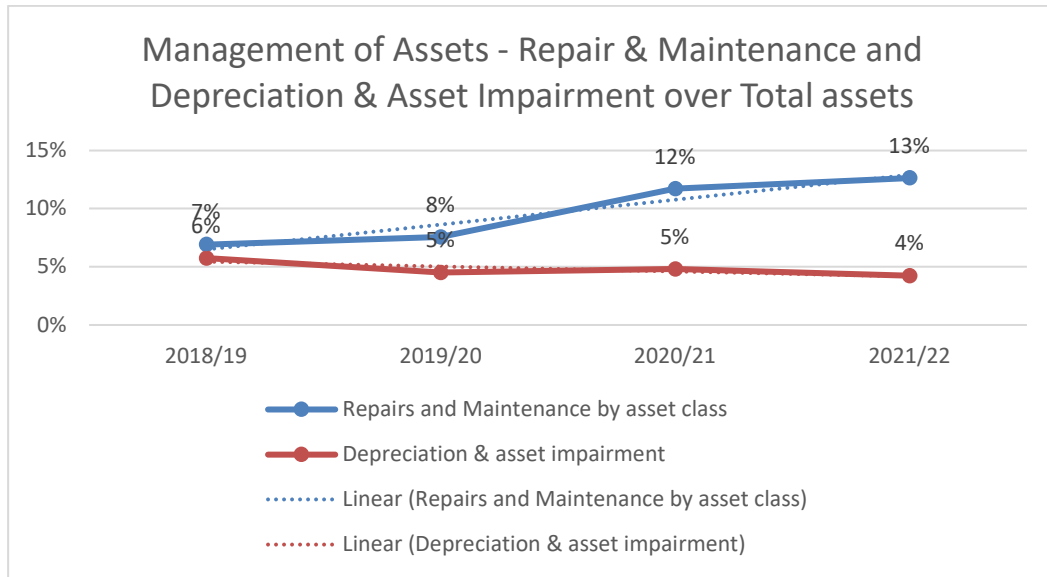
Funding from LG SETA is ongoing and based on a portion of the Skills Development levies the Municipality is annually contributing. This informs the amount of LG SETA allocation that are paid on a quarterly basis and contributes towards to training cost and related expenditure.

5.3 ASSET MANAGEMENT

Table 89: Asset Management 2021/2022

Asset Management 2021/22						
	R'000					
	2018/19	2019/20	2020/21	2021/22		
R thousands	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjustment budget	Audited outcome
Capital expenditure on new assets by Asset Class/Sub-class						
Infrastructure	-	-	-	255	76	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	76	-
Infrastructure - Sanitation	-	-	-	-	-	-
Infrastructure - Other	-	-	-	255	-	-
Community	290	-	-	-	-	-
Heritage assets	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other assets	2 419	1 869	4 584	3 861	4 833	7 873
Agricultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE ON NEW ASSETS	2 709	1 869	4 584	4 116	4 909	7 873
Capital expenditure on renewal/upgrading of existing assets by Asset Class/Sub-class						
Infrastructure	-	22 421	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	105	-	-	-	-
Infrastructure - Other	-	22 316	-	-	-	-
Community	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other assets	2 373	11 852	452	873	2 269	1 665
Agricultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Intangibles	14	-	-	-	-	-
Total capital expenditure on renewal/upgrading of existing assets	2 387	34 273	452	873	2 269	1 665
Total capital expenditure						
Infrastructure	-	22 421	-	255	76	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	76	-
Infrastructure - Sanitation	-	105	-	-	-	-
Infrastructure - Other	-	22 316	-	255	-	-
Community	290	-	-	-	-	-
Other assets	4 791	13 722	5 036	4 734	7 102	9 537
Intangibles	14	-	-	-	-	-
Total capital expenditure - asset class	5 095	36 143	5 036	4 989	7 177	9 537
Asset register summary						
Infrastructure	32 774	31 818	30 892	39 423	32 502	29 983
Infrastructure - Road transport	2 045	1 985	1 927	1 811	1 353	1 871
Infrastructure - Electricity	333	323	314	260	184	305
Infrastructure - Water	888	863	837	1 899	1 744	813
Infrastructure - Sanitation	2 702	2 623	2 547	1 955	1 328	2 472
Infrastructure - Other	26 806	26 024	25 267	33 498	27 893	24 522
Community	12	12	11	5 800	14	11
Investment properties	12 811	12 811	12 811	1 199	12 880	12 797
Other assets	35 061	34 179	35 994	36 767	45 240	41 611
Intangibles	26	18	12	226	224	8
TOTAL ASSET REGISTER SUMMARY	80 684	78 838	79 721	83 414	90 859	84 409
EXPENDITURE OTHER ITEMS						
Depreciation & asset impairment	4 635	3 558	3 831	4 614	4 614	3 575
Repairs and Maintenance by asset class	5 579	5 960	9 324	12 331	10 491	10 663
Infrastructure	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-
Community	-	-	-	-	-	-
Other assets	5 960	8 550	9 324	12 331	10 491	10 663
TOTAL EXPENDITURE OTHER ITEMS	10 214	9 518	13 155	16 944	15 105	14 238

Figure 20: Management of Assets – Repair & Maintenance and Depreciation & Asset Impairment over Total Assets



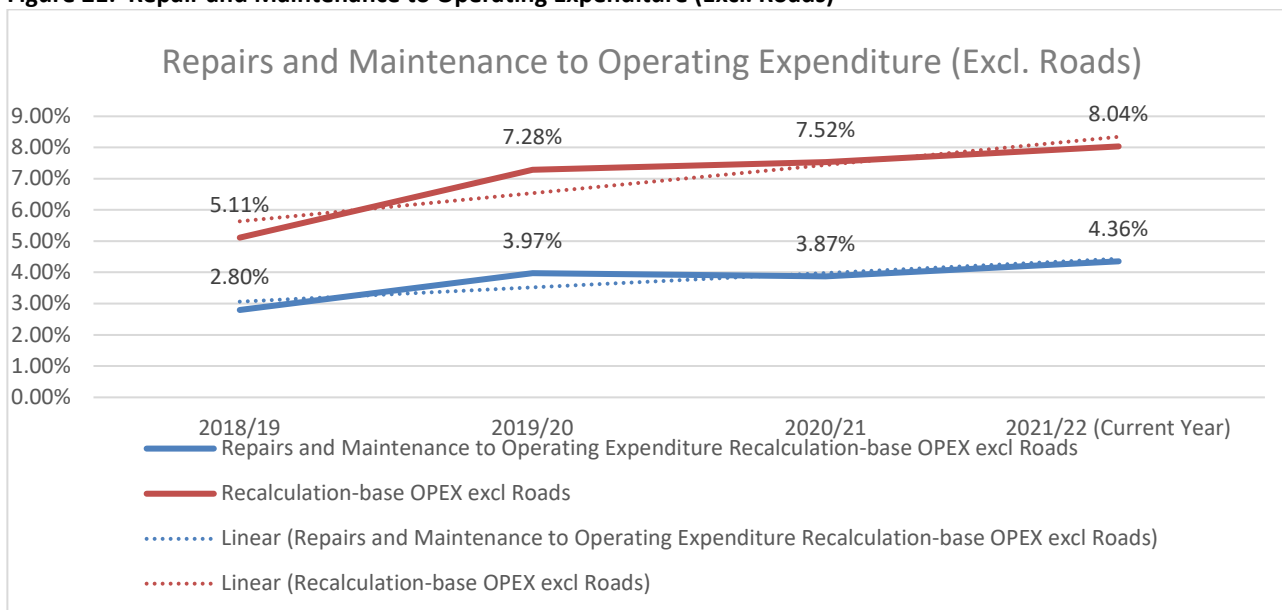
COMMENT ON ASSET MANAGEMENT

The above figure illustrates the percentage spent on repairs and maintenance, hence the repairs and maintenance increased. Costs for repairs and maintenance increase not only relating to the actual assets but also indirect costs like fuel cost surges and older assets requiring more repairs and maintenance. Depreciation and asset impairment remained stable, as the total asset value did not increase significantly over the last two financial years. Infrastructure Assets of Road Transport are excluded from the budget and actual figures as these assets do not belong to ODM.

Table 90: Repair and Maintenance Expenditure: 2021/2022

Repair and Maintenance Expenditure: 2021/22				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	12 331	10 491	10 663	-13.52%

Figure 21: Repair and Maintenance to Operating Expenditure (Excl. Roads)



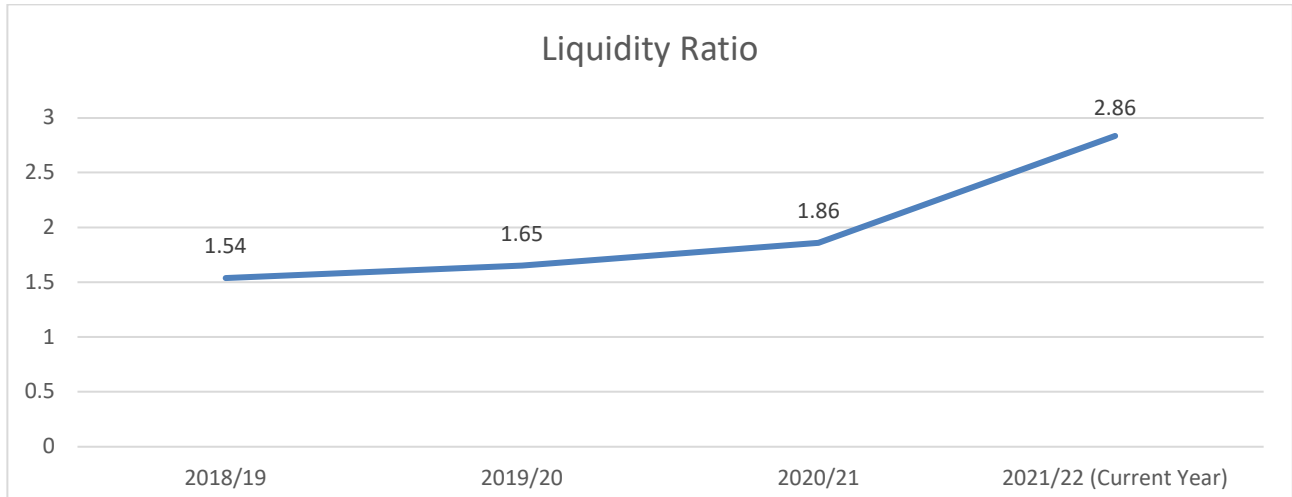
Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance by total operating expenditure.

COMMENT ON 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. When the recalculation is done by excluding the Roads operational cost in the baseline from the Total Operational cost, then the percentage increase to just over 8% which is the norm. The trend is also upwards when calculating from previous financial years to date, which is positive.

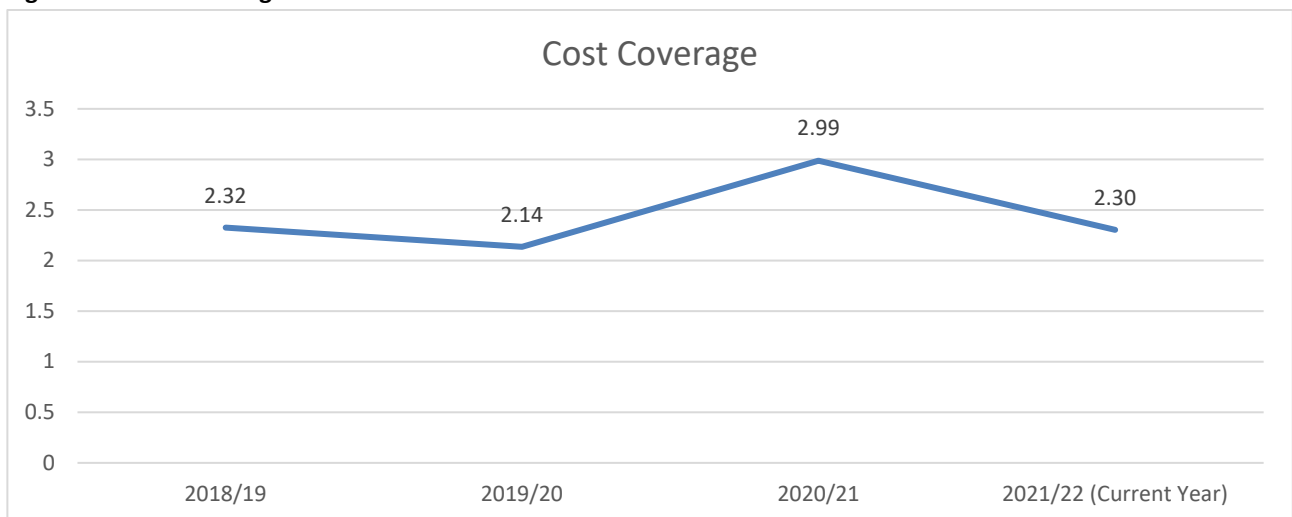
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Figure 22: Liquidity Ratio



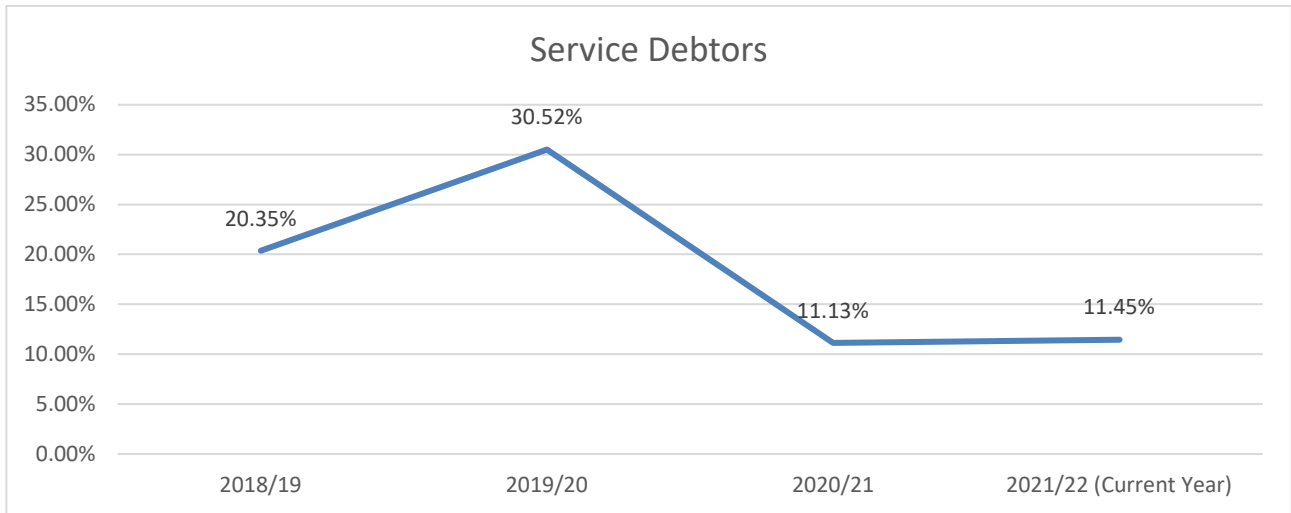
Liquidity Ratio – Measures the Municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the Municipality’s current liabilities. A higher ratio is better.

Figure 23: Cost Coverage Ratio



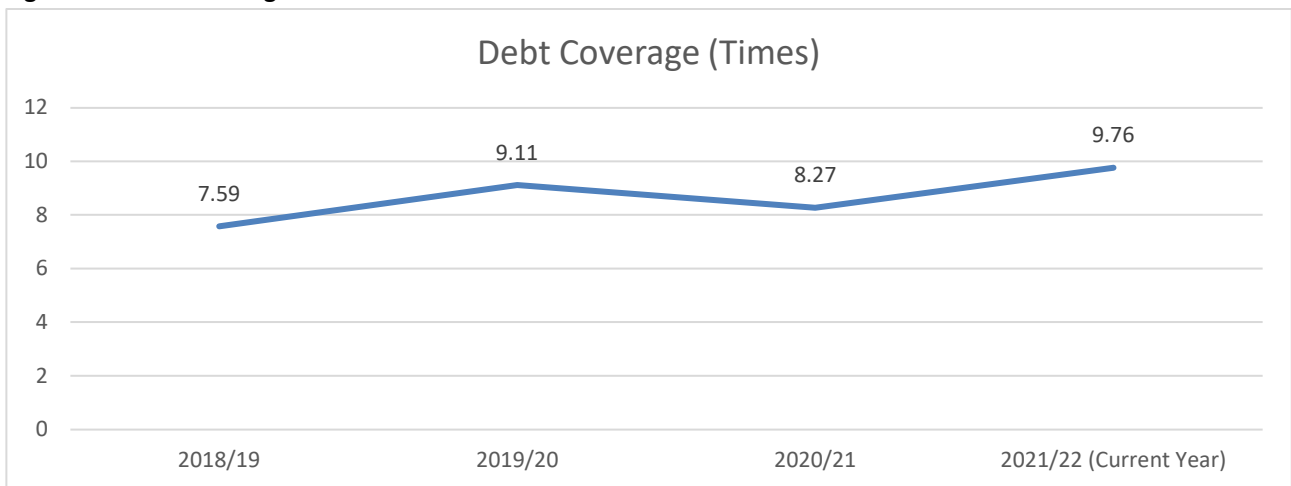
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants.

Figure 24: Service Debtors Ratio



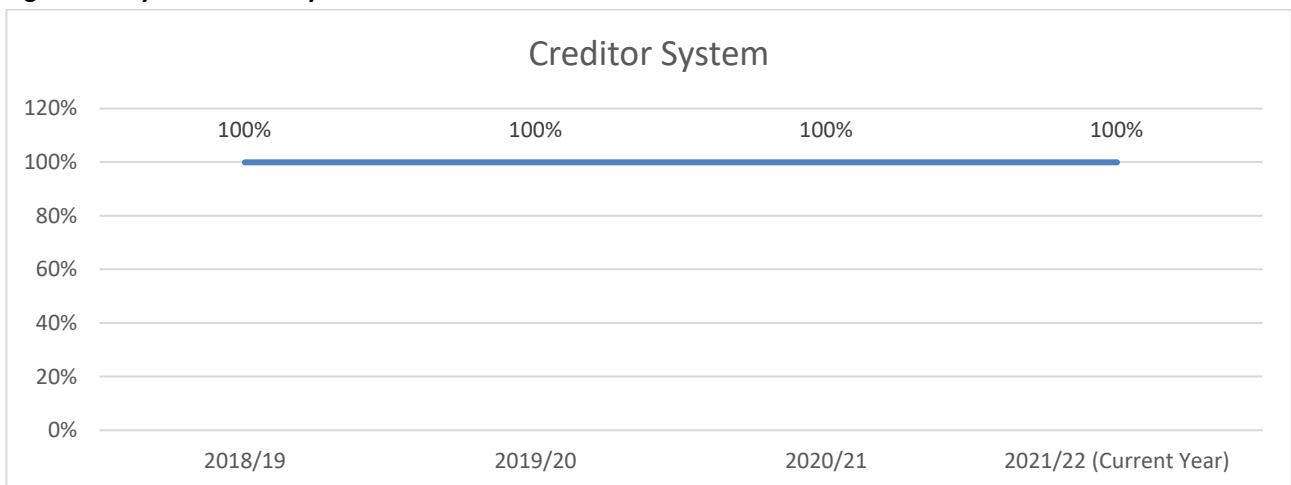
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

Figure 25: Debt Coverage Ratio



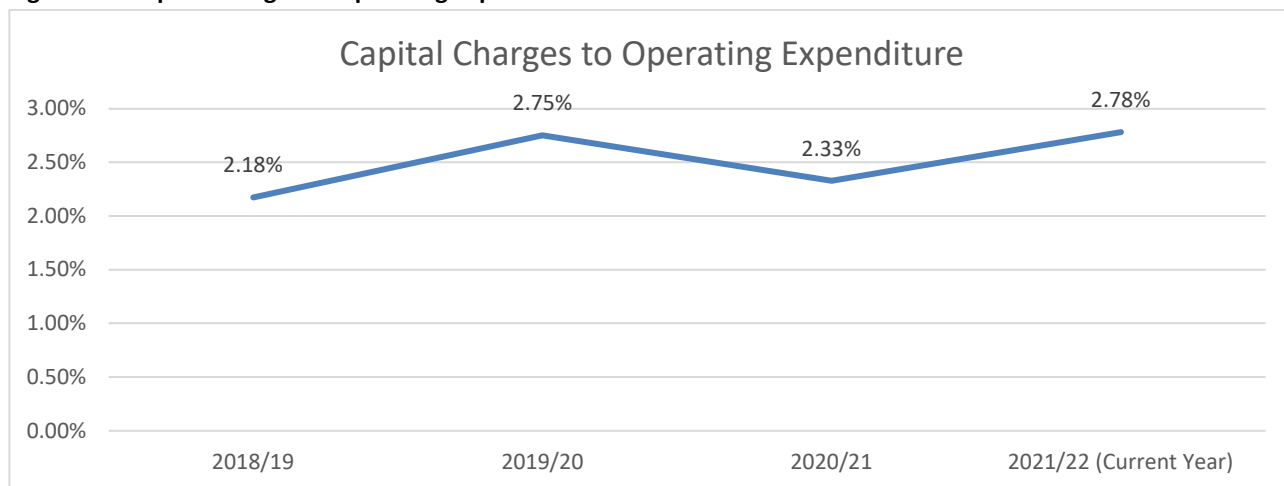
Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the Municipality.

Figure 26: System Efficiency Ratio



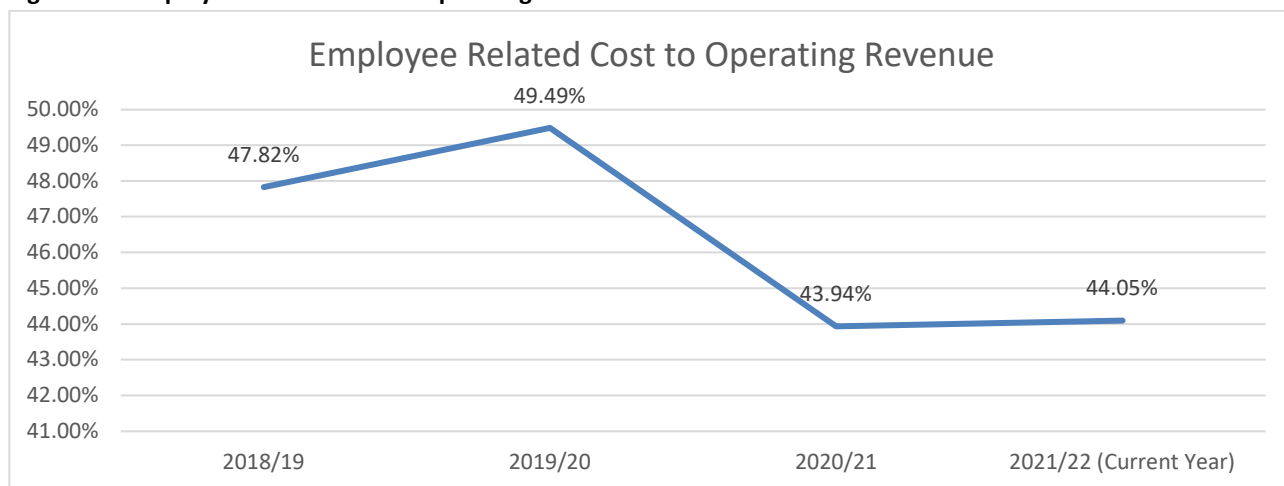
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases.

Figure 27: 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 28: 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 above the norm. The cash position improved due to VAT claims submitted to SARS relating to the Roads Agency function, which was paid out during the fiscal period. In effect the uncommitted cash position of the municipality improved.

The services debtors’ ratio increased slightly mainly due to the amounts owed at year-end for fire services, waste management services and rental of properties at the resorts, provided to local municipalities.

The Cost coverage ratio decreased slightly due to cash revenue from the land sales (gains) that was not received before year end as the transfers of the properties was not registered as yet.

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 slightly increases due to funded vacancies that were filled during the budget year.

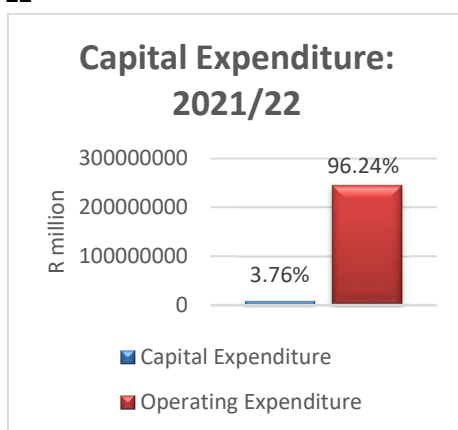
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Council envisaged that proceeds on the selling of properties would contribute towards the Capital Replacement Reserve to fund essential capital expenditure in order to reduce the maintenance cost spend on old and redundant vehicles.

5.5 CAPITAL EXPENDITURE

Figure 29: Capital Expenditure 2021/22



5.6 SOURCES OF FINANCE

Table 91: Capital Expenditure - Funding Sources: 2020/2021 to 2021/2022

Capital Expenditure - Funding Sources Year 2020/21 to 2021/22						
						R' 000
Details	2020/21	2021/22				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans				2 948	0.00%	100.00%
Public contributions and donations	667			980	0.00%	100.00%
Grants and subsidies	2 886		1 950	1 116	0.00%	100.00%
Other	1 483	4 989	5 227	4 494	4.79%	-9.92%
Total	5 036	4 989	7 177	9 537	43.88%	91.18%
Percentage of finance						
External loans	0.00%	0.00%	0.00%	30.91%	0.00%	109.67%
Public contributions and donations	13.25%	0.00%	0.00%	10.27%	0.00%	109.67%
Grants and subsidies	57.30%	0.00%	27.17%	11.70%	0.00%	109.67%
Other	29.45%	100.00%	72.83%	47.12%	10.91%	0.00%
Capital expenditure						
Water and sanitation					0.00%	0.00%
Electricity					0.00%	0.00%
Housing					0.00%	0.00%
Roads and storm water	3			3	0.00%	100.00%
Other	36 979	4 989	7 177	9 534	43.88%	91.13%
Total	36 982	4 989	7 177	9 537	43.88%	91.18%
Percentage of expenditure						
Water and sanitation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Electricity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Housing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roads and storm water	0.01%	0.00%	0.00%	0.03%	0.00%	0.00%
Other	99.99%	100.00%	100.00%	99.97%	100.00%	99.94%

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 92: Capital Expenditure of 5 largest projects

Capital Expenditure of 5 largest projects*			
R' 000			
Name of Project	2021/2022		
	Original Budget	Adjustment Budget	Actual Expenditure
Vehicle Replacement (Emergency Services)	2 100	2 103	1 698
Refurbishment of truck Emergency Services	600	966	806
Fire Safety (WOSA) Grant Communication System	-	700	632
Fire Safety (WOSA) Grant Infrastructure	-	600	484
ICT Equipment	500	290	287

* Projects with the highest capital expenditure in 2021/22

COMMENT ON CAPITAL PROJECTS

Only one major capital project was executed during the financial year, being the procurement of new firefighting unit. If the contributed assets from donor funding is added, the total project cost amounted to R2.2 million. Two Fire Safety roll-over capital projects was approved by Provincial Treasury for the period.

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 93: Cash Flow Outcomes

Cash Flow Outcomes					R' 000
Description	2020/21	2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Service charges	13 729	13 160	12 323	10 333	
Other revenue	34 779	30 994	35 943	30 258	
Government - operating	212 845	194 564	196 557	190 057	
Government - capital	1 232	–	1 950	1 950	
Interest	2 257	2 399	2 374	2 529	
Dividends			–		
Payments					
Suppliers and employees	(235 421)	(242 843)	(255 790)	(234 994)	
Finance charges	(2 662)	(2 415)	(2 315)	(2 632)	
Transfers and Grants	(680)	(250)	(2 549)	(399)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	26 079	(4 392)	(11 508)	(2 899)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	–	13 485	13 485	1 304	
Decrease (Increase) in non-current debtors	–	–	–	–	
Decrease (increase) other non-current receivables	–	–	–	–	
Decrease (increase) in non-current investments	–	–	–	–	
Payments					
Capital assets	(3 701)	(4 989)	(7 177)	(5 609)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(3 701)	8 497	6 308	(4 305)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans	–	–	–	–	
Borrowing long term/refinancing	–	–	–	–	
Increase (decrease) in consumer deposits	–	–	–	–	
Payments					
Repayment of borrowing	(2 949)	(3 296)	(3 296)	(3 939)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 949)	(3 296)	(3 296)	(3 939)	
NET INCREASE/ (DECREASE) IN CASH HELD	19 429	809	(8 496)	(11 144)	
Cash/cash equivalents at the year begin:	36 647	41 306	56 076	56 076	
Cash/cash equivalents at the year end:	56 076	42 115	47 580	44 932	

COMMENT ON CASH FLOW OUTCOMES

The cash flow position of the Municipality declined since the previous financial year. However, sale of property for R12 million in not yet included in this cash balances but raised as a debtor as the property transfers was not completed before year end.

Although actual cash from the gains on the disposal of land did not materialize, some capital projects that will be funded from this sources that was contributed to the Capital Replacement Reserve, was acquired, hence effecting the cash flow negatively until the cash is received once the Deeds had been registered.

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. R4.9 million of the loan taken up, still need to be spend on identified project in the 2022/23 financial year.

Table 94: Actual Borrowings: Year 2019/2020 – 2021/2022

Actual Borrowings Year 2019/20 to 2021/22			
	R' 000		
Instrument	2019/20	2020/21	2021/22
Municipality			
Long-Term Loans (annuity/reducing balance)	22 211	18 916	15 232
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	-	-	1 357
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Municipality Total	25 161	22 211	16 589

Figure 30: Actual Borrowing

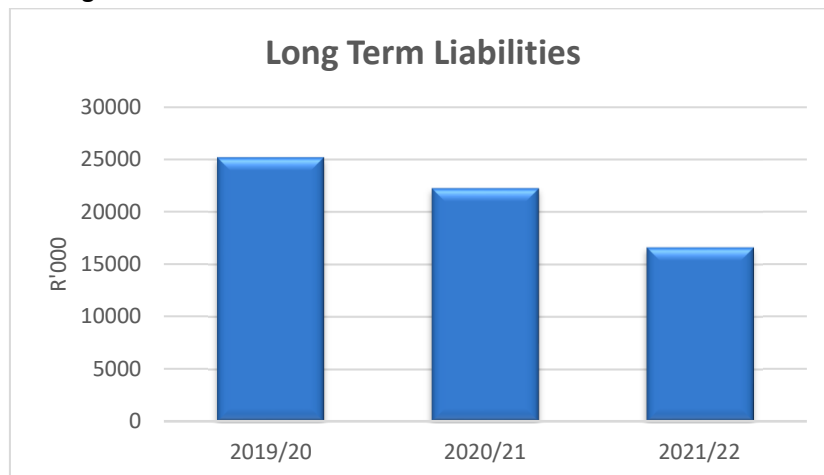


Table 95: Municipal Investments

Municipal Investments			
			R' 000
Investment* type	2019/20	2020/21	2021/22
	Actual	Actual	Actual
Municipality			
Deposits - Bank	36 640	56 074	44 930
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	36 640	56 074	44 930
Consolidated total:	36 640	56 074	44 930

COMMENT ON BORROWING AND INVESTMENTS

The deposits – Bank included all bank balances, cash floats and investment as detailed in Note 2 of the Annual Financial Statements.

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.

After the Constitutional Court case, the Preferential Procurement Policy was retracted for a few months but reinstated once the judgement of the Constitution Court was received on the implementation timelines of the new revised Regulations.

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 2020/2021

6.1 AUDITOR-GENERAL REPORT 2020/2021

Table 96: Auditor-General Report on Financial Performance Year 2020/2021

Auditor-General Report on Financial Performance Year 2020/2021	
Audit Report Status*:	Unqualified with no findings
Non-Compliance Issues	Remedial Action Taken
The Municipality has no material findings on compliance with specific matters in key legislation as set out in the general notice issued in terms of the Public Audit Act.	None
Internal Control Deficiencies	Remedial Action Taken
No significant deficiencies were identified in internal control	None
Emphasis of matters	Remedial Action Taken
<p><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.</p> <p><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.</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 97: Auditor-General Report on Service Delivery Performance 2020/2021

Auditor-General Report on Service Delivery Performance 2020/2021	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
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.	

COMPONENT B: AUDITOR-GENERAL OPINION 2021/2022

6.2 AUDITOR-GENERAL REPORT 2021/2022

Table 98: Auditor-General Report on Financial Performance Year 2021/2022

Auditor-General Report on Financial Performance Year 2021/2022	
Audit Report Status*:	Unqualified Audit with findings
Non-Compliance Issues	Remedial Action Taken
<p><u>Expenditure management</u> Reasonable steps were not taken to prevent irregular expenditure amounting to R1 052 476, as required by section 62(1)(d) of the MFMA. This regular expenditure was caused by non-compliance with the municipal supply chain management (SCM) regulation 43.</p> <p><u>Procurement and contract management</u> Some of the contracts were awarded to providers whose tax matters has not been cleared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year</p>	<p>There is disagreement between the municipality and the Auditor-General of South Africa over this audit finding, under instances of non-compliance relating to the compliance audit and the materiality assessment for inclusion in the audit report. It had been noted as such in the representation letter and under subject matter no. 3 in Annexure A of the representation letter. An audit review will be requested in terms of the audit dispute resolution process issued by the Auditor General.</p> <p>If the review is successful no remedial action is needed, but in the event that the review application is unsuccessful the outcome will dictate which remedial action needs to be taken.</p>
Internal Control Deficiencies	Remedial Action Taken
The municipality did not exercise review and monitor controls to ensure compliance with regulations relating to procurement and contract management and expenditure management. This resulted in irregular expenditure not being prevented.	Any action to be taken will be dependent on the outcome of the above audit review.
Emphasis of matters	Remedial Action Taken
<p><u>Restatement of corresponding figures</u> As disclosed in note 44 of the financial statements, the accounting figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality, and for the year ended, 30 June 2022.</p>	It was rectified in the adjusted annual financial statements

Table 99: Auditor-General Report on Service Delivery Performance 2021/2022

Auditor-General Report on Service Delivery Performance 2021/2022	
Audit Report Status:	Unqualified (Clean)
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the usefulness and reliability of the reported performance information for the selected strategic goal (Strategic goal 1).	
(Achievements of planned targets – Refer to the annual performance report on page 80-82 for information on the achievement of audited planned targets for the year.	

AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2021/2022

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

COMMENTS ON AUDITOR-GENERAL'S OPINION 2021/2022

The Municipality received an unqualified audit outcome with one finding and related irregular expenditure which prevented the Municipality from obtaining a clean audit report. Due to the time of the year, there was not sufficient time to resolve the disagreement between the municipality and the Auditor-General of South Africa over this audit finding. The next step in terms of the audit dispute resolution process will be to raise a formal dispute in writing to the Auditor-General. The final outcome of this process will be communicated to all the stakeholders.

The Auditor-General's opinion is that the financial statements present fairly, in all material respects, the financial position of the Overberg District Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of General Recognised Accounting Practice (GRAP) and the requirements of the Municipal Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (DoRA).

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

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

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

APPENDICES

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

Councillors, Committees Allocated and Council Attendance (1 July 2021 - 31 October 2021)					
Council Members	Full Time/Part Time	Committees Allocated	Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Andries Erwee Franken (Alderman)	FT	Mayoral Committee / Council	DA	100%	0
Archibald Gabriel Klaas (Councillor)	FT	Council / Deputy Executive Mayor Member: Finance Portfolio	DA	100%	0
Lincoln Milton de Bruyn (Alderman)	FT	Council - Speaker	DA	100%	0
Helen Coetzee (Councillor)	FT	Council / MAYCO Member Chairperson Strategic Services	DA	100%	0
Lindile Ntsabo (Councillor)	PT	Council / MAYCO Member Chairperson: Corporate & IGR Services	DA	100%	0
Charmaine Resandt (Councillor)	PT	Council / MAYCO Member Chairperson: Community Services	DA	100%	0
Samuel Fredericks (Councillor)	PT	Council / MAYCO Member Chairperson: Strategic Services	DA	100%	0
Cornelius Marthinus Lamprecht (Councillor)	PT	Council / Member: Finance Portfolio	DA	100%	0
Steven Hendrikus Fourie (Councillor)	PT	Council / Member: Community Services	DA	100%	0
Kiro Jacobie Tiemie (Alderman)	PT	Council / Member: Strategic Services	DA	100%	0
Ronald Brinkhuys (Councillor)	PT	Council / Member: Community Services	DA	100%	0
Evelyn Sauls (Councillor)	PT	Council / Member: Strategic Services	DA	100%	0
Jean Orban (Councillor)	PT	Council / Member: Corporate & IGR Services	DA	100%	0
Gcobisa Mangcu-Qotywe (Councillor)	PT	Council / Member: Corporate & IGR Services	DA	100%	0
Eve Catherine Marthinus (Alderman)	PT	Council / Member: Finance Portfolio	ANC	100%	0
Ntombizine Michelle Sapepa (Alderman)	PT	Council / Member: Corporate & IGR	ANC	100%	0
Unathi Toto Sipunzi (Councillor)	PT	Council / Member: Corporate & IGR	ANC	100%	0
Mario Hilton Witbooi (Councillor)	PT	Council / Member: Strategic Services	ANC	100%	0
Vuyiswa Elizabeth Mentile (Alderman)	PT	Council / Member: Community Services and Strategic Services	ANC	85.7%	14.3%
Jan Cornelius Gelderblom (Alderman)	PT	Council / Member: Community Services	ANC	85.7%	14.3%
Caroline Wood (Councillor)	PT	Council / Member: Finance Portfolio	ANC	85.7%	14.3%

***NB: Term of office for these Councillors ended on 31 October 2021 with the municipal election that was held on 1 November 2022.**

Councillors, Committees Allocated and Council Attendance (Newly elected Councillors: November 2021 – 30 June 2022)					
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) (Alderman)	FT	Mayoral Committee / Council	DA	100%	0
Lincoln Milton de Bruyn (Speaker) (Alderman)	FT	Council - Speaker	DA	100%	0
Helen Coetzee (Deputy Mayor) (Councillor)	FT	Member: Strategic Services Portfolio / Council / MAYCO Member	DA	100%	0
Johan Nieuwoudt (Alderman)	FT	MAYCO Member / Council/ Chairperson: Finance Portfolio	DA	100%	0
Msa Nomatiti (Councillor)	FT	MAYCO Member / Council / Chairperson: Corporate services Portfolio	DA	85.7%	14.3%
Abraham Pokwas (Councillor)	FT	MAYCO Member / Council Chairperson: Strategic Services Portfolio	DA	100%	0
Steven Hendrikus Fourie (Councillor)	FT	MAYCO Member / Council / Chairperson: Community Services Portfolio	DA	100%	0
Archibald Gabriel Klaas (Councillor)	PT	Council / Member: Finance Portfolio	DA	100%	0
Theresa Els (Councillor)	PT	Council / Member: Community Services Portfolio and Corporate & Services	DA	100%	0
Petrus Jacobus Stander (Councillor)	PT	Council / Member: Finance Services Portfolio	DA	100%	0
Yvonne Marie van Tonder (Councillor)	PT	Council / Member: Corporate Services Portfolio	DA	100%	0
Mlamleli Raymond Mokwotana (Councillor)	PT	Council / Member: Corporate Services Portfolio	ANC	100%	0
Melanie Gertrude Du Plessis (Councillor)	PT	Council	ANC	100%	0
Ntombizine Michell Sapepa (Alderman)	PT	Council / Member: Community Services Portfolio	ANC	100%	0
Roland Theo Olivier (Councillor)	PT	Council / Member: Finance Services Portfolio	ANC	100%	0
Simphiwe Silo (Councillor)	PT	Council / Member: Strategic Services Portfolio	ANC	28.6%	0
Mbogeni Alfred Nomkoko (Councillor)	PT	Council / Member: Corporate Services Portfolio	ANC	100%	0
Bongiwe Blossom Mkhwibiso (Councillor)	PT	Council / Member: Finance Services Portfolio	ANC	100%	0
Jennifer Mckenzie (Councillor)	PT	Council / Member: Strategic Services Portfolio	GOOD	100%	0
Martin Mathews (Councillor)	PT	Council / Member: Community Services Portfolio	GOOD	100%	0
Cuan Hedley Elgin (Councillor)	PT	Council	VF+	100%	0
Jacobus Adriaan van Staden (Councillor)	PT	Council	VF+	100%	0
Ronald Brinkhuys (Councillor)	PT	Council / Member: Community Services	DA	100%	0

****Elections for the new Council was held in November 2021 for a term of 5 years until 2026. Inauguration meeting was held on 6 December 2021.**

Number of meetings held during the year:

Executive Mayoral Committee meetings - 7

Council meetings (Ordinary and Special meetings) - 10

Section 80 Committees (Strategic, Finance, Corporate & IGR and Community Services) meetings – 12

APPENDIX A (II)– COUNCILLORS PRESENT COUNCIL ON STATUTORY COMMITTEES AND OTHER GOVERNING BODIES

Councillors Present Council on Statutory Committees and other governing bodies	
Council Members	Present Council on Statutory Committees and other governing bodies
Andries Erwee Franken (Alderman)	WESGRO / Provincial Development Council / SALGA - Governance and IGR / Provincial Health Council
Lincoln Milton de Bruyn (Alderman)	SALGA
Helen Coetzee (Deputy Mayor)	Chairperson: Disciplinary Committee / SALGA - Economic Empowerment and Employment Creation
Johan Nieuwoudt	SALGA - Municipal Finance and Fiscal Policy
Archibald Gabriel Klaas	Training Committee / Local Labour Forum / MPAC / Section 32
Abraham Pokwas	None
Theresa Els	MPAC Chairperson: Section 32 Committee
Steven Hendrikus Fourie (Councillor)	Disciplinary Committee / SALGA - Community Development and Social Services / SALGA - Environmental Planning and Climate Change / SALGA - Public Transport and Roads / Fire Work Group / Regional Waste Committee / Karwyderskraal Monitoring Committee / Municipal Coastal Committee
Msa Nomatiti	Training Committee / Local Labour Forum/Employment Equity / SALGA - Capacity Building and Institutional Resilience / SALGA - Municipal Innovations and Information Technology
Petrus Jacobus Stander	MPAC
Yvonne Marie van Tonder	Training Committee / Local Labour Forum/Employment Equity / SALGA Womans Commission / Caledon Museum
Mlamleli Raymond Mokwotana	Local Labour Forum / Employment Equity / Bredasdorp Shipwreck Museum
Melanie Gertrude Du Plessis	Training Committee / Drostdy Museum Swellendam
Ntombizine Michell Sapepa	None
Roland Theo Olivier	Disciplinary Committee
Simphiwe Silo	Old Harbour Hermanus
Mbogeni Alfred Nomkoko	None
Bongiwe Blossom Mkhwibiso	None
Jennifer Mckenzie	Employment Equity / Genadendal Museum
Martin Mathews	None
Cuan Hedley Elgin	Chairperson: MPAC / Biodiversity and Climate Change Forum / Koggelberg Biosphere Reserve Company
Jacobus Adriaan van Staden	Section 32
Ronald Brinkhuys	SALGA - Water Sanitation and Waste Management / Western Cape Provincial Transport, Section 32

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees			
Municipal Committees	Purpose of Committee	Composition	Number of meetings held during the year
Section 80 Committee	The Section 80 Committees assist the Executive Mayor and Executive Mayoral Committee in respect of Community Services, Financial Services, Corporate & IGR Services and Financial Services. This Committee has no statutory powers and reports to the Executive Mayoral Committee.	Councillors	12
Audit & Performance Audit Committee	In terms of section 166 of the MFMA. To advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality relating to matters listed in the MFMA, section 166.	Independent members	5
Municipal Public Accounts Committee (MPAC)	In assisting the council with its oversight function, a Municipal Public Accounts and Oversight Committee was established in terms of section 79 of the Municipal Structures Act (Act 117 of 1998). Section 129(4)(b) of the MFMA. The MPAC also serves as the Oversight Committee of the Annual Report.	Councillors and invitees	1
Training Committee	In terms of the Skills Development Act (Act 97 of 1998). To promote skills development in the workplace.	Councillors, Management and Union member	3
Employment Equity	In terms of the Employment Equity Act. To promote equal opportunities and fair treatment to all in the workplace.	Councillors, Management and Union member	3
Local Labour Forum	According to the SALGBC Main Collective Agreement to promote sound Labour Relations.	Councillors, Management and Union member	8
Health & Safety Committee	In terms of the Occupational Health and Safety Act (Act 85 of 1993). To promote a healthy and safe working environment for employee and community	Officials	3
Section 32 Committee	It is an ad hoc committee, appointed by Council, to investigate unauthorised, irregular or fruitless and wasteful expenditure.	Councillors	2
Alleged Breaches Committee	It is a special committee established by Council to assist in the discipline of Councillors.	Councillors	0
IDP Steering Committee	To monitor the IDP process plan and IDP related processes and inputs.	Councillors and Officials	2
Fraud and Risk Management Committee	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
Disciplinary Board	It is an ad hoc committee established accordance to the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.	Head Internal Audit, Chairperson of Audit and Performance Audit Committee, Senior official Responsible for legal, Representation of Provincial and National Treasury	0
Budget Steering Committee	To provide technical assistance to the mayor in discharging the Responsibilities set out in section 53 of the Act (MFMA).	Chairperson Finance Portfolio Committee, Municipal Manager, CFO, Director Community Services, Director Corporate Services, Head: Financial Services and Head: IDP & Communication	2
ICT Steering Committee	The Information Communication Technology (ICT) Steering Committee is to facilitate the use of ICT in enabling business in its service delivery.	Officials	4

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure on 30 June 2022	
Office of the Municipal Manager	<i>*Head: Internal Auditor - Vacant</i>
	<i>Head: IDP and Communication - Vacant</i>
Directorate: Finance	<i>Head: Expenditure & Income - Vacant</i>
	<i>Head: Financial Services – Mr. W Crafford</i>
	<i>Head: SCM – Mrs. D Kapot-Witbooi</i>
Directorate: Corporate Services	<i>Legal Advisor - Vacant</i>
	<i>Head: Human Resources – Mrs. S Mdewu</i>
	<i>Head: Administrative Support – Mrs. A Thompson-Rossouw</i>
Directorate: Community Services	<i>Manager: Municipal Health – Mrs. M Mukoma</i>
	<i>Manager: Environmental Management - Mr. F Kotze</i>
	<i>Community Liaison Officer – Ms. D Barends</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 position are performed by incumbents, but still need to be placed.

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes / No)	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	Not applicable
Building regulations (Fire and Municipal Health)	Yes	
Childcare facilities (Environmental Health Certificate to the application of the facility)	Yes	
Electricity and gas reticulation	No	
Firefighting services	Yes	
Local tourism (Regional)	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Integrated Transport Plan for the District	
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	No	
Trading regulations	No	
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	Only related to Roads agency function	
Cemeteries, funeral parlours and crematoria	No	
Cleansing	No	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	Only related to Roads agency function	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities (Uilenkraalsmond and Die Dam Resorts)	Yes	
Local sport facilities	No	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	No	
Municipal roads	Only related to Roads agency function	
Noise pollution	Yes	
Pounds	No	
Public places	No	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	No	
Street lighting	No	
Traffic and parking	No	

OVERBERG DISTRICT MUNICIPALITY: ANNUAL OVERSIGHT REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

INTRODUCTION

The Audit and Performance Audit Committee presents its report for the year ended 30 June 2022 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. T Blok
- Mr. D Smith

MEETINGS

Committee meetings	
<u>Date</u>	<u>Reason</u>
30/8/2021	Review Annual Financial Statements for 2020/2021
23/9/2021	Quarterly APAC meeting
6/10/2021	Discussion of Auditor-General Strategic plan for 2020/2021
28/10/2021	Attending workshop to discuss and review changes to Charters and audit methodology.
9/12/2021	Quarterly APAC meeting
21/1/2022	Discussion Annual Report
24/3/2022	Quarterly APAC meeting.
30/6/2022	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:

- MFMA Compliance SCM
- MFMA Compliance Finance
- OPCAR as at 30 August 2021
- OPCAR as at 30 August 2021
- OPCAR as at 30 November 2021
- New Tariffs
- BAC report July 2021
- BAC report October 2021
- Bank and Cash Management
- Year-end performance assessment reports for MM and Directors/ CFO
- Combined assurance
- Assistance to AGSA – performing work on their behalf
- Fire accounts

- Records Management
- Year-end Stock take
- Performance Management 4th quarter 2020/2021
- Performance Management 1st quarter 2021/2022
- Performance Management 2nd quarter 2021/2022
- Performance Management 3rd quarter 2021/2022
- Karwyderskraal sinking fund August 2021
- Karwyderskraal sinking fund November 2021
- Karwyderskraal sinking fund April 2022
- Karwyderskraal business processes
- Asset Reconciliation August 2021
- Asset Reconciliation October 2021
- Asset Reconciliation February 2022
- Repairs and Maintenance Costs
- Leave Balances (Ad-Hoc)
- DoRA
- Journals

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

- Review of 2020/2021 draft Annual Financial Statements on 30 August 2021;
- 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 2020/2021;
- Progress reports on 2021/2022 audit plan and unresolved matters;
- Attending Strategic session;
- Approval of Risk Based Internal Audit Plan for 2022/2023;
- Evaluations of Audit Committee and Internal Audit;
- ICT Integration;
- Rendering Fire Services to Swellendam Municipality;
- Roads Agency Function;
- Capacity constraints;
- External quality assessment review;
- Attending workshop to discuss and review Charters and audit methodology;
- Succession planning;
- Status of compliance with POPI Act;
- Municipal Structures Amendment Act, 2021;
- Annual Audit Opinion (Internal Audit)

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 Chief Financial Officer for 2020/2021, was carried out by a properly constituted panel on 20/10/2021, and attended by the Chairperson, Mr. P Strauss. The mid-year appraisal of both the Chief Financial Officer and Director: Community Services 2021/2022 was carried out 18/03/2022. The member of the Audit and Performance Audit Committee served on the panels with the purpose of oversight and evaluating the process.

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

PAL STRAUSS
CHAIRPERSON

APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE 2021/2022

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2021/2022	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23/9/2021	Year-end stock count.	Yes
23/9/2021	Combined assurance.	Yes
23/9/2021	Karwyderskraal rehabilitation.	Yes
23/9/2021	Performance management for 4 th quarter of 2020/2021.	Yes
9/12/2021	Repairs and maintenance costs.	Yes
9/12/2021	Performance management for 1 st quarter of 2021/2022.	Yes
24/3/2022	Revenue management: Fire accounts.	Yes
24/3/2022	Records management.	Yes
24/3/2022	Performance management for 2 nd quarter of 2021/2022.	Yes
30/6/2022	Risk management activities	Yes
30/6/2022	Karwyderskraal business processes.	Yes
30/6/2022	Bank and cash management Resorts.	Yes
30/6/2022	Performance management for 3 rd quarter of 2021/2022.	Yes

APPENDIX G – LONG-TERM CONTRACTS (LARGEST CONTRACTS)

Long Term Contracts (Largest Contracts Entered into 2021/2022)					
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
First Technology (Pty) Ltd	Office 365	01 February 2022	30 June 2024	P Britz	R282 000
Mbele Electrical CC	Supply, delivery, install, commission and maintenance of standby generators & UPS bundles for a three-year period	01 May 2022	30 April 2025	N Kruger	R584 267.21
Simons Electrical	Item 1: Electrical	December 2021	30 June 2024	J Botha / C Cloete	R335 613
Juno Corp (Pty) Ltd	Item 2: Hiring of Honey Sucker, Super Sucker or Liquid Ring unit for Sewage Removal.				R224 012
	Item 3: Hiring of a combination unit for sewer and stormwater maintenance.				R13 110
SMEC	Rural Road Assessment Management System	01 July 2021	30 June 2024	A Van Eeden	R5 376 393

APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests 2021/2022		
Position	Name	Description of Financial interests (Nil / Or details)
Executive Mayor	Andries Erwee Franken	Property, Livestock, Trustee, Shares, Directorship, Business
Deputy Mayor	Helen Coetzee	Property
Speaker	Lincoln Milton de Bruyn	Property, Pension
Member of Mayco	Johan Nieuwoudt	Property,
Member of Mayco	Abraham Pokwas	Property, Pension
Member of Mayco	Steven Hendrikus Fourie	Nil
Member of Mayco	Msa Nomatiti	Nil
Councillor	Archibald Klaas	Shareholder, Business
Councillor	Ronald Brinkhuys	Shareholder, Business
Councillor	Theresa Els	Employment salary
Councillor	Petrus Jacobus Stander	Property, Trustee
Councillor	Yvonne van Tonder	Property
Councillor	Roland Theo Olivier	Trustee
Councillor	Mlamleli Raymond Mokotwana	Property, Shareholder
Councillor	Ntombizine Michelle Sapepa	Shareholder, Property
Councillor	Melanie Du Plessis	Nil
Councillor	Simphiwe Silo	Nil
Councillor	Mbongeni Nomkoko	Nil
Councillor	Jennifer Mckenzie	Nil
Councillor	Mark Matthews	Property, Directorship
Councillor	Cuan Elgin	Investment, Property, Pension, Employment salary
Councillor	Jacobus van Staden	Shareholder, Trustee, Directorship, Property, Investment, Employment salary
Municipal Manager	R Bosman	Investment, Property
CFO	N L Kruger	Investment, Property
Director Community Services	P A Oliver	Investment, 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	2020/21	2021/22		2021/22 Variance			
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Municipal Manager	11 540	25 695	25 770	23 460	-9.53%	-9.84%	
Corporate Services	34	29	29	30	2.52%	2.52%	
Finance	86 284	85 973	95 595	93 230	7.78%	-2.54%	
Community Services	157 358	143 527	147 820	153 193	6.31%	3.51%	
Total Revenue by Vote	255 216	255 224	269 214	269 913	5.44%	0.26%	

APPENDIX I (II) - REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R' 000
Description	2020/21	2021/22		2021/22 Variance			
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Service charges	12 130	13 160	12 323	10 091	-30.42%	-22.12%	
Rental of facilities and equipment	11 856	11 844	12 044	12 458	4.93%	3.32%	
Interest earned - external investments	2 287	2 144	2 144	2 558	16.19%	16.19%	
Interest earned - outstanding debtors	-	256	230	-	0.00%	0.00%	
Licences and permits	230	166	166	225	25.92%	25.92%	
Agency services	11 343	11 436	11 511	11 501	0.56%	-0.08%	
Government Grants and Subsidies - Operating	205 928	194 564	202 939	202 394	3.87%	-0.27%	
Other revenue	7 889	8 170	12 422	16 867	51.56%	26.35%	
Gains on disposal of PPE	-	13 485	13 485	11 724	0.00%	0.00%	
Total Revenue (excluding capital transfers and contributions)	251 663	255 224	267 264	267 817	4.70%	0.21%	

APPENDIX J - CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Local Government Equitable Share	77 375	78 560	78 560	1.53%	0.00%	Division of Revenue Act
Finance Management	1 000	1 000	1 000	0.00%	0.00%	Interns and Financial Management Program
EPWP Incentive	1 053	1 053	1 053	0.00%	0.00%	Extended Public Works Program
Rural Roads Asset Management Grant	2 708	2 708	2 619	-3.27%	-3.27%	Assessment on roads in the district
Seta		200	303	100.00%	51.47%	Training
Health Subsidy	203	203	183	-9.63%	-9.63%	Comprehensive Health Services
CDW Operational Support Grant	57	141	76	100.00%	-45.72%	Provincial allocation for community development workers
Fire Safety Plan Grant	2 323	3 684	3 021	100.00%	-18.01%	Safety Plan Implementation (WOSA)
Municipal Service Delivery and Capacity Building Grant		350		100.00%	-100.00%	Provincial Capacity Grant – Pound/Kennel for the region
Joint District and Metro Approach Grant		1 799		100.00%	-100.00%	Various JDMA projects for the district – Sanitary project for TWK and Swellendam Municipality
Local Government Public Employment Support Grant		200	200	100.00%	0.00%	Project Management for region on work/job creation initiative
Human Capacity Building Grant	250	400	399	59.75%	-0.15%	External Bursaries
Total	84 969	90 298	87 415	2.88%	-3.19%	

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

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

Capital Expenditure - New Assets Programme*							
Description	2020/21	2021/22			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25
Capital expenditure by Asset Class							
Infrastructure - Total	-	255	-	-	-	-	-
Infrastructure: Road transport - Total	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-
Infrastructure: Water - Total	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-	-
Infrastructure: Other - Total	-	255	-	-	-	-	-
<i>Waste Management</i>	-	255	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
Community - Total	-	-	-	-	-	-	-
<i>Parks & gardens</i>	-	-	-	-	-	-	-
<i>Sportsfields & stadia</i>	-	-	-	-	-	-	-
<i>Swimming pools</i>	-	-	-	-	-	-	-
<i>Community halls</i>	-	-	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-	-	-
<i>Recreational facilities</i>	-	-	-	-	-	-	-
<i>Fire, safety & emergency</i>	-	-	-	-	-	-	-
<i>Security and policing</i>	-	-	-	-	-	-	-
<i>Buses</i>	-	-	-	-	-	-	-
<i>Clinics</i>	-	-	-	-	-	-	-
<i>Museums & Art Galleries</i>	-	-	-	-	-	-	-
<i>Cemeteries</i>	-	-	-	-	-	-	-
<i>Social rental housing</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-

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Capital Expenditure - New Assets Programme*								R '000
Description	2020/21	2021/22			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25	
Capital expenditure by Asset Class								
Heritage assets - Total	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Investment properties - Total	-	-	-	-	-	-	-	
Housing development	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Other assets	4 584	3 861	4 833	7 873	2 159	1 260	580	
General vehicles	934	2 950	3 404	2 880	1 300	300	250	
Specialised vehicles	-	-	-	-	-	-	-	
Plant & equipment	590	100	845	1 871	635	520	330	
Computers - hardware/equipment	-	750	509	240	200	-	-	
Furniture and other office equipment	95	4	20	2 821	24	440	-	
Abattoirs	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	
Civic Land and Buildings	-	-	-	-	-	-	-	
Other Buildings	2 298	57	55	60	-	-	-	
Other Land	668	-	-	-	-	-	-	
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Agricultural assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Biological assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Intangibles	-	-	-	-	15	-	-	
Computers - software & programming	-	-	-	-	15	-	-	
Other (<i>list sub-class</i>)	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	4 584	4 116	4 833	7 873	2 174	1 260	580	
Specialised vehicles	-	-	-	-	-	-	-	
Refuse	-	-	-	-	-	-	-	
Fire	-	-	-	-	-	-	-	
Conservancy	-	-	-	-	-	-	-	
Ambulances	-	-	-	-	-	-	-	

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

Capital Expenditure - Upgrade/Renewal Programme*							
Description	R '000						
	2020/21	2021/22			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	76	-	4 800	-	-
Infrastructure: Road transport -Total	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-	76	-	-	-	-
<i>Dams & Reservoirs</i>		-	-				
<i>Water purification</i>		-	-				
<i>Reticulation</i>		-	76		-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-						
Infrastructure: Other - Total	-	-	-	-	4 800	-	-
<i>Waste Management</i>	-	-	-	-	4 800	-	-
<i>Transportation</i>					-	-	-
<i>Gas</i>					-	-	-
<i>Other</i>					-	-	-
Community	-	-	-	-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-	-	-	-	-	-
Buildings							
Other							

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Capital Expenditure - Upgrade/Renewal Programme*								R '000
Description	2020/21	2021/22			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25	
Capital expenditure by Asset Class								
Investment properties	-	-		-	-	-	-	
Housing development								
Other								
Other assets	452	873	2 269	1 665	3 300	2 690	2 775	
General vehicles	-	-	800	1 032	2 150	2 150	2 200	
Specialised vehicles	-	-	-	-	-	-	-	
Plant & equipment	-	-	800	-	20	20	20	
Computers - hardware/equipment	249	500	399	33	270	120	150	
Furniture and other office equipment	35	68	83	289	210	50	55	
Abattoirs	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	
Civic Land and Buildings	-	-	-	-	-	-	-	
Other Buildings	169	305	188	311	650	350	350	
Other Land	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Agricultural assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Biological assets	-	-		-	-	-	-	
<i>List sub-class</i>								
Intangibles	-	-		-	-	-	-	
Computers - software & programming	-			-				
Other (<i>list sub-class</i>)								
Total Capital Expenditure on renewal of existing assets	452	873	2 345	1 665	8 100	2 690	2 775	
Specialised vehicles	-	-	-	-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2021/2022

Capital Programme by Project: 2021/22					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - OB) %	Variance (Act - Adj) %
Administrative and Corporate Support	750	509	1 545	106.06%	203.63%
Biodiversity and Landscape (Environmental)			58	100.00%	100.00%
Budget and Treasury Office	250	245	476	90.54%	94.43%
Fire Fighting and Protection	2 800	5 514	5 474	95.51%	-0.72%
Governance Function		1	160	100.00%	11327.74%
Health Services	22	40	451	1952.16%	1025.87%
Information Technology	500	409	299	-40.25%	-26.90%
Mayor and Council		2	102	100.00%	5882.10%
Recreational Facilities	412	458	613	49.04%	34.06%
Roads			358	100.00%	100.00%
Solid Waste Disposal (Landfill Sites)	255			0.00%	0.00%

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

Declaration of Loans and Grants made by the municipality: 2021/22				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2021/2022 R'000	Total Amount committed over previous and future years
Bursaries	Bursaries to Non-employees	Enrolled at a credit institution	R400000	R399 383

Report of the auditor-general to Western Cape Provincial Parliament and 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 1 to 114, which comprise the statement of financial position as at 30 June 2022, 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 2022, 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 9 of 2021 (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 matter

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

Restatement of corresponding figures

7. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Other matters

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

Unaudited disclosure notes

9. 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 schedules

10. The supplementary information set out on pages 115 to 127 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

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

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

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

Introduction and scope

- 15. 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.
- 16. 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.
- 17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic goal presented in the municipality's annual performance report for the year ended 30 June 2022:

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	80 – 82

- 18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 19. I did not identify any material findings on the usefulness and reliability of the reported performance information for this strategic goal.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 80 to 82 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

23. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

24. Reasonable steps were not taken to prevent irregular expenditure amounting to R1 052 476, as required by section 62(1)(d) of the MFMA. This irregular expenditure was caused by non-compliance with the municipal supply chain management (SCM) regulation 43.

Procurement and contract management

25. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include 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.

27. 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.

28. 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.

29. If based on the work I 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.

Internal control deficiencies

30. 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
31. The municipality did not exercise adequate review and monitor controls to ensure compliance with regulations relating to procurement and contract management and expenditure management. This resulted in irregular expenditure not being prevented.

Auditor-General

Cape Town

15 December 2022



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

MFMA Section 71 Returns Not Made During Year 2021/2022 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date
None	N/A

APPENDIX P – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services.	Do not rendered basic services, e.g., water 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 2021/2022

Annual Financial Statements 2021/2022 – Volume II of Annual Report