



ANNUAL REPORT

2023/24

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

----- Tabled 31 March 2025 -----

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ACRONYMS

AEL	Atmospheric Emission Licence
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
Ald	Alderman
ANC	African National Congress
ASB	Accounting Standards Board
APAC	Audit and Performance Audit Committee
APP	Annual Project Plan
B-BBEE	Broad-Based Black Economic Empowerment
CDW	Community Development Worker
CFO	Chief Financial Officer
Cllr	Councillor
COA	Certificate of Acceptability
CPD	Continuing Professional Development
CRO	Chief Risk Officer
CWP	Community Works Programme
DA	Democratic Alliance
DCF	District Coordinating Forum
DCFTech	District Coordinating Forum – Technical
DEA&DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DDM	District Development Model
DLG	Department of Local Government
DM	District Municipality
DMR	Digital Mobile Radio
DoRA	Division of Revenue Act
DPWI	Department of Public Works and Infrastructure
ECD	Early Childhood Development
EHPs	Environmental Health Practitioners
EMS	Emergency Medical Services
EPMDS	Employee Performance Management and Development System
EPWP	Expanded Public Works Programme
FTEs	Full-Time Equivalents
FARMCO	Fraud and Risk Management Committee
FPA	Fire Protection Association
GCIS	Government Communication and Information System
GDPR	Gross Domestic Product Review
GRAP	Generally Recognised Accounting Practice
GBV	Gender-based Violence
GVA	Gross value added
HAZMAT	Hazardous materials
HPCSA	Health Professions Council of South Africa
HR	Human Resources
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
JDMA	Joint District and Metro Approach
KPIs	Key Performance Indicators

km	kilometre
km ²	square kilometre
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
MCC	Municipal Coastal Committee
MEC	Member of the Executive Council
MERO	Municipal Economic Review and Outlook
MFMA	Local Government: Municipal Finance Management Act
MGRO	Municipal Governance Review and Outlook
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MSA	Local Government: Municipal Systems Act
mSCOA	Municipal Standard Chart of Accounts
MSR	Municipal Staff Regulations
MPAC	Municipal Public Accounts Committee
MTREF	Medium-term Revenue Expenditure Framework
MOU	Memorandum of Understanding
NEMA	National Environmental Management Act
NT	National Treasury
No.	Number
ODM	Overberg District Municipality
OB	Original Budget
PAA	Public Audit Act
PAEL	Provisional Atmospheric Emission Licence
PDOs	Predetermined Development Objectives
PERO	Provincial Economic Review and Outlook
POPIA	Protection of Personal Information Act
PPE	Property, Plant and Equipment
PPP	Public-Private Partnership
Pg.	Page
PT	Provincial Treasury
R	Rand
RED	Regional Economic Development
RRAMS	Rural Roads Asset Management System
RSC	Regional Services Council
t	ton
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SANS	South African National Standards
SARS	South African Revenue Services
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDBIP	Service Delivery and Budget Implementation Plan
SG	Strategic Goal
SEP	Socio-economic Profile
SMMEs	Small, Medium and Micro-Enterprises
SPLUMA	Spatial Planning and Land Use Management Act
TWK	Theewaterskloof
VAT	Value added tax

VRF	Visiting relatives and friends
WC	Western Cape
WCG	Western Cape Government
WESGRO	Western Cape Tourism, Trade and Investment Promotion Agency
WOs	Work Opportunities
WOSA	Whole of Society Approach

COMPONENT A: MAYOR’S FOREWORD



Alderman A Franken
ODM Executive Mayor

I am honored to present the Annual Report of the Overberg District Municipality for the 2023/2024 financial year. This report reflects the progress on the approved five-year Integrated Development Plan (IDP) and assisted the municipality to assess the performance against the target set through the IDP process.

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 the Western Cape Provincial Strategic Plan.

The five-year strategic goals (SGs) as adopted by Council for the period 2022/2023 – 2026/2027 are:

- **SG 1** – To ensure the wellbeing 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 proactive, accountable government and ensuring **community participation** through intergovernmental relation structures.

The adopted performance and financial systems monitor 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 during the reporting period, in accordance with its strategic goals and legislative mandate.

The Overberg district faced numerous difficulties during the 2023/24 fiscal year as a result of floods, which affected both the district's economy and municipal operations.

Key service delivery improvements

Despite these challenges, 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 opinion from the Auditor-General. This achievement is the result of strong financial management and disciplined spending, good governance, accountability and a stable Council and administration.

Some of the key achievements during the year included but not limited to:

- The management of Karwyderskraal Landfill facility remains of a very high standard and an audit outcome of 98.97% on the external compliance audit was received.
- The rollout of IDP awareness in the community, which also includes a session for seniors in high school, aims to raise understanding of the district municipality’s duties and responsibilities regarding service delivery.

- To comprehend the district's exposure to climate change, a Climate Risk Profile was created. This document is a crucial planning tool for strategies addressing climate change.
- The procurement of additional fire equipment to supplement the current fire-fighting fleet.

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 final stage of upgrading the Boontjieskraal road, to a permanent surface. During the year 3685 km proclaimed roads were maintained on an agency basis/function for the Western Cape Government, Department of Infrastructure.

Public participation

The municipality uses a variety of platforms and possibilities for the community, local municipalities, and other stakeholders as it values public engagement. Successful public engagement events were held using a variety of structures, including intergovernmental relations structures and provincial and district IDP forums. Social media and online platforms have been utilized for public representation and communication. Citizens and stakeholders are kept up to date with the municipality's progress and operations by the IDP and Communications department.

Agreements/partnerships

During the reviewed year, partnerships were formed and sustained. There are strategic collaborations with the National Sea Rescue Institute, Working on Fire, the Greater Overberg Fire Protection Association, commercial agriculture, provincial departments, and the private sector, including fire stations. In line with a memorandum of arrangement, the municipality acts as an agent for the provincial Department of Infrastructure to carry out the roads' function.

Future action

The status of the economy has had an overwhelming effect on the municipality and the citizens of the Overberg. To address these challenges the municipality will focus on:-

- Service Delivery
- Financial Sustainability
- Economic growth
- Safety and security

The municipality, in collaboration with stakeholders, strives to address these focus areas by means of identified projects and programmes through supply chain management mechanisms, job creation programmes and to focus on service delivery to the benefit of the whole Overberg.

Conclusion

I would like to extend my appreciation to all the Councillors, municipal officials and all partners for their contribution and commitment towards realising ODM's vision and making a difference in the lives of all in the Overberg.

Alderman A Franken

Executive Mayor

1.1 MUNICIPAL MANAGER'S OVERVIEW



Mr R Bosman
ODM Municipal Manager

It is a great pleasure and privilege to present the Overberg District Municipality's Annual Report on the 2023/2024 financial year. The Annual Report provides an overview of the performance and progress made by the municipality in fulfilling its strategic objectives and priorities of the approved five-year Integrated Development Plan (IDP), as well as provincial and national strategic directives.

Reflecting on the 2023/24 financial year, this report captures the considerable effort made by the Overberg District Municipality (ODM) to advance the efficiency and effectiveness of services rendered to its community and stakeholders.

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

The municipality continues to conduct its meetings, as far as possible, on virtual platforms that contributes to cost saving. The ongoing interruptions in the supply of electricity by Eskom as well as floods experienced during the year, place a burden on our citizens and the municipalities within the district. Grant funding was provided by the provincial department to the municipality for the purchasing of a water truck to mitigate the effects of load shedding and flood damages on municipalities' water distribution infrastructure. The Municipal Health Services Department has strived to render top-level services in fulfilling its responsibility of monitoring water and food safety in the district, which were impacted by these occurrences. To maintain the regional landfill site at a high standard, the municipality spent an amount of R4.555 million towards the upgrading of the road infrastructure and a water back-up system at Karwyderskraal.

Fire services and the regional landfill service are delivered to the local municipalities in the district in terms of a cooperative model.

The municipality is mainly dependent on government grants and support, with limited own funding resources. The total revenue received for the 2023/24 financial year amounted to R283 million (excluding capital transfers and contributions), with a total expenditure of R269 million, resulting in a net surplus of R16.9 million. The overall status of the financial health of the municipality continues to reflect positively. This is largely due to the cash balance at year-end, the net surplus, favourable liquidity, and solvency positions. Although the ODM managed to maintain its financial sustainability, it continues to experience financial constraints to deliver services to its full potential due to limited funding sources, increased employee cost, as well as an increased demand for services due to the growing population in the district.

Effective governance oversight continued to take place throughout the year. Both the Fraud and Risk Management Committee and the Audit and Performance Audit Committee met quarterly.

During the year, formal corporate, strategic 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.

In closing, I wish to extend my sincere appreciation to the Executive Mayor, the Council, our local municipalities, communities, 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), with head office in Bredasdorp, 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 12 240.8 km² and is well known for its coastline, southernmost tip of Africa and vast farmlands.

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

Table 1: Municipalities within the Overberg District





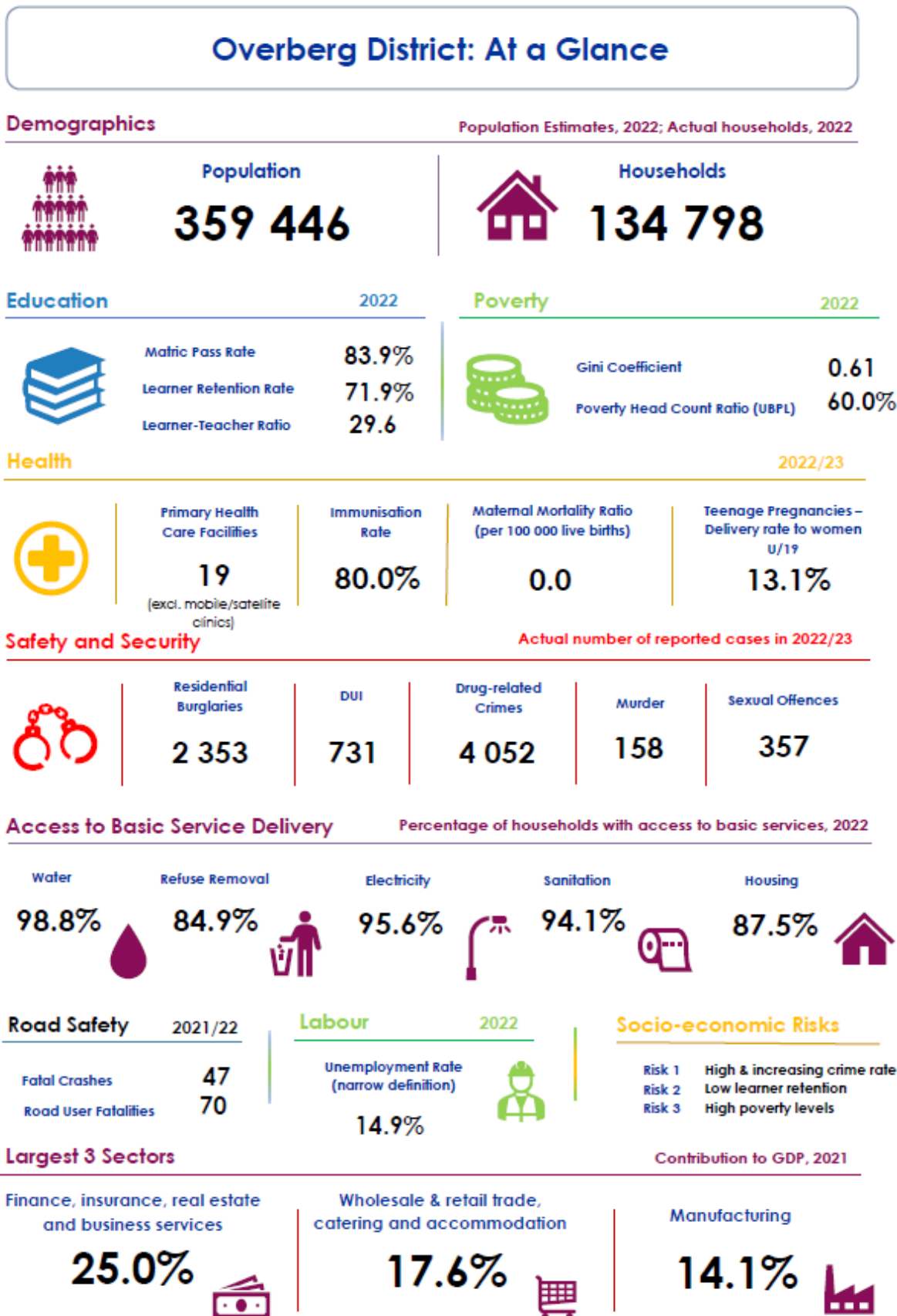
Local Municipality	Logo/Coat of Arms
Cape Agulhas Municipality , with headquarters in Bredasdorp , includes the towns of Arniston (Waenhuiskrans), Struisbaai, L'Agulhas, Suiderstrand, Napier and Elim. Agricultural activities include wheat production, stock farming and small fishing communities. Cape 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 is headquartered in Hermanus and includes the towns of Baardskeedersbos, 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 for its small fishing communities.	Munisipaliteit • U-Masipala • Municipality OVERSTRAND 
Swellendam Municipality has its headquarters in Swellendam and includes the towns of Suurbraak, Buffeljagsrivier, Infanta and Barrydale. Agricultural activities include fruit, wheat, barley, youngberries, livestock, dairy farming, grapes for export and winemaking. Other sectors are retail and manufacturing, mining and quarrying. Swellendam is also known as a tourism destination.	
Theewaterskloof Municipality is based in Caledon and includes the towns of 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

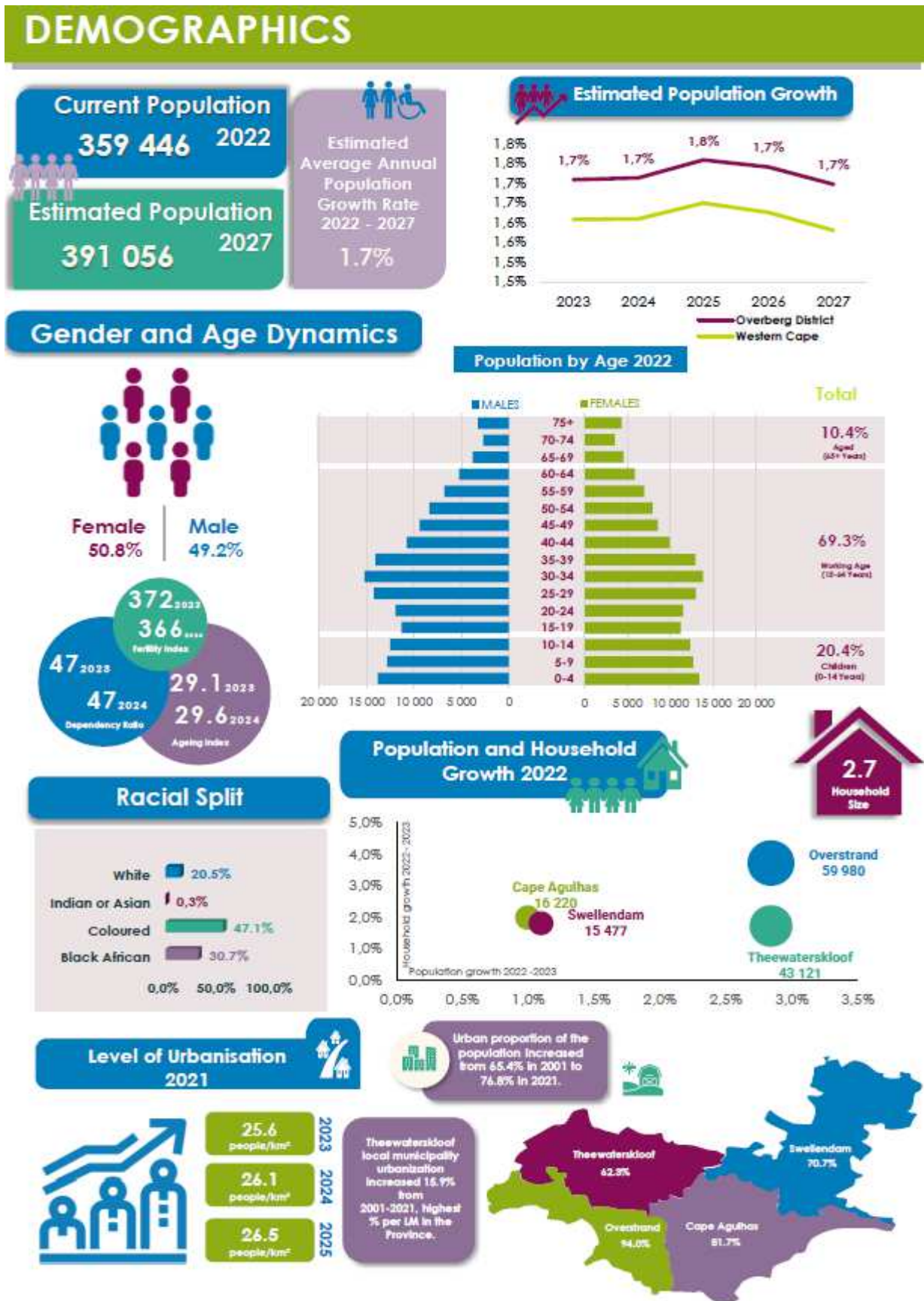


Figure 2: Infographic summary of the Overberg¹



¹ 2023 Socio-Economic Profile: Overberg District Municipality

Figure 3: Overberg District demographics²



² 2023 Socio-Economic Profile: Overberg District Municipality

POPULATION DYNAMICS³

Population

In 2022, the population of the Overberg District was estimated at 359 466 individuals who reside primarily in the Theewaterskloof (39%) and Overstrand (37%) municipal areas. The average annual population growth is estimated to be 1.7% for 2022-2027.

Gender, age ratio

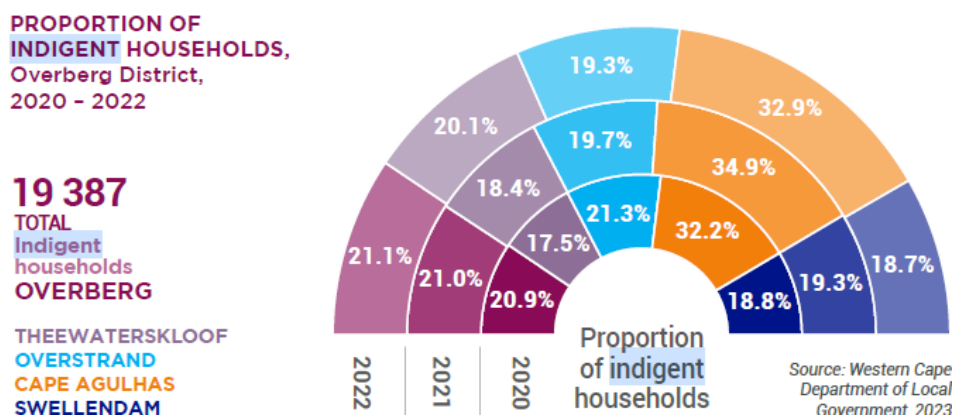
The district reveals a marginally greater representation of females (50.8%) compared to males (49.2%). The age distribution reveals a high proportion of people in the working-age category (69.3%), with smaller groups of children (20.4%) and the elderly (10.4%). The proportion of the working-age population appears relatively stable, as the dependency ration remains unchanged between 2023 and 2024.

Households

Household sizes refer to the number of people per household. The average size of households in the Overberg region is estimated to be 2.7 people per household. The number of households in the district currently stands at 134 798. Overstrand municipal area accounts for the largest share of the households, with Theewaterskloof the second largest and Swellendam the smallest.

Total number of indigent households in the Overberg: 19 387

Figure 4: Proportion of indigent households⁴



Population density

The overarching population density is recorded at 26 individuals per square kilometre. However, there is a substantial variance in population density among different local areas within the region. Overstrand, characterised by rapid population growth, registers the highest population density at 66 people per square kilometre, while Theewaterskloof, the most populous region in the district, maintains a comparative moderate population density of 39. The Swellendam and Cape Agulhas areas exhibit notably lower densities of 10 individuals per square kilometre.

In order of highest to lowest, the various local municipal areas in the Overberg District compare as follows:

- Overstrand 66 people/km²
- Theewaterskloof 39 people/km²
- Cape Agulhas 10 people/km²
- Swellendam 10 people/km²

Income

The district's per capita GDP of R89 085 in 2022 remains significantly below that of the Western Cape Province at R113 327. However, Cape Agulhas stands out with relatively high per capita GDP of R114 345, with Overstrand at the lower end, with a per capita GDP of R79 109.

³ 2023 Socio-Economic Profile: Overberg District Municipality

⁴ 2023-2024 MERO Overberg

Figure 5: GDP per capita⁵



Education

The Overberg area has a total of 82 public schools. The number of student enrolments in the district increased from 45 611 in 2021 to 47 080 in 2022. The learner-teacher ratio stood at 29.9 learners per teacher in 2022. The Overberg’s matric pass rate in 2023 has remained consistent with the previous year.

Health

The Overberg region has 19 fixed primary healthcare facilities, with 25 mobile/satellite clinics. There are also four district hospitals and one private hospital. In addition, there are 24 antiretroviral therapy and 34 tuberculosis clinics/treatment sites. The district has a total of 25 ambulances serving the area, which translates into 0.8 ambulances per 10 000 people in 2022/23. Private ambulance services also operate in the region.

Employment

There was an increase in the number of individuals returning to the job market, reflecting in the 2.9%-point increase in the labour force participation rate recorded in 2022. The economy absorbed some work seekers, as seen by the 3.3% point in the labour absorption rate. Continuing this positive trend, 8 999 jobs were created in 2022, resulting in a 1.3% decline in the unemployment rate.

It is estimated that in 2022 the Overberg region’s number of employed persons amounted to 115 043, of which 26% were informally employed. Most new employment in the informal sector was created in the agriculture and trade sector.

Figure 6: Unemployment rates 2018-2022⁶



⁵ 2023 Socio-Economic Profile: Overberg District Municipality

⁶ 2023 Socio-Economic Profile: Overberg District Municipality

Table 2: Natural resources

Natural resources	
Major natural resource	Relevance to community
Coast	Economic and job creation
Agriculture	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	Flower exports contribute to the economy and job creation
Wheat production	Economic and job creation
Fruit production	Economic and job creation

The tertiary sector contributed to 64.4% of employment with the highest employment in the trade sector (21.7%). The primary sector, which includes agriculture, is the second highest (21.4%) in 2021.⁷

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

As a district municipality, the ODM does not serve individual households – the functions of water, sanitation, electricity, refuse removal and housing provision are performed by the local municipalities. For information on basic service delivery, refer to the annual reports of the respective local municipalities in the district. The municipality operates a regional landfill site, used by local municipalities for the dumping of waste.

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.

The function of Municipal Health Services is performed in terms of the National Health Act (Act 61 of 2003) to provide and facilitate comprehensive, proactive and needs-related services that ensure a safe and healthy environment in which disease is prevented and eliminated.

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

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: Refer to chapter 3 for more detail on service delivery.

Electricity

Eskom is the main supplier of electricity in the Overberg District and sells electricity for distribution to the four local municipalities. Eskom also supplies electricity directly to the rural areas. Electricity for lighting was provided to 95.6%⁸ of households. The municipality recognises the use of renewable energy to generate electricity to supplement Eskom's supply. Two windfarms are in operation in the Overberg District, one in the Theewaterskloof municipal area and one in the Swellendam municipal area. Two wind energy facility applications were lodged in the Swellendam municipal area. These applications are currently in the environmental authorisation phase of the projects. Solar initiatives were implemented throughout the region, focusing on the diversification of energy sources.

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

⁷ 2023-2024 MERO Overberg

⁸ Stats SA – Census 2022

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 2023/24 fiscal year were submitted to the Auditor-General on 30 August 2024. All budget-related policies for the following fiscal year were reviewed and adopted by Council.

During the year under review, the municipality budgeted for a small deficit, but adjusted the budget to a surplus of R2.6 million. A top-up towards the Capital Replacement Reserve amounting to R5.9 million was made for future capital projects, concluding with a closing balance of R21 million.

The municipality strives to reduce outstanding debtors and to pay creditors within 30 days, as prescribed by legislation. The average days of the creditor-payment period for the year under review was 12 days. The loan relating to the landfill site was honoured timeously and according to the borrowing agreement.

Revenue variance to budget vs. actual was closely achieved, while the final actual expenditure variance was 4.02% less than budget. The municipality closed the year with a liquidity ratio of 2.75:1, which demonstrates that the municipality can pay its current debt.

Please refer to chapter 5 for more information on financial performance.

Table 3: Financial overview 2023/24

Financial Overview - 2023/24			
			R' 000
Details	Original budget	Adjustment budget	Actual
<u>Income</u>			
Grants	214 889	219 044	216 871
Taxes, levies and tariffs	33 125	33 379	34 616
Other	25 965	29 982	33 955
Subtotal	273 979	282 406	285 441
<u>Less Expenditure</u>			
Net total*	(2 831)	2 605	16 902
* Note: surplus/(deficit)			

Table 4: Operating ratios 2023/24

Operating Ratios	
Detail	%
Employee Cost	52.51%
Repairs and Maintenance	2.17%
Finance Charges and Depreciation	4.44%

COMMENT ON OPERATING RATIOS

The staff complement costs amount to 52.51% of the total expenditure budget for the fiscal year.

Repairs and maintenance form part of various expenditure costs, which include employee-related costs, contracted services and other expenditure relating to repair and maintenance projects. The reason for the decline in the percentage spent is explained in paragraph 5.3, and it should be noted that the figure for 2022/23 was restated. Furthermore, it should be taken into account that the maintenance spending on the road services is not included the calculations, as it

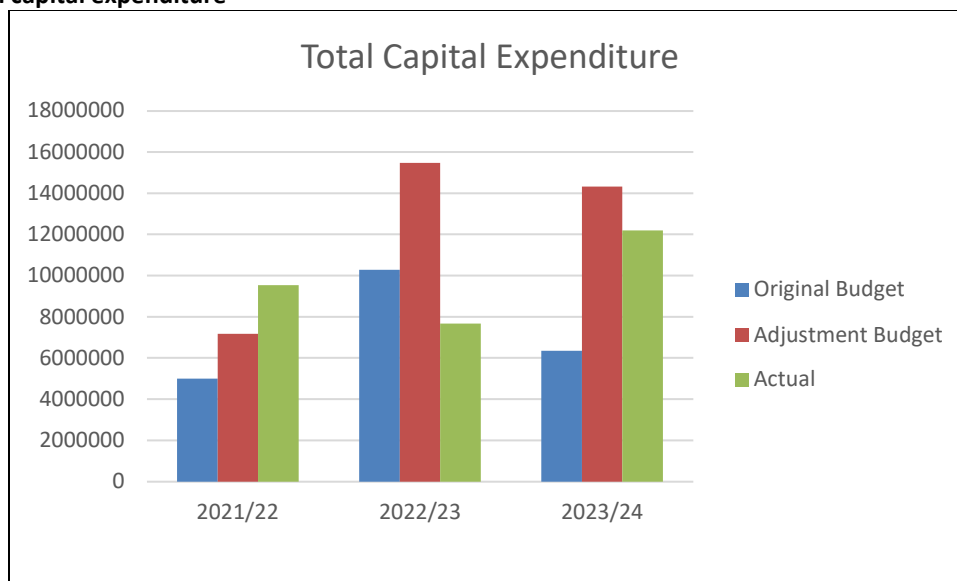
does not relate to Council assets. The percentage spent will be much more in alignment with the norm of 8% if road repair and maintenance was included in the total figure.

Finance charges and depreciation slightly decreased from the previous financial year (4.79%) to 4.44% but remain within the norms and standards.

Table 5: Total capital expenditure: 2021/22 to 2023/24

Total Capital Expenditure: 2021/22 to 2023/24			
	R'000		
Detail	2021/22	2022/23	2023/24
Original Budget	4 989	10 274	6 355
Adjustment Budget	7 177	15 470	14 322
Actual	9 537	7 671	12 191

Figure 7: Total capital expenditure



COMMENT ON CAPITAL EXPENDITURE

Capital projects for the year were hampered due to the Constitutional Court ruling on preferential procurement in the supply chain management (SCM) process and subsequent amendments of SCM regulations.

Various capital projects commenced in the financial period; however, some of the larger ones are to be rolled over to the new financial year. Bunker gear (PPE) projects could not be finalised due to suppliers being on backlog with providing stock during the power crisis the country found itself in.

Projects were rolled over to the new fiscal year, e.g. bunker gear, septic tank, and gas-conversion at resort. The municipality managed to spend 85.12% of the capital budget.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

IMPLEMENTATION OF MUNICIPAL STAFF REGULATIONS (MSR) – ORGANISATIONAL REVIEW

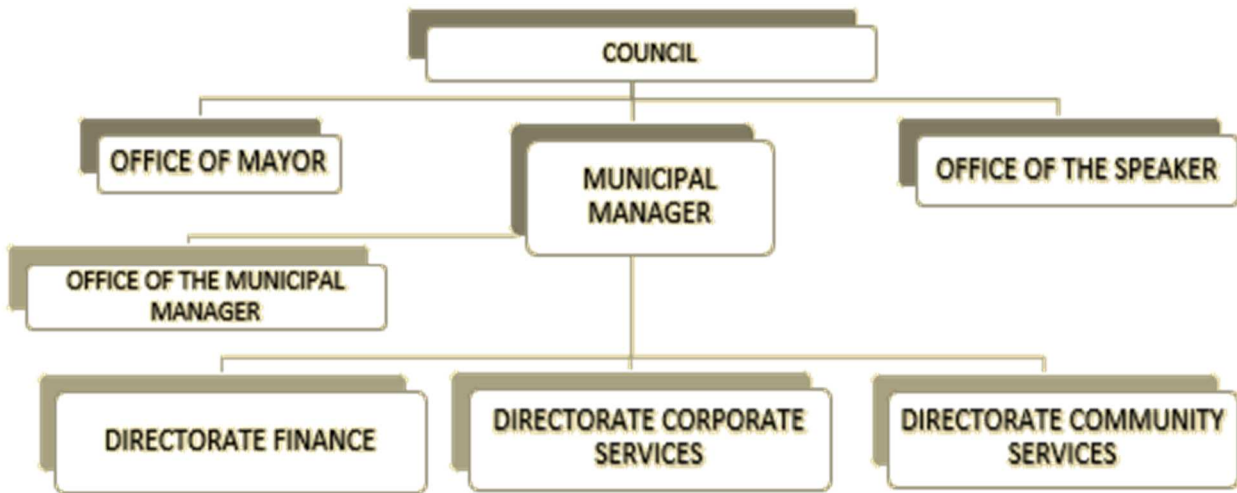
The procedure for determining a staff establishment is stipulated in the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), stating that the Municipal Manager is responsible for ensuring the review of the staff establishment process. Following the adoption of a Funded Staff Establishment on 23 June 2023, as per the Local Government: Guidelines for the Implementation of the Municipal Staff Regulations No. 891, the ODM has been implementing the following actions to ensure that such policies and procedures are in conformity with the regulations:

- Competencies assigned to all job descriptions to align with MSR provisions.
- Quarterly reporting on the implementation of the MSR to the Corporate Services Portfolio Committee, and monthly reporting to the Local Labour Forum.
- Post adoption of the Funded Staff Establishment in June 2023, DLG conducted a Review Process on 18 September 2023, followed by a formal assessment of the adopted structure on 4 October 2023.
- Attendance at SALGA, DLG and CoGTA MRS engagements.
- Standing agenda item on SALGA strategic agenda.
- Continuous MSR-related training initiatives.
- Talent Management and Succession Planning training rolled out during May 2024.
- Implementation of the Human Resources Strategy and Plan.

MSR IMPLEMENTATION PLAN

The Municipal Staff Regulations (MSR) Implementation Plan outlines various institutional actions in conformance with the regulations. These actions include Regulation Awareness, Review and Update Staff Establishment, Review Policies, Review Organisational Structure, Review Job Descriptions, Recruitment and Selection, Performance Management, and Skills Development.

Figure 8: Macro-organisational structure



The Municipal Manager, as the head of the administration, was assisted by the Chief Financial Officer, Director: Corporate Services and the Director: Community Services who was appointed with effect from 1 February 2024.

1.6 AUDITOR-GENERAL REPORT

AUDITOR-GENERAL REPORT 2023/2024

The Overberg District Municipality received an unqualified audit (clean) outcome from the Auditor-General. This achievement was accomplished by good leadership, oversight functions from Council, the Municipal Public Accounts Committee (MPAC) and the Audit and Performance Audit Committee. An Action Plan (OPCAR – Operation Clean Audit Report) is a management tool to address unsolved audit findings.

Table 6: Audit opinions

Financial year	Audit opinions
2020/21	Unqualified with no findings
2021/22	Unqualified with no findings
2022/23	Unqualified with no findings
2023/24	Unqualified with no findings

Refer to chapter 6 – Auditor-General Audit Findings – components A and B for the Auditor-General opinions for 2022/23 and 2023/24. Auditor-General report on the 2023/24 financial year - **Annexure N**.

1.7 STATUTORY ANNUAL REPORT PROCESS

Table 7: Statutory annual report process

No.	Activity	Timeframe
1	Consideration of the next financial year's budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the annual report process at the end of the budget/IDP implementation period.	July
2	Implementation and monitoring of approved budget and IDP commence (in-year financial reporting).	
3	Finalise fourth 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 the 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 chairs Council meetings, 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 years. The local government elections were held on 1 November 2021, after which Councillors were elected for a five-year period. The composition of the Council is through a system of proportional representation based on the 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 deem 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 the status from Councillor to Alderman after a five-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 Committee. 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 four Section 80 Committees, namely Finance, Corporate and 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 Accounts Committee (MPAC) established in terms of section 79 of the MSA, comprising 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 19 January 2024 and 14 March 2024 to discuss the 2022/23 Annual Report. An oversight report on the annual report is published separately in accordance with the MFMA.

Note: Section 529(a) of the MFMA S52: 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 and
Chairperson Strategic
Services Portfolio)



Ald LM de Bruyn
Speaker

MAYORAL COMMITTEE



Cllr SH Fourie
(Chairperson: Community
Services Portfolio
Committee)



Cllr AG Klaas
(Chairperson: Corporate
Services Portfolio Committee)



Ald J Nieuwoudt
(Chairperson: Finance 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 30 June 2024.

Please also refer to **Appendix B**, which sets out committees and committee purposes.

Councillors were remunerated according to the Government Notice regarding “Determination of the Upper Limits for the Salaries, Allowances and Benefits of Municipal Councillors”. To ensure that Councillors fulfil their obligations to their communities and support the ODM’s achievement of its objectives in an ethical manner, Councillors must adhere to the Code of Conduct as established in Schedule 1 of the Local Government: Municipal Systems Act (Act 32 of 2000). Section 117 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) 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 the agenda, whereafter a resolution is adopted. The Executive Mayoral Committee also makes recommendations to Council on matters that 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 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 NL Kruger
BCom (LG Accountancy) PGFO

DIRECTORATE CORPORATE SERVICES



**DIRECTOR: CORPORATE
SERVICES**
Mrs VS Zeeman
Hons Public Administration

DIRECTORATE COMMUNITY SERVICES



**DIRECTOR: COMMUNITY
SERVICES**
Ms M Boyce
*MA Development Studies
LLB/BA Law*

The 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 (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. The Director: Community Services was appointed with effect from 1 February 2024.

Appendix C provides the third-tier administrative structure.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Several intergovernmental relations (IGR) structures promote and facilitate cooperative 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, promote an approach that fosters shared service agreements, and collaborate on matters of mutual concern to the district.

Note: Section 3 of the MSA requires that municipalities exercise their executive and legislative authority within the constitutional system of cooperative governance envisaged in the section 41 of the Constitution.

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, Premier's Coordination Forums and District Coordination Forums. Through these engagements, the district municipality and local municipalities forward items to national level to ensure coordination.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Politicians and administration participated in the following provincial intergovernmental structures: Premier's Coordination Forum, MinMay, Chief Financial Officer Forum, LG MTEC/Integrated Municipal Engagements, Provincial IDP Managers' Forum, Western Cape Districts Integrated Forum, Provincial CRO and CAE Forum, Local Government SCM Forum, SCM/LED Indaba, Records Management Forum, SALGA Working Groups, Wesgro Regional Tourism Organisation Forum, Provincial LED Forum, Provincial Public Participation Forum, Provincial Communication Technical Forum, Provincial Skills Development Forum, Provincial Treasury Forum, MGRO, Joint District and Metro Approach (JDMA) District Interface Team, LG MTEC, 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, Roads Network Management, Provincial Integrated Transport Plan Committee, Accounting Working Group, Municipal Accounting Forum, Integrated Municipal Health Promotion Working Group, Provincial Safety Forum, Municipal Managers' Forum, Speakers' Forum and Provincial SDF Forum.

The municipality has sound relations with the WCG Department of Infrastructure relating to the road agency function delivered on their behalf.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The ODM does not have any municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The ODM, the local municipalities and other role players actively take part in the following district intergovernmental structures:

The District Coordinating Forum (DCF), DCFTech, District IDP Managers' Forum, District Public Participation and Communications Forum, Overberg Expanded Public Works Programme Forum, Disaster Management Advisory Forum, District LED/Tourism Forum, District Skills Development Forum, District Safety Forum, District CRO & CAE Forum, SCM Management District 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, Biodiversity and Climate Change Forum and others.

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

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

INTRODUCTION TO PUBLIC ACCOUNTABILITY AND PARTICIPATION

Accountability and community participation are enhanced by engagements through the media, publications, electronic means, IDP public participation meetings and communication tools for the budget, annual report and sector plans linked to the IDP, etc. This is further strengthened through other direct engagements with the local municipalities and sectors in the district, and priority issues in the local municipal areas are incorporated into the IDP of the ODM. The Council meetings are also open to the public.

IDP/BUDGET/PMS TIME SCHEDULE OF KEY DEADLINES 2023/2024

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 the Western Cape Government, an IDP/Budget/PMS time schedule of key deadlines for 2023/24 was developed in preparation for the 2024/25 annual budget and 2nd IDP Review.

The time schedule, guided and informed by the five-year section 27 District IDP Framework and Process Plan, was workshopped at a District IDP Managers' Forum meeting on 8 February 2022 to ensure horizontal and vertical alignment of various activities on a provincial, district and local level. Council adopted the time schedule on 21 August 2023.

IDP AND BUDGET PUBLIC PARTICIPATION

Sections 83 and 84 of the Municipal Structures Act (Act 117 of 1998) compel a district municipality to ensure integrated development planning for the entire district. 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 2023/24 period, the Overberg District Municipality employed various methods of public participation by way of structured and functional district fora to further ensure an integrated planning process for the region. As part of the District Awareness Campaign and public participation process, the IDP & Communications Department had an outreach activity in the community of Bredasdorp on 6 December 2023 and 12 June 2024. The aim of the outreach was to inform the community and other stakeholders about the importance of integrated development planning and what the community's role is.

The draft 2023/24 Review and Amended IDP and budget were tabled in Council on 27 March 2023 and published for public comment until the end of April 2023. The public participation processes continued by virtue of advertisements, publications of the website and social media platforms to give the community and other stakeholders an opportunity to give input and submit comments. Documents were also placed at the usual community access points.

2.4 PUBLIC MEETINGS

Table 8: District and provincial integrated municipal engagements

Structure	Date	Outcomes	Stakeholders
Overberg District structures			
Strategic Session with Council	24 April 2023	Strategic session with full Council on the 2 nd IDP review for 2023/24	<ul style="list-style-type: none"> ▪ Full Council ▪ Senior Management
District IDP Managers' Forum	10 March 2023	Ensuring alignment of District and Local Municipal Process Plans / Time Schedules. Considering IDP adoption options for 2022/23 period; and Determining the way forward for the next financial year.	<ul style="list-style-type: none"> ▪ District and Local IDP Practitioners ▪ District and Local Public Participation Practitioners ▪ District and Local Communicators
	12 May 2023	Revised Terms of Reference; Feedback on Provincial/District IDP engagement; IDP and Public Participation methods; Overberg Community Survey; Regional alignment of 2023/24 time schedules.	<ul style="list-style-type: none"> ▪ Provincial IDP Directorate ▪ Provincial Public Participation

District IDP Managers' Forum	25-26 October 2023	District IDP Strategic session to: <ul style="list-style-type: none"> ✓ Collectively look at limitations and address such accordingly. ✓ Engage different sectors and stakeholders for continuous support and assistance. Build and strengthen relationships.	<ul style="list-style-type: none"> ▪ Provincial Communications ▪ GCIS ▪ WCG Sector Departments
	4 Augustus 2023	Alignment of District and Local Municipal Process Plans. Considering IDP adoption options for 2023/2024 period. Determining the way forward for the next financial year.	
District Public Participation and Communicators' Forum	28 July 2023	Overberg Community Outreach Project; Communications and Public Participation; District, Local and GCIS communications reports; Time schedules of key deadlines in preparation for 2024/25.	<ul style="list-style-type: none"> ▪ District and Local IDP Practitioners ▪ Provincial IDP Directorate ▪ WCG Department of Local Government ▪ Department of Human Settlements
	1 September 2023		
	15 November 2023		
Provincial structures			
Provincial IDP Managers Forum	1 June 2023 30 November – 1 December 2023	JDMA; Alignment of IDPs with One Plans; Provincial Recovery Plan; MERO and PERO; Alignment of time schedules; APP assessments; Team allocations to regions.	<ul style="list-style-type: none"> ▪ Western Cape municipalities ▪ Provincial Disaster Management ▪ Department of Local Government ▪ Extended role players
Provincial Public Participation Forum	19-20 October 2023	Oversight visits by the National Assembly's Portfolio Committee; Legislative Review; Khoisan and CDWs presentation; Ward Councillor training; Ward Councillor Community Feedback Meeting; Civic education; WC Human Settlements APP.	<ul style="list-style-type: none"> ▪ Western Cape municipalities ▪ Department of Local Government
Provincial Comm Tech Forum	14-15 June 2023	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 ▪ Department of Local Government
	14-15 September 2023	District municipalities report on activities in response to Covid-19 pandemic; DLG super spreader overview and plan; Updates on training programmes by DLG.	
	23-24 November 2023		
Integrated provincial/municipal engagements			
DCFTech/ Tech. Integrated Municipal Engagement (TIME)	16 February 2024	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 9: IDP participation and alignment criteria

IDP participation and alignment criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes of national government?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter-aligned reports submitted within stipulated timeframes?	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's ethical conduct and being a good corporate citizen. The municipality therefore adheres 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 7 June 2024. The aim of the framework is to optimise the assurance coverage obtained from Council, management, corporate support functions, and internal and external assurance providers on the top risks affecting the municipality. The Fraud and Risk Management Committee, Internal Audit, and the Audit and Performance Audit Committee form an integral part of assurance providers.

2.6 RISK MANAGEMENT

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

The risk management function is performed by the Performance and Risk Management Department and supports the Fraud and Risk Management Committee (FARMCO).

The FARMCO consists of directors, the Manager IDP and Communications and a representative from the department of Performance and Risk Management and a member of the Audit and Performance Audit Committee (APAC) who acts as the chairperson of the committee. Internal Audit also forms a fundamental part of this committee. Quarterly meetings were held, during which 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
- Risk Management Strategy

Actions were taken to monitor the effectiveness of risk management and the outcomes of risk management activities. In terms of section 166 of the MFMA, the APAC, 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 FARMCO meeting minutes were submitted to the APAC on a quarterly basis.

Assurance provided is classified at three levels, namely senior management (first level), Internal Audit and APAC (second level) and Council and Municipal Public Accounts Committee (MPAC) (third level). The Auditor-General is an external body that also provides assurance.

Figure 9: Combined assurance framework

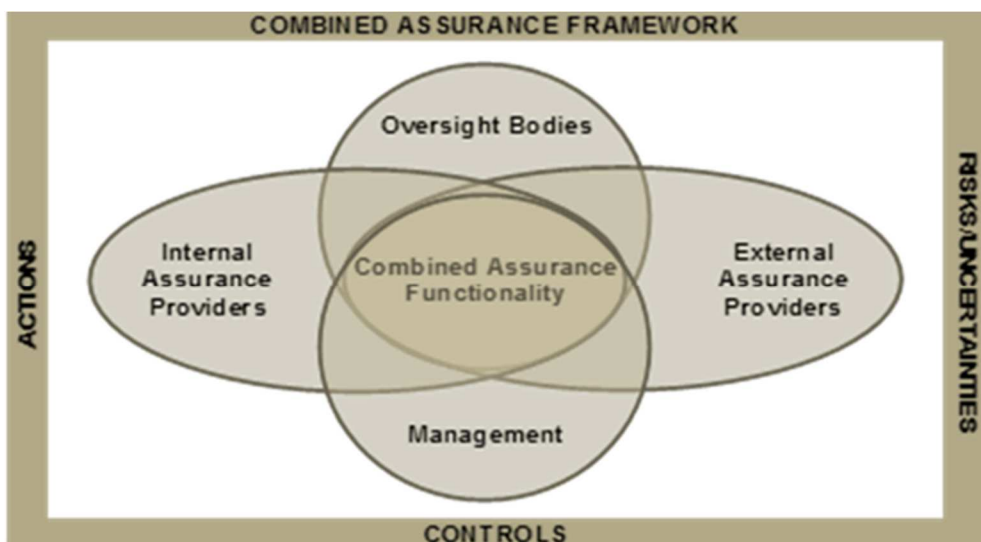


Table 10: Dates of Fraud and Risk Management Committee and Audit and Performance Audit Committee meetings

Committee	Date	Quorum
APAC	07 June 2023	Yes
APAC	16 August 2023	Yes
APAC	29 August 2023	Yes
APAC	29 September 2023	Yes
FARMCO	29 September 2023	Yes
APAC	27 November 202	Yes
FARMCO	24 November 2023	Yes
APAC	19 January 2024	Yes
FARMCO	23 February 2024	Yes
APAC	27 March 2024	Yes
FARMCO	07 June 2024	Yes
APAC	28 June 2024	Yes

Strategic risks were identified by the Executive Mayoral Committee and approved by Council. Departmental risks and controls were identified by the risk champions of each department. Internal Audit uses the information in the risk registers to draft a Risk-based Audit Plan.

The table below indicates the top five strategic risks that were identified through the risk management process and were monitored throughout the year. Actions were implemented to mitigate the identified risks.

Table 11: Top five strategic risks

Risk level	Risk description	Cause of risk	Current controls
Strategic	1. Compromise financial sustainability of a municipality.	1. Insufficient equitable share allocation to fund-allocated functions due to an outdated national funding model for the ODM. 2. The increase in expenditure is higher than the increase in revenue/grants.	1. Cost containment measures. 2. Strict budget controls. 3. Realistic budget. 4. Apply for conditional grants. 5. Long-term financial plan. 6. Form partnerships. 7. In-year monitoring. 8. Submission to FFC, SALGA, PT and NT to propose for a funding model to sustain service levels.
Strategic	2. Service delivery protests.	1. Dissatisfied community due to lack of service delivery. 2. Intimidation of community members by certain factions.	1. Disaster management plan. 2. Safety plan for the district. 3. Intervention of POCS and SAPS. 4. Appoint a mediator. 5. Quarterly safety forum. 6. Reporting to DCF. 7. Insurance (SASRIA). 8. Disaster Management SOP.
Strategic	3. Extreme weather conditions.	Climate change and extreme weather conditions.	1. Disaster Management Framework. 2. Disaster Risk Management Plan. 3. Climate Change Response Framework. 4. Spatial Development Framework. 5. Winter and summer readiness plans. 6. Monthly coastal and catchment monitoring. 7. Organic waste diversion at Karwyderskraal Landfill site (reduce greenhouse gas emissions). 8. Overberg Climate and Biodiversity Forum. 9. Coastal Management Programme. 10. Alien invasive species monitoring, control, eradication plan. 11. Landowner involvement. 12. Environmental Management - impacted management - inclusion of climate change consideration. 13. Municipal Coastal Committee. 14. ODM is a licence authority for atmospheric emission. 15. Monitoring water quality. 16. Disaster Risk Assessment.

Risk level	Risk description	Cause of risk	Current controls
Strategic	4. Deteriorating and loss of institutional capacity.	<ol style="list-style-type: none"> 1. The grading of the municipality (Grade 4) is impacting on the competitiveness of the municipality and its ability to retain its best staff and managers. 2. Two different systems are used to determine the salaries of staff and Section 56 appointees, which could lead to the difficulty to fill senior management positions. 3. Current funding model, grading of the municipality and salary structures do not allow to pay a premium for Employment Equity candidates. 4. Lack of funds to replace, maintain or expand fleet and equipment. 5. Limited internal revenue sources as mostly dependent on grant funding. 	<ol style="list-style-type: none"> 1. Grant funding (provincial and national). 2. Consultants are used when required. 3. Staff recruitment policy and directive. 4. Employment Equity plan. 5. Form strategic partnerships with stakeholders, e.g. fire stations at Caledon and Grabouw. 6. Draft fleet replacement plan. 7. Staff succession plan. 8. Staff appointments per organisational structure. 9. Commitment of current staff. 10. Critical position identified for filling. 11. Budget for the replacement of fleet. 12. ICT equipment replacement plan.
Strategic	5. Insufficient supply of electricity (load-shedding).	<ol style="list-style-type: none"> 1. Lack of maintenance of infrastructure by Eskom. 	<ol style="list-style-type: none"> 1. Install generators at selective ODM sites. 2. Received funding for the purchase of generators for emergency relief. 3. Energy Board for district. 4. Provincial energy intervention. 5. Business Continuity Framework and Plan - Electricity Blackout Tactical Plan 6. Overberg District Municipality Eskom Emergency Strategic Plan.

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, supported by an Anti-Corruption, Fraud 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, as well as 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, the plan intends to assist in preventing, detecting, investigating and sanctioning fraud and corruption.

In terms of section 3 of the Prevention and Combating of Corrupt Activity Act, 2004, fraud declarations were issued to the Finance Portfolio Committee, and a report on any act of financial misconduct or an offence in terms of chapter 15 of the MFMA for the year was tabled to the Executive Mayoral Committee on 21 June 2023. Incidents of alleged fraud, corruption and unethical behaviour are recorded in a 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.

The Fraud and Risk Management Committee reviewed the Anti-Corruption and Fraud Prevention Plan, the Anti-Corruption, Fraud and Financial Misconduct Policy, as well as the Code of Ethics, which were approved by Council.

Continuous fraud and corruption awareness takes place through the municipality's internal newsletter (*Decus Nostrum*), noticeboards and e-mails.

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 the segregation of duties and processes. The APAC 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 APAC are prescribed in section 166(2) (a-e) of the MFMA and the Local Government: Municipal and Performance Management Regulations and read 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.
- To compile reports for 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.
- At least twice during each financial year, submit a performance audit report to the Council of the municipality.

Table 12: Audit and Performance Audit Committee members' appointments

Name	Capacity	Period of Appointment
Pieter Strauss	Previous Chairperson	Appointed 29 November 2017, reappointed 29 November 2020 (3 years). Second term ended 28 November 2023.
Tom Blok	Member	Appointed 29 November 2020 (3 years), reappointed 29 November 2023 for second 3-year term.
Chessy Pieterse	Member	Appointed 29 November 2017, reappointed 29 November 2020 (3 years). Second term ended 28 November 2023.
Danie Smith	New Chairperson	Appointed 1 June 2021 (3 years). Reappointed for second term from 1 June 2024 and elected as Chairperson from 29 November 2023.
Johan Steyl	Member	Appointed 29 November 2023 for 3-year term.
Jeremy Fairbairn	Member	Appointed 29 November 2023 for 3-year term.

Ethics are practically implemented in the municipality through the Oath for Councillors, Code of Conduct for 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 and the Code of Ethics. A disciplinary committee was established to attend to matters of misconduct. Whistle-blowing can

be reported to Internal Audit. The national hotline as well as the provincial number is currently used for reporting fraud and corruption.

Appendix E – Report of the Audit and Performance Audit Committee. The recommendations of the committee for 2023/24 are set out in **Appendix F**.

Notes: Refer to chapter 4 for details of disciplinary action taken in cases of financial mismanagement.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was amended on 29 January 2024. 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 maintains 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 permitted to serve on any supply chain management committees.

Performance assessments were done on a biannual 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 R30 000). A detailed list is set out in Component K.

Appendix G contains a list of the largest contracts that exceed one 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: Sections 110 to 119 of the MFMA, the SCM Regulations 2005 and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimise opportunities for fraud and corruption.

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

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

B-BBEE level	Total contracts awarded
Level 1	48
Level 2	12
Level 3	1
Level 4	27
Level 5	0
Level 6	1
Level 7	1
Level 8	0
Non-compliant contributor	5
TOTAL	95

2.9 BY-LAWS

Note: Section 11(3)(m) of the MSA 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-LAWS – No new by-laws were developed or gazetted during the year.

2.10 WEBSITES

The table below provides information on documents that are published on the municipality's website.

Table 14: Website checklist

Municipal website		
Documents published	Yes/No	Publishing date
Current annual and adjustment budget and budget-related documents	Yes	Various
All current budget-related policies	Yes	Various
The previous annual report 2022/23	Yes	28 March 2024
The annual report 2023/24 to be published	No	March 2025
All current performance agreements 2023/24 – required in terms of section 57(1)(b) of the Municipal Systems Act	Yes	1 August 2023
All service delivery agreements 2023/24	Yes	Various
All long-term borrowing contracts	Yes	Various
All supply chain management contracts above R0 value for year 2023/24	Yes	Various
An information statement containing a list of assets over a prescribed value that have been disposed during 2023/24 – in terms of section 14(2) or (4)	Yes	16 July 2024
Contracts agreed in 2023/24 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	Yes	Various
Public-private partnership agreements made in 2023/24 – referred to in section 120	No	N/A
All quarterly reports tabled in the Council during 2023/24 – in terms of section 52(d)	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 applicable to the municipality that is required in terms of section 75(1) of the Municipal Finance Management Act 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 WITH 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 lodged.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

INTRODUCTION

This report provides an overview of the performance of the Overberg District Municipality for the period 1 July 2023 to 30 June 2024, as measured against the strategic goals that are set out in the 2023/24 Integrated Development Plan (IDP) and the key performance indicators (KPIs) contained in the approved Service Delivery and Budget Implementation Plan (SDBIP).

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

Strategic Goal 1 (SG1)

To ensure the wellbeing 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 will adhere to the principles of employment equity and promote skills development.

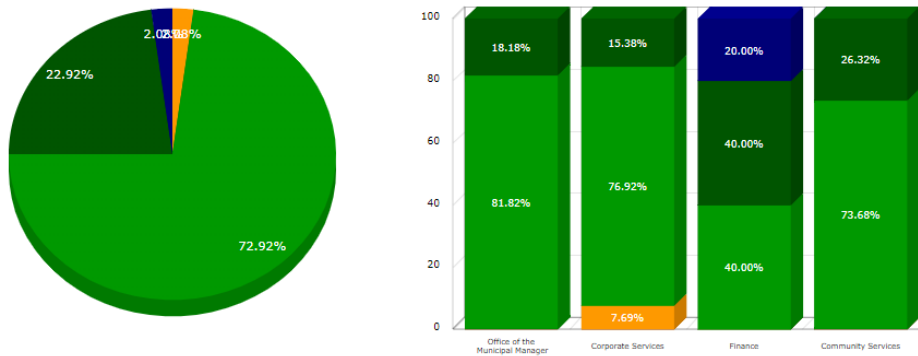
Strategic Goal 4 (SG4)

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 proactive 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	-	-	-	-	-	-
Almost Met	1	-	-	1	-	-
Met	35	11	4	3	2	15
Well Met	11	5	1	1	3	1
Extremely Well Met	1	-	-	-	1	-
Total	48 (100%)	16 (33.33%)	5 (10.42%)	5 (10.42%)	6 (12.50%)	16 (33.33%)

A detailed performance report for 2023/24 per strategic goal can be found in **Component J – Organisational Performance**.

COMPONENT A: BASIC SERVICES

The municipality provides a function in respect of solid waste, whilst services in respect of water, electricity, sanitation and housing are provided by the 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 – Builders' Rubble Diversion Plan

The waste management strategic objectives for Overberg District Municipality that the IWMP is based on, 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 cooperative community action.
- provide solutions for the three main objectives:
 - the avoidance of waste generation
 - the reduction of waste volumes
 - the safe disposal of waste

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

Goal 1: Strengthened education, capacity and advocacy towards integrated waste management		
Objectives		2023/24
Strategic Objective 1	Facilitate consumer and industry responsibility in integrated waste management	Quarterly meetings of the Regional Waste Forum are maintained with the focus on regionalisation of waste services to promote economies of scale, cooperation between municipalities and collective planning towards the future.
Strategic Objective 2	Promote and ensure awareness and education of integrated waste management	Regional Waste Forum serves as the platform to identify training needs. Sharing of regional landfill facility information with other districts who are in the development phase.
Strategic Objective 3	Build and strengthen waste management capacity	<ul style="list-style-type: none"> • Attendance of Waste Expo • Site visits by external landfill groups/parties <ul style="list-style-type: none"> ○ Fezile Dabi District Municipality ○ Composting Working Group (KZN and CCT) ○ West Coast District Municipality ○ Saldanha Bay Municipality ○ Cape Winelands District Municipality
Goal 2: Improved integrated waste management planning and implementation for efficient waste services and infrastructure		
Objectives		2023/24
Strategic Objective 1	Facilitate municipal waste management planning	Quarterly Regional Waste Forum focuses on collective planning. The annual tariff review between signatories of the Karwyderskraal SLA continues. Technical discussions with waste managers were facilitated in order to prioritise infrastructure expansion.

Strategic Objective 3	Promote the establishment of integrated waste management infrastructure and services	<p>Cape Agulhas Municipality indicated their commitment to join as user municipality by November 2024. An SLA was drafted. The focus will remain on Swellendam to facilitate further discussion on infrastructure development to divert waste from landfill and to become future users of Karwyderskraal.</p> <p>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 2026/27.</p>
Strategic Objective 4	Ensure effective and efficient waste information management	<p>Both landfilled and diverted volumes for Karwyderskraal are reported monthly to provincial government via the Integrated Pollution and Waste Information System.</p> <p>The facility receives an average of 6 400 tons of waste a month. The organic waste diversion average is currently 49.1%. 34% of all waste received over the past 12 months has been diverted from landfill.</p>
Goal 3: Effective and efficient utilisation of resources		
Objectives		2023/24
Strategic Objective 2	Stimulate job creation within the waste economy	The promotion of waste diversion through 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	Street level waste characterisation studies for both Overstrand and Theewaterskloof are conducted annually. The refined data will focus on waste diversion efforts, specifically that of organic waste, that will be both cost efficient and effective.
Goal 4: Improved compliance with environmental regulatory framework		
Objectives		2023/24
Strategic Objective 1	Strengthen compliance monitoring and enforcement	Quarterly compliance audits are performed on the 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 98.97% for the period under 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. This platform is held virtually to accommodate more parties.
Strategic Objective 2	Remediate and rehabilitate contaminated land	Budget provision is made for the long-term rehabilitation of the regional landfill facility through annual tariff setting and a ring-fenced account.

Figure 11: Projected vs estimated available air space for Cell 4

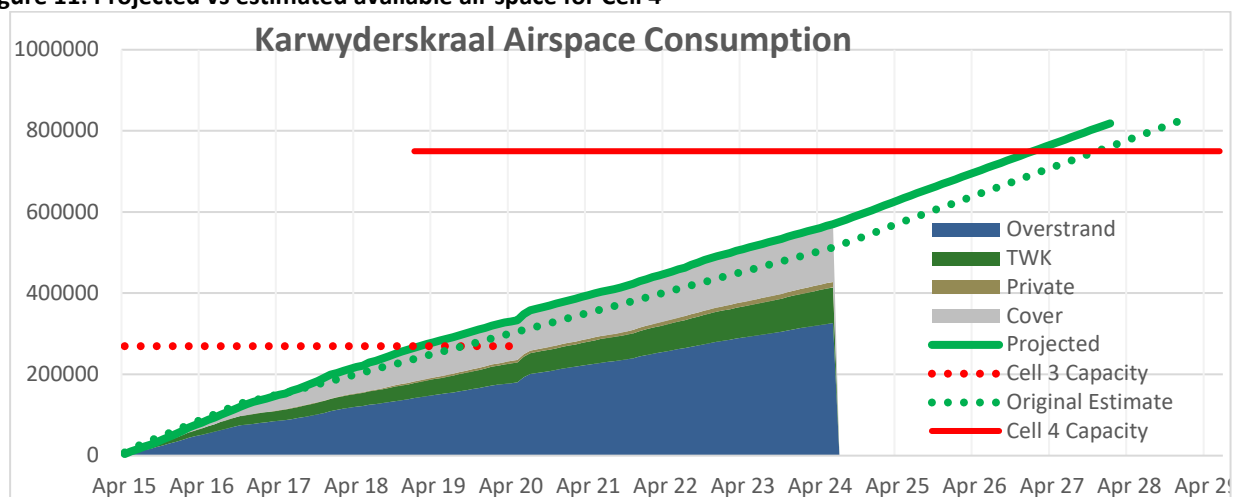


Table 16: Total waste volumes (t) per user disposed at Karwyderskraal regional landfill up to June 2024

Month	Overstrand				Theewaterskloof				Private			
	MSW	BR Small	BR Large	Chipped Garden waste	MSW	BR Small	BR Large	Chipped Garden Waste	MSW	BR Small	BR Large	Fruit Waste
Jul 23	2 048.92	255.98	4.7	550.10	579.52	0.00	0.00	0.00	243.34	269.86		111.00
Aug 23	2 681.80	514.00	0	571.20	847.18	10.88	0.00	0.00	132.00	360.08	1.86	187.00
Sep 23	3 023.37	616.98	0	845.17	1 137.60	24.47	0.00	122.78	147.62	199.92	49.41	314.58
Oct 23	2 839.21	487.49	0	910.84	617.39	16.27	0.00	0.00	76.88	171.58		258.66
Nov 23	3 646.14	529.86	0	1 204.67	862.64	0.00	0.00	0.00	539.60	496.03		208.46
Dec 23	3 637.62	421.70	0	1 508.64	855.84	10.88	0.00	43.79	235.71	631.84		280.12
Jan 24	3 577.76	539.49	0	754.78	937.61	15.02	0.00	11.66	120.18	122.60		43.58
Feb 24	3 314.74	552.52	0	1 161.34	841.48	5.76	0.00	12.00	187.44	282.44	4.48	95.52
Mar 24	3 214.31	801.18	0	952.01	860.00	66.84	0.00	0.00	126.16	265.94		277.22
Apr 24	3 018.68	626.58	0	812.14	891.72	17.52	0.00	0.00	95.11	77.48		322.28
May 24	2 764.75	825.76	89.56	996.42	1 190.16	24.46	0.00	71.78	165.22	258.84		337.48
Jun 24	3 921.86	961.50	17.56	1 246.48	1 296.68	121.48	0.00	0.00	224.06	432.32	40.86	772.32
Total	37 689.16	7 133.04	111.82	11 513.79	10 917.82	313.58	0.00	262.01	2 293.32	3 568.93	96.61	3 208.22

Service delivery highlights for 2023/24

- Completion of the upgrade of the access road and water back-up plan for the facility.
- Cape Agulhas Municipality agreed to become a user municipality and an SLA was drafted.
- The compliance audit outcome - 98.97%, is a reflection of the continuous effort and dedication to maintain a high standard of compliance.
- Several external visits to Karwyderskraal reflect the fact that it remains one of the best managed regional waste facilities.

Service delivery challenges for 2023/24

- Continued increase in costs to maintain compliance with legislation.

Table 17: Financial performance: Solid Waste Management

Financial Performance: Solid Waste Management						
R'000						
Details	2022/23	2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)
Total Operational Revenue	11 575	14 300	14 804	14 961	1%	157
Expenditure:						
Employees						
Repairs and Maintenance						
Other	9 283	9 967	9 339	8 896	-5%	(443)
Total Operational Expenditure	9 283	9 967	9 339	8 896	-5%	(443)
Net Operational Surplus/(Deficit)	2 292	4 333	5 465	6 065	11%	600
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>						

Table 18: Capital expenditure: Solid Waste Management

Capital Expenditure: Waste Management Services						
R' 000						
Capital Projects	2023/24					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All		4 536	4 555	0%		19

Table 19: Accumulated over- / underrecovery for Solid Waste Management

Accumulated Over-/Underrecovery for Solid Waste Management				
R' 000				
	2021 Restated	2022 AFS	2023 AFS	2024 AFS
Over-/(Underrecovery) - Solid Waste Department per AFS	2 850	1 418	2 292	6 065
Less: Overhead Costs	(543)	(679)	(623)	(677)
Over-/(underrecovery) - Solid Waste per AFS	2 308	739	1 670	5 389
Add Back iGRAP 2 entries	361	(1 236)	(499)	212
Add Back Depreciation	649	637	602	630
Add Back Rehabilitation Fees Raised	(880)	(740)	(997)	(1 090)
Over-/(Underrecovery) after adding back specific items	2 438	(599)	776	5 140
Capital Repayments	(2 439)	(2 726)	(3 046)	(4 120)
Net Over-/(Underrecovery)	(2)	(3 324)	(2 270)	1 020
Note 1				
Capital Repayments	(2 949)	(3 296)	(3 684)	(4 120)
Portion relating to upgrading of Cell 4	0.83	0.83	0.83	1.00
To be included	(2 439)	(2 726)	(3 046)	(4 120)

COMMENT ON SOLID WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Overberg District Municipality's regional landfill site (Karwyderskraal) currently services two of the local municipalities in the region (Theewaterskloof Municipality and Overstrand Municipality). The landfill is fully operational; however, an accumulated R2.2 million under recovery realised for the 2022/23 financial year. The tariffs were adjusted to the model, and the underrecovery was eliminated as accumulated overrecovery of R1 million calculated for the fiscal period (Table 19). Operating expenditure at the landfill was lower.

The capital project regarding the upgrade of the road infrastructure and water back-up plan was finalised during the year.

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

Overberg District Municipality acts as an agent for the WCG Department of Infrastructure to maintain proclaimed provincial roads in the district. The local municipalities are responsible for managing roads/streets in their respective towns. The ODM is also responsible for an Integrated Transport Plan for the district.

3.2 ROADS

INTRODUCTION TO ROADS

The ODM is an agent for the Western Cape Government, Department of Infrastructure, 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 costs in the Roads section. The function is performed from subdistrict depots at Swellendam, Bredasdorp and Caledon.

Service delivery highlights for 2023/24

Completion of the upgrading of MR 276 (Boontjieskraal) to a permanent surface road.

Service delivery challenges for 2023/24

Severe weather events and floods that led to continuous damages to road infrastructure.

Table 20: Gravel road infrastructure

Gravel road infrastructure						Kilometres
Financial year	Total gravel roads at beginning of financial year	New gravel roads	Gravel roads upgraded to asphalt (tar)	Gravel roads re-gravelled	Gravel roads maintained at yearend	
2021/22	3191.02	0	1.34	48.18	3189.68	
2022/23	3189.68	0	2.42	42.19	3187.26	
2023/24	3187.26	0	2.28	34.44	3184.98	

Table 21: Tar road infrastructure

Tar road infrastructure						Kilometres
Financial year	Total tar roads at beginning of financial year	New tar roads	Existing tar roads re-tarred	Existing as tar roads re-sheeted	Tar roads maintained at yearend	
2021/22	504.23	1.34	24.90	0	505.57	
2022/23	505.57	2.42	16.25	0	507.99	
2023/24	507.99	2.28	13.75	0	510.27	

Table 22: Cost of road infrastructure

Cost of road infrastructure							R'000
Financial year	Gravel			Tar			
	Regravel	Gravel-Tar	Maintained	Rehabilitation	Re-seal	Maintained	
2021/22	35 360	34 008	41 080	0	10 163	11 206	
2022/23	36 171	27 445	44 076	0	13 189	9 685	
2023/24	26 602	27 234	53 436	0	10 312	19 401	

Figure 12: Road infrastructure costs

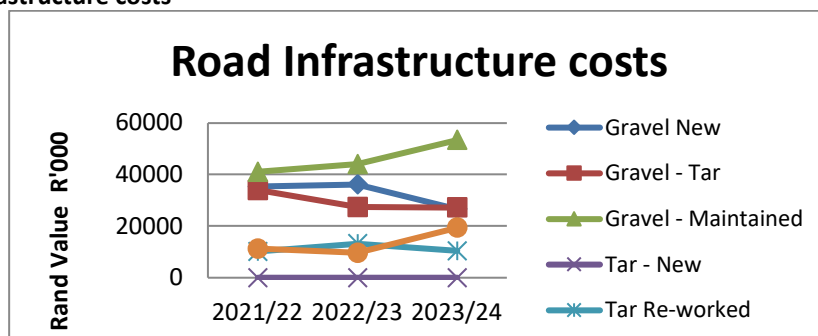


Table 23: Employees in Roads Services

Employees: Road Services					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	109	119	118	1	5.04%
4 - 6	37	47	44	3	6.38%
7 - 9	42	47	41	6	12.77%
10 - 12	17	18	18	0	0.00%
13 - 15	5	7	6	1	14.29%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	211	239	228	11	6.69%

Table 24: Financial performance: Roads Services

Financial Performance: Road Services							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	119 725	122 375	123 408	125 874	2%	2 466	
Expenditure:							
Employees	53 431	48 525	54 020	59 848	11%	5 827	
Repairs and Maintenance							
Other	61 359	73 850	69 388	60 779	-12%	(8 609)	
Total Operational Expenditure	114 791	122 375	123 408	120 627	-2%	(2 781)	
Net Operational Surplus/(Deficit)	4 934	0	0	5 247	100%	5 247	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 25: Capital expenditure: Roads Services

Capital expenditure: Roads Services							R' 000
Capital projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All			0	0		0	

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The Roads Services are performed by the Overberg District Municipality on behalf of the WCG Department of Infrastructure. The operational revenue budget grew throughout the financial year with addendums added to the memorandum of agreement between the two parties. Additional projects were rendered by the municipality for the period and unexpected costs due to flooding also contributed to the increases. Although the operational expenditure was lower than originally budgeted, due to the impact of flooding causing delays in operations, the total expense for the year remained below the adjusted budget. It needs to be mentioned that all expenditure of Roads is operational in nature. The activities on roads infrastructure, reported in tables 24 and 25, are on the assets that belong to the WCG and in table 24 (Repair and maintenance) on the 'yellow fleet', which is also the assets of WCG. Any expenditure on

operating assets (such as computers, office furniture, etc.) are expensed and not capitalised and recorded in an inventory register in terms of the MoA.

3.3 TRANSPORT

INTRODUCTION TO TRANSPORT

INTEGRATED TRANSPORT PLAN

The Overberg District Municipality is responsible for developing an Integrated Transport Plan (ITP) for the district, as required by the National Land Transport Act (Act 5 of 2009) and the National Land Transport Transition Act (Act 22 of 2000). The revised ITP was adopted by Council on 25 October 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 in collecting road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa. This is a three-year project that was completed in the fourth quarter of the year.

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

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

3.4 PLANNING (IDP, COMMUNICATION AND SPATIAL PLANNING)

IDP/BUDGET/PMS TIME SCHEDULE OF KEY DEADLINES 2023/24

The IDP/Budget/PMS time schedule of key deadlines for 2023/24 was developed in preparation for the 2024/25 IDP Review and Annual Budget. The Council adopted the time schedule on 21 August 2023.

The 2024/25 draft 2nd Review of the IDP together with the 2024/25 Budget were tabled to Council on 25 March 2024 with the final 2024/25 2nd Review of the IDP adopted on 24 May 2024.

OVERBERG IDP AWARENESS

As part of the District Awareness Campaign and public participation process, the IDP and Communications Department had an outreach activity in the community of Bredasdorp on 6 December 2023. The aim of the outreach was to inform the community and other stakeholders about the importance of integrated development planning and what the community's role is. The community members were also enlightened on the role of the district as compared to the role of a local municipality. The IDP and Communications Department was joined by the Fire Services and Social Development Department to inform community members of fire dangers that might occur during fire season. The Social Development Department shared information with regard to their role through the service the district municipality renders to communities.



IDP awareness with community members of Bredasdorp

On 12 June 2024, senior learners from High School Bredasdorp and Albert Myburgh Secondary School attended an awareness session in the Council Chamber of the ODM Head Office, where they were presented with an overview of the district's 5-year Integrated Development Plan as well as some of the roles and functions of the district municipality. Both learner groups were made up of Grades 11 and 12 pupils. The purpose of these engagements is to promote awareness in terms of the roles and responsibilities that the district municipality has regarding service delivery to the communities and inhabitants of the Overberg. The Deputy Executive Mayor of the Overberg District Municipality and Strategic Services Portfolio Chairperson, Ald Helen Coetzee, welcomed all the learners and expressed the importance of the IDP and the role of residents in the IDP process. Introducing the learners to the roles and functions of the district municipality and its processes is important, especially educating them on their roles in local government and how they can influence and impact government decision-making processes.



Awareness session with learners from High School Bredasdorp and Albert Myburgh Secondary School

JDMA

The Joint District and Metropolitan Approach (JDMA) is premised on principles of co-planning, co-budgeting and co-implementation. It provides a space where the three spheres of government and private sector can coordinate catalytic projects in a collaborative manner in order to positively impact the lives of citizens.

An integrated planning engagement consisting of the District and Local Municipal Managers for the Overberg District was held on 19 April 2024. The session was convened by DLG's Integrated Development Planning Directorate in conjunction with the JDMA Interface Team lead for the district. During the recent JDMA Interface meeting, a resolution was made to amend the current Implementation Strategy and related projects to ensure maximum impact and to facilitate coordination and collaboration.

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 biannually publishing an external newsletter. Information is also sourced from local municipalities in the region. External newsletters were published and issued during December 2023 and June 2024, and copies were distributed to local municipalities, stakeholders and at various strategic points within the region, such as libraries and Thusong Centres.

SPATIAL DEVELOPMENT PLANNING

The District 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 reviewed District SDF was adopted by Council on 29 May 2023.

The municipality, in its capacity as a commenting authority, provides input on land use management and building plan applications to category B-municipalities. The comments provided pertain to spatial planning, environmental health, environmental management, and fire and disaster management.

Table 26: Employees: IDP/Communications

Employees: IDP/Communications					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	1	2	1	1	50.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	2	3	2	1	33.33%

Table 27: Financial performance: Planning Services

Financial performance: Planning Services (IDP/Communications)							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	1 329	1 557	1 557	1 537	-1%	(20)	
Repairs and Maintenance							
Other	86	64	48	49	3%	2	
Total Operational Expenditure	1 415	1 621	1 605	1 586	-1%	(18)	
Net Operational Surplus/(Deficit)	(1 415)	(1 621)	(1 605)	(1 586)	-1%	18	
<i>Variations are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 28: Capital expenditure: Planning Services

Capital expenditure: Planning Services (IDP/Communications)							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	30	27	2	-93%		(25)	

COMMENT ON THE PERFORMANCE OF PLANNING SERVICES (IDP/COMMUNICATIONS) OVERALL

The IDP and Communication Department performed within their projected operating adjustment budget as well as the capital acquisitions for the period under review.

3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)

INTRODUCTION TO ECONOMIC DEVELOPMENT AND TOURISM

Local Economic Development (LED) is an approach towards economic development that allows and encourages local people to work together to achieve sustainable economic growth and development, thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

As a programme, LED is intended to maximise the economic potential of all municipal localities throughout the country and to enhance the resilience of macro-economic growth through increased local economic growth, employment creation, and development initiatives within the context of sustainable development. The 'local' in economic development points to the fact that the jurisdiction at a local level is often the most appropriate place for economic intervention.

LED provides support in the following areas:

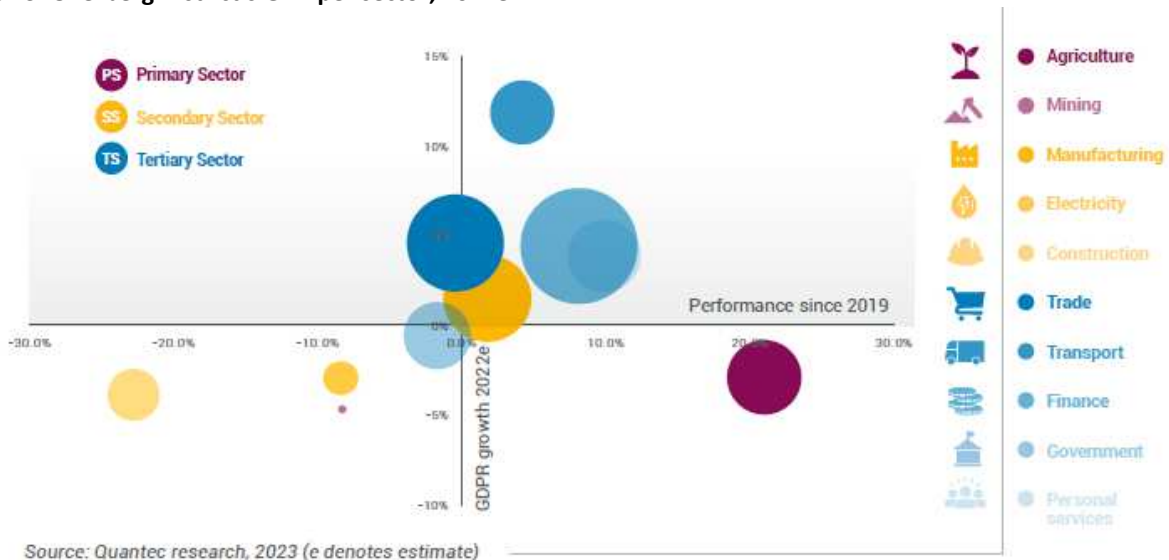
- Development and review of national policy, strategy, and guidelines on LED.
- Providing direct and hands-on support to provincial and local government.
- Management of the Local Economic Development Fund.
- Facilitating coordinating and monitoring of programmes, and
- Assisting with LED capacity-building processes.

Several sectors' performance underpin the district's economic prospects, with international trade, tourism and private and public sector investments serving as catalysts for new economic opportunities, job creation and the overall wellbeing of local communities.

ECONOMIC OVERVIEW⁹

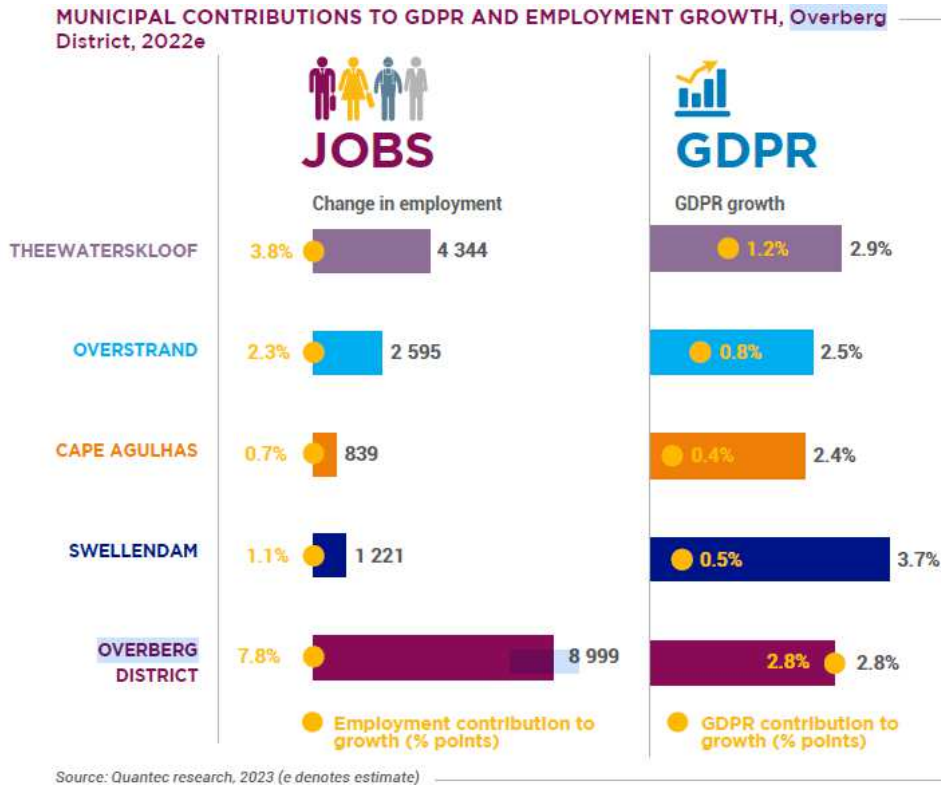
The Overberg District is the fifth largest economy in the districts of the Western Cape with a GDP of R25.5 billion in 2021, estimated to have increased to R27.5 billion in 2022. This represented a contribution of 3.3% to the Western Cape's economy.

Figure 13: Overberg District's GDP per sector, 2022e



⁹ 2023-2024 MERO Overberg

Figure 14: Municipal Contributions to GDP and Employment Growth, Overberg District, 2022e



Theewaterskloof and Overstrand play a pivotal role in driving the GDP performance of the district, contributing an estimated 1.2% and 0.8% respectively to overall GDP growth in 2022. The agriculture and trade sectors contributed significantly to employment in the district. However, the finance sector, with a contribution of R6.4 billion, dominates the economy in terms of GDP and was the leading source of economic growth in 2022.

INTERNATIONAL TRADE AND TOURISM

The district and local economies are influenced not only by the spending of local households but also by regional economic activities such as the trade of goods and services, and domestic and international tourism.

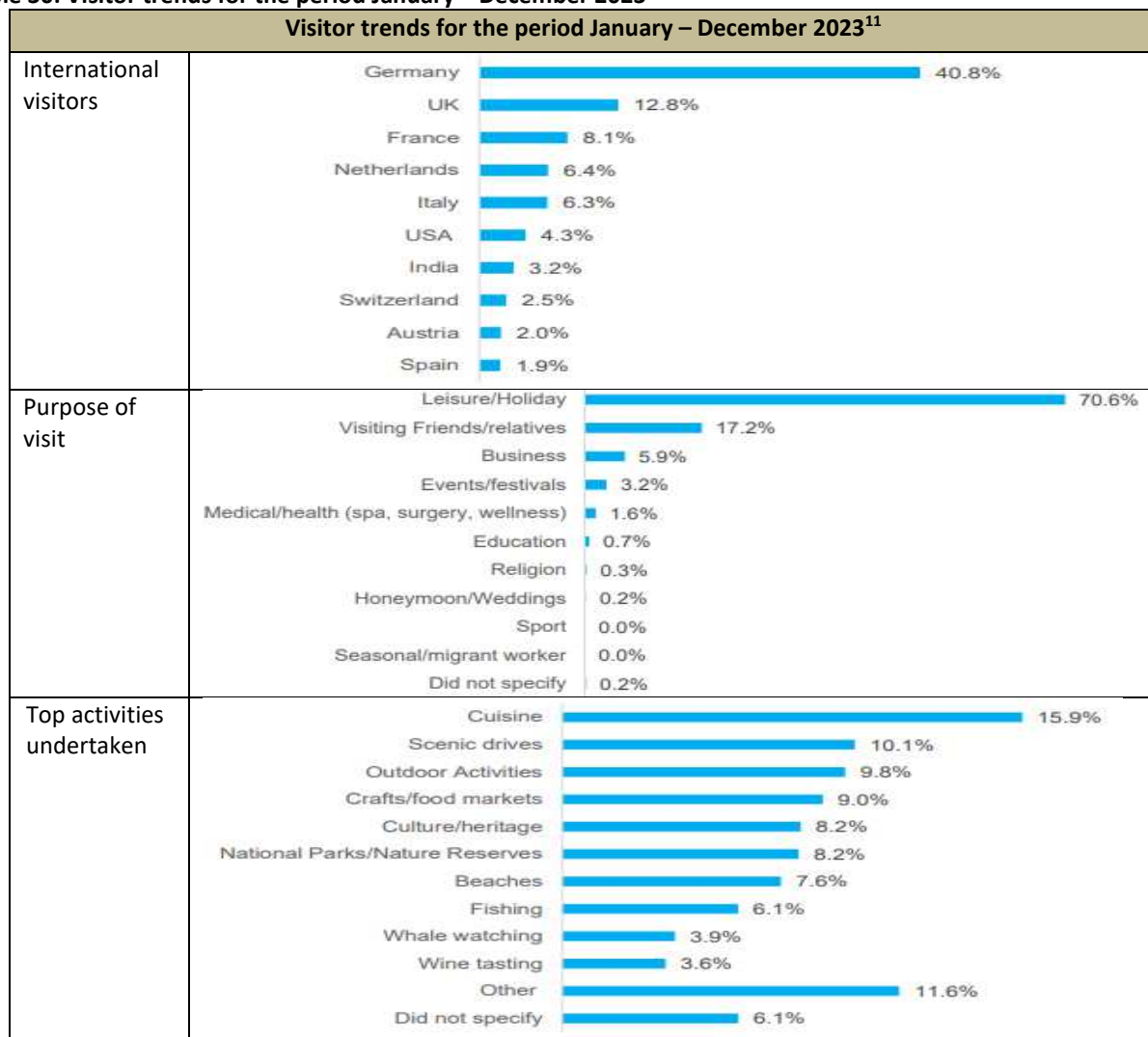
A positive trade balance indicates a surplus, as the Overberg District exports more than it imports. In 2022, the district exported goods to the value of R4.3 billion and imported goods to the value of R1.6 billion. The top export products in 2022 were apples, pears and quinces to a value of R817.5 million¹¹. In 2022, tourism spending in the Overberg District made up an estimated 15.2% of the GDP.

Table 29: International Trade in 2022¹⁰



¹⁰ 2023-2024 MERO Overberg

Table 30: Visitor trends for the period January – December 2023



The Overberg Regional Tourism Liaison Committee meets on a quarterly basis to discuss the different processes surrounding tourism. Various activities took place in the Overberg as well as training initiatives that were rolled out.

Table 31: Overberg District activity highlights

Event	Description
Welcoming campaigns	An annual event that aims at welcoming tourist in our area, also looking at making them aware of tourist attractions in our region.
Engagements with Wesgro	Quarterly RTO meetings in different district municipalities.
Tourism information session	The ODM in partnership with the Department of Tourism held a workshop for SMMEs in the tourism sector. The purpose of the workshop was to engage SMMEs on the readiness of their businesses as well as the support the department can provide.
Local tour initiatives Wesgro/ODM and LTOs	We have embarked on a campaign to host tour operators and companies to expose them to all our offerings, with a view to them sharing the same experiences with their clients. To date, we have reached about 22 such companies and have observed the positive impacts of these engagements through the increased influx of tourists to our region, especially from Asian countries.

¹¹ Wesgro - Overberg Tourism Visitor Trends Annual 2023


Event	Description
Filming desks <ul style="list-style-type: none"> Filming of Sniper International Movie series between Rooi Els and Kleinmond Harbour Kyknet's 19th Storiefilm Kortfilm filmed in Kleinmond Kokkedoor-Kyknet series, the first of a series of seasons, was filmed in Struisbaai. 	<p>We have established film desks within municipalities with the aim of attracting more filming productions to our area. Filming has brought publicity to Overberg in its entirety, and thousands of rands are contributed to the local economy</p>
Film and media readiness	To engage local municipalities on the issuing of permits for film and media implementation in the district.
Extensive tourism marketing campaigns in the district	To form partnerships with WESGRO, DEDAT, LTOs and other stakeholders to package tourism products in the region and embark on extensive marketing campaigns to attract more tourists.
Gold for Protea Flowers Heilfontein in Tesselaarsdal won two gold medals at this year's Chelsea Flower Show.	 <p style="text-align: center;"><i>Pink Lady Di Protea</i></p>

Table 32: Training initiatives

PROGRAMME	INSTITUTION	PLACE
Back to Basics	SEDA	Botrivier
Business Administration Training	SEDA	Grabouw
Nature Marine Guide Level 2 and First Aid Level 1 training programme	<ul style="list-style-type: none"> Department of Economic Development and Tourism (DEDAT) Field Guides Association of Southern Africa (FGASA) CATHSSETA registration 	Hermanus
Pitch for Funding - Entrepreneurs	SEDA	Hermanus
Overberg Export Seminar	WCG AND PARTNERS	Caledon
Tourism Survey	Theewaterskloof Municipality	Theewaterskloof
Tourism Growth Fund	Department of Economic Development and Tourism	Western Cape districts
Spaza Shop Support Programme	SEFA	Caledon
National Empowerment Fund	NEF	Swellendam Grabouw
Work Integrated Learning Programme	National Skills Fund	Hermanus
Tourism Monitors Programme	National Department of Tourism	Cape Agulhas Hermanus

Table 33: Annual Events held during 2023/24 in the Overberg

1	Tourism Radio Campaign The tourism campaign was rolled out in the form of a radio campaign to retain existing visitors and to attract new visitors in the low tourism season.	9	Colour Fun Run This run aims to enhance our tourism economy through sports. Local people and visitors participated in this fun run.
2	Southern Tip Festival	10	Voet van Afrika-marathon
3	Napier Patat Festival	11	The Cape 1000 Classic
4	Barrydale Puppet Show	12	Race2hermanus Triathlon
5	Trans Agulhas	13	Yellowtail Derby – Struisbaai Harbour 65 anglers, and 19 boats
6	Wine, Whales & Music - De Hoop	14	Hermanus FynArts Festival
7	Nampo Kaap	15	Agulhas Wine Triangle Festival Black Oystercatcher Wines, Elim
8	Around the Pot	16	Big BEE Festival

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 135 work opportunities.

EPWP work opportunities were created through the following projects:

- Fire, rescue, disaster management;
- Sustainable Land-based Livelihoods – Nuwejaars wetland restoration and Grabouw forest rangers;
- Development and maintenance of buildings – Resorts;
- Safer Communities Project – Nampo Kaap;
- Social Development – Gender-based violence ambassadors and persons with disabilities; and
- Support service – Maintenance and office assistants.

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

Local Economic Development forms part of the LED, Tourism and Resorts Department. (Chapter 4 (4.1))

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 wellbeing 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 as a collective towards their dreams with confidence and dignity. Social development is broadly understood as the overall improvement and enhancement of the quality of life of all people, especially the poor and marginalised.

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 promoting economic development.

Service delivery highlights 2023/24**SUBSTANCE ABUSE****LOCAL DRUG ACTION COMMITTEES**

The Department of Social Development, under the Prevention of and Treatment for Substance Abuse Act (Act 70 of 2008), is responsible for establishing Local Drug Action Committees (LDACs) in municipalities. These committees aim to enhance the prevention and treatment of substance abuse and effectively combat illicit drug trafficking.

LDACs operate at the local level, coordinating and reporting on activities carried out by stakeholders from various sectors, including government departments, the private sector, NGOs, and FBOs. Their goal is to prevent and combat substance abuse and illicit drug trafficking within municipalities, in line with the National Drug Master Plan (NDMP).

These committees consist of representatives from all sectors involved in addressing substance abuse and related social issues within municipalities. LDACs ensure that local actions align with the NDMP in each community.

- In October 2023, Theewaterskloof Municipality hosted the Central Drug Authority's Provincial Dialogue session. Members from various LDACs across the Overberg district participated, contributing to discussions that informed the CDA's National Summit held from 14-16 November 2023.
- The Ramot inpatient treatment centre, in partnership with the Western Cape Substance Abuse Forum, conducted a roadshow, visiting the Cape Agulhas and Theewaterskloof LDACs to promote collaboration and strengthen networks in the district. This outreach also created a platform to promote the services that they offer as an inpatient facility.
- The STAND Love Alliance Project is a five-year project (2021-2025) aimed at bringing together partners from different spheres of government, civil society, communities, and funders, with the purpose of prioritising and investing in and challenging the structural barriers of underfunding, criminalisation, and exclusion of vulnerable population groups.
 - The project, in partnership with the district and Theewaterskloof Municipality as well as local NGO partner networks, managed to link 40 women who use drugs from Theewaterskloof to comprehensive healthcare services, including HIV and SRHC screening, testing and treatment.
 - Three capacity-building sessions were held with women who use drugs to assist in establishing their networks, registering their networks with SANPUD and providing support with small grant applications.
 - Sector training took place, addressing stigma and discrimination experienced by women who use drugs by promoting access to healthcare services, law enforcement and social services.
- In Swellendam, two forums were established in support of the LDAC interventions, namely the Swellendam Professionals Network and the Swellendam Koeksistas.
- The Swellendam Koeksistas, consisting of community volunteers, aims to bridge the gap between professional input and LDAC support. The volunteers play a vital role in integrating people in recovery back into their community, whether after rehabilitation or while in LDAC support.
- Boys to Men camp for youth at risk, discussing the dangers of substance use and gangsterism.

GENDER-BASED VIOLENCE (GBV)

The Department of Social Development, in partnership with the Department of Police Oversight and Community Safety, the Overberg District Municipality, SAPS, CPFs and various DSD NGOs in the district, developed a Gender-Based Violence Ambassador programme for the region.

This is the third model of its kind in the province. The National Prosecuting Authority and various DSD NGO partners hosted workshops in Grabouw and Swellendam to train volunteers on various topics, such as:

- GBV awareness and support services
- child protection
- substance abuse prevention and treatment and how to complete referral forms.

The trained volunteers will provide information about victim support programmes and services available for the intervention and prevention of GBV to residents. The ambassadors play a crucial role in ensuring GBV victims know that there is support available to them. The programme will also be rolled out to Overstrand and Cape Agulhas municipal areas.



GBV Ambassador Training Grabouw



Stakeholders at the GBV Ambassadors training

PEOPLE WITH DISABILITIES

DSD piloted the Disability Empowerment Model (DEM) approach in the Theewaterskloof area. The model is aimed at gathering data and holistically addressing matters of concern on inclusivity of persons with disabilities (disability mainstreaming).

Several disability network sessions were held in the district, which focused on sensitisation workshops, capacity building and parent support networks.

Other highlights

The Changemakers programme, funded by the DG Murray Trust to support schools, expanded to include Barrydale, Suurbraak and six schools in Cape Agulhas.

A six-month food preparation skills programme for youth with impairments was funded by ETDP SETA, creating capacity-building opportunities for youth in Swellendam.

Approximately 20 youth benefited from a twelve-month NQF level 4 Agri admin learnership for youth with impairments.

YOUTH

Numerous business workshops for youth were conducted in the district in collaboration with the NYDA, helping with grant application processes and business proposal writing. Over 80 young people benefited from this programme.

The Department of Cultural Affairs and Sport, in partnership with the Overberg District Municipality, the National Department of Sport Arts and Culture and Cape Nature, hosted a DCAS Social Cohesion Camp from 1-3 December 2023.

The event aimed to foster discussions on social cohesion, wellbeing and GBV through alternative methodologies such as arts and culture activities, Zumba, stretching, drama, and mindfulness.

Activities such as Zumba, stretching and mindfulness were designed to teach participants how to use these practices not only for expression but also as coping mechanisms for their mental and social wellbeing.

Additionally, the objectives for social cohesion were to empower participants to independently conceptualise the idea and highlight their role in shaping and influencing social cohesion dynamics within their communities.

Table 34: Employees: Social Services

Employees: Social Services					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	0	0	0	0	0.00%
10 - 12	1	2	1	1	50.00%
13 - 15	0	1	0	1	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	1	3	1	2	66.67%

COMMENT ON SOCIAL SERVICES PERFORMANCE OVERALL

The department's budget forms part of Support Services (refer to Chapter 3, point 3.16). Funding for projects is primarily provided by grants received (e.g. Fire Safety Grant) and cooperation engagements between other spheres of government and local municipalities that co-fund 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 (Act 107 of 1998) [NEMA], the Coastal Management Act (Act 24 of 2008), the National Environmental Management Waste Act (Act 59 of 2008), the Environmental Management: Biodiversity Act (Act 10 of 2004), the Environmental Management: Air Quality Act (Act 39 of 2004) and the National Health Act (Act 61 of 2003). Environmental management is defined as 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 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 35: Section 30 incidents

Section 30 incidents reported		
Nature of incident	Submission of Emergency Incident Report	Closure of Section 30 Incident
Diesel spill on the R316, Caledon-Napier	Reported to DEA&DP, 14 August 2023	No, pending

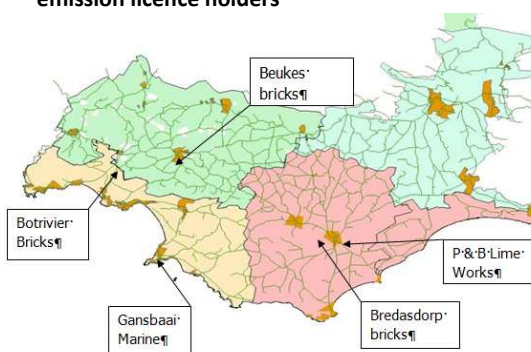
Table 36: Atmospheric emission licence holders

Business	Type of industry	Status	Subdistrict	Date issued
Gansbaai Marine	Fish meal production	AEL	Overstrand	19 November 2021
Bredasdorp Lime Works	Production of lime products	*PAEL	Cape Agulhas	12 September 2022
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 licence (PAEL) – only valid for one 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 licence (AEL) will be issued if the facility complied in the previous six-month period. The AEL is valid for a five-year period.

The industries report quarterly to the licensing authority on their compliance with the licence conditions, as well as to the National Department of Environmental Affairs. Continuous monitoring took place at the relevant premises. The industry

Figure 15: Geographical distribution of atmospheric emission licence holders



cooperated very well with the requirements expected of them. No complaints were received from the community about the listed activities and controlled emitters industry.

Municipal health practitioners dealt with several air pollution complaints such as fumes, smoke, dust, offensive odours and unlicensed facilities.

The prevention and rectification of soil pollution also forms an integral part of pollution control. Complaints are investigated and remedial action is taken where necessary. One of the daily functions of MHS is the identification and monitoring of premises to ensure that no pollution occurs.

Service delivery highlights for 2023/24

Overberg is mandated by the Air Quality Act (Act 39 of 2004) to manage, coordinate and ensure compliance with the statutory requirements of the air quality licensing function by issuing Air Emission Licences to industries and monitor compliance.

- During 2023/24, Overberg DM managed to designate environmental health practitioners as air quality services officers. The designation will ensure that air quality services are rendered throughout the region and matters relating to air quality are addressed without delay.
- Overberg DM managed to establish an air quality forum structure. The forum will enable coordination of air quality activities within B-Municipalities and industries.
- The Minister of Forestry, Fisheries and the Environment has informed the public of the need for the manual registration of data providers, the manual reporting of atmospheric emissions and the manual management of Atmospheric Emission Licences for the calendar year 2024 to 2026 while arrangements are under way to establish new online systems.
- Online training sessions on Manual Emissions Reporting and AEL and AEL Management was held by the Directorate: Atmospheric Quality Information of the Department of Forestry, Fisheries and the Environment.
- Training was attended on the Ambient Air Quality Monitoring Course arranged by the Department of Forestry, Fisheries and the Environment.
- Annual reports and quarterly reports from five AEL holders were received and evaluated.

Service delivery challenges for 2023/24

Current challenges facing the department include, amongst others:

- Shortage of personnel to cover the region comprehensively in delivering the service.
- Lack of technology to administer the function, due to shortage of funds.
- Dedicated law enforcement to administer transgression on air quality legislative requirements.

Comment on the performance of pollution control overall

The function of pollution control is performed 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 other stakeholder platforms 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 Kogelberg Biosphere Reserve Company.

CLIMATE CHANGE RESPONSE

Chapter 3 of the draft Climate Change Bill is dedicated to outlining the roles assigned to municipalities with regard to responding to climate change. The Bill is aimed at building an effective climate change response and ensuring the long-term, just transition to a climate-resilient and lower-carbon economy and society.

In order to promote an integrated approach to climate change response in the Overberg, ODM works in partnership with the Department of Forestry, Fisheries and the 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.

The ODM participated in the Greenbook initiative, championed by the CSIR, SANTAM and CDRF (Climate & Disaster Resilience Fund) to develop a Climate Risk Profile for the district. This document is an important planning tool to support climate change response policies.

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 funding 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, five priority properties were identified and an implementation plan for each property was developed.

Table 37: Own property alien invasive clearing

Date	Property	Project phase	Ha cleared
November/ December 2023	Portion 79 of Farm 575, Afdakrivier	Follow-up	35
January/February 2024	Portion 79 of Farm 575, Afdakrivier	Initial	4

1.2. EPWP alien vegetation clearing project.

Nuwejaars Wetland Restoration project is part of a multi-year initiative managed by the Nuwejaars Special Management Area and mainly funded by WWF. ODM's contribution enables the project to expand the work team to increase output targets. This initiative was very well received by the main project funder.

Project impact:

- Over the past six years, the landscape was transformed from a degraded state overgrown by invasive species to a biodiversity rich environment.
- About 1 000 hectares of wetlands and riparian areas were cleared by a local contractor and her team.
- With the transformation from woodlands to wetlands, a staggering recovery of indigenous species have been recorded by various specialists.
 - o Dragonflies and damselflies surveys were undertaken in 2021 and 2024 and showed a significant increase in numbers and density of individuals observed. This is an indicator of good water quality, as a result of the restoration effort.
 - o A new subpopulation of the critically endangered micro frog was discovered in the wetland. The micro frog is critically endangered due to its very small range, as well as the habitat lost or degradation within this restricted range.
 - o With the removal of invasive species, botanists were able to detect several fynbos species reappearing in the area. This is a strong indicator that the fynbos seedbank is still 'intact' and that the landscape has restoration potential with little intervention needed apart from the removal of invasive species.
 - o A return of wetland bird species has also been recorded.
- This project has now lay the groundwork for the Nuwejaars to initiate the process of applying for Ramsar status, giving it international recognition.
- For more information about the project please visit: <https://youtu.be/wOOwuC1vcVQ>

Table 38: Environmental Management – EPWP alien vegetation clearing project

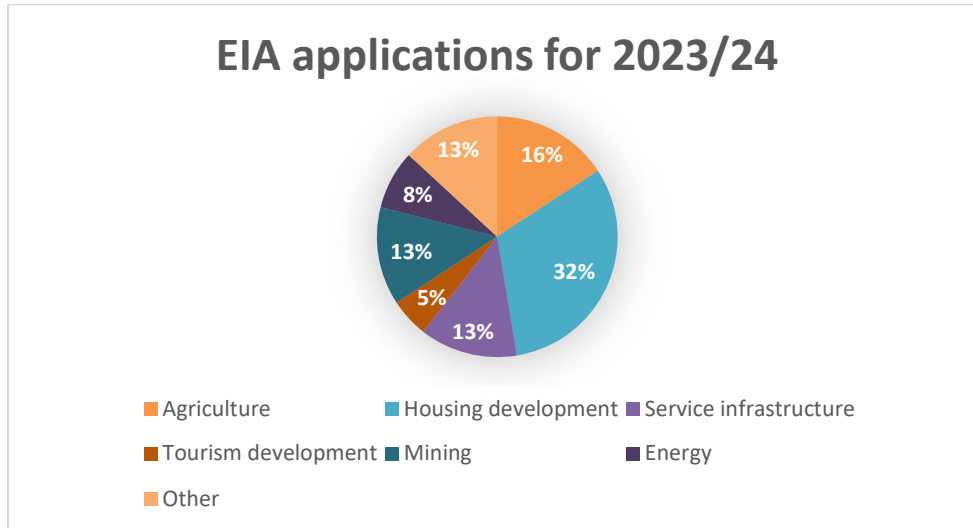
Project name	Project description	Project period	Number of work opportunities
River and wetland rehabilitation	Removal of alien vegetation within the Nuwejaars River and wetland systems	85 days	10

2. Evaluation of land use applications and environmental impact assessments

The municipality continues to act as a commenting authority for any development application within its area of jurisdiction. The Spatial Development Framework together with 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.

A total of 38 applications were evaluated this past year.

Figure 16: Development applications assessed per sector



COASTAL AND CATCHMENT MANAGEMENT

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

The municipality continues to play an oversight and coordination role and performs coastal and catchment monitoring in order to inform and advise the municipality and role players on required actions.

The municipality reviewed its Coastal Management Programme (CMP). In essence, the CMP is a policy or strategy document that contains a system of principles to guide decisions and achieve rational outcomes relating to the coastal environment. CMPs consist of three core components, these being a situational analysis (sometimes referred to as a status quo assessment or inventory analysis), a vision and objectives setting component (which includes public consultation), as well as a programme of implementation, which includes specific strategies and policy directives.

The coastal vision encompasses the future desired state of the coastal zone but also embodies the principles of the ICM Act, and thus provides the framework for strategic planning. Coastal management objectives (CMOs) are then formulated for each of the priority areas as statements of intent, to express what needs to be achieved to realise the overall vision. Following this, specific objectives are devised as detailed steps to achieve each goal.

Service delivery highlights for 2023/24

- Development of a Climate Risk Profile.
- Review and adoption of the Coastal Management Programme.
- A partnership was established between the Department Forestry, Fisheries and the Environment, SALGA, and the Provincial Department of Environmental Affairs and Development Planning to host the first Overberg Climate Change and Biodiversity Indaba.

Service delivery challenges for 2023/24

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 remain a challenge.

Table 39: Employees: Environmental Management

Employee: Environmental Management					
Job Level	2022/23	2023/24			
	Actual employees	Approved posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	0	1	1	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	3	4	4	0	0.00%

Table 40: Financial performance: Environmental Management

Financial Performance: Environmental Management							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	37	124	124	10	-92%	(115)	
Expenditure:							
Employees	2 672	2 959	2 959	2 881	-3%	(78)	
Repairs and Maintenance							
Other	379	443	494	329	-33%	(165)	
Total Operational Expenditure	3 051	3 402	3 453	3 210	-7%	(243)	
Net Operational Surplus/(Deficit)	(3 014)	(3 278)	(3 329)	(3 200)	-4%	129	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 41: Capital expenditure: Environmental Management

Capital Expenditure: Environmental Management							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	6	5	4	0%		(0)	

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL MANAGEMENT

Environmental Management performed their functions within their prescribed operational budget. The largest cost factor remains the employee cost in the department due to the nature of the service. Revenue is budgeted for ad hoc occurrences for inspections rendered to the Roads Agency, which was less than anticipated.

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 Act (Act 117 of 1998) and the National Health Act (Act 61 of 2003), it is the statutory responsibility of the district municipality to render Municipal Health Services in terms of Government Notice No. 826 of 13 June 2003.

Municipal Health Services (MHS) renders effective and sufficient services to improve quality of life through an integrated approach. Skilled professionals deliver the following services in collaboration with stakeholders from offices in **Swellendam, Bredasdorp, Struisbaai, Hermanus, Kleinmond, Caledon and Grabouw.**

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

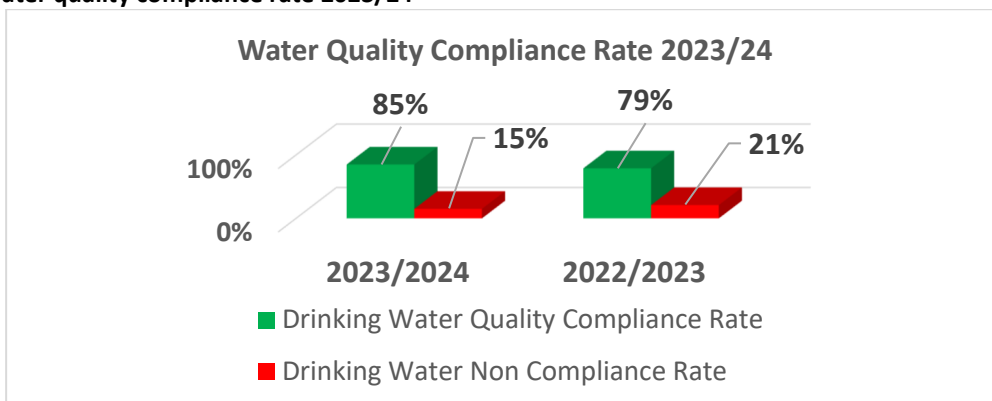
Environmental Health Practitioners appointed by Council embark on daily routine activities conducted throughout the Overberg District Municipality jurisdictions to render Municipal Health and Air Quality Services. Inspections conducted are aimed to protect public health. The following activities were conducted between 1 July 2023 and 30 June 2024:

- Monitoring of the quality of drinking water to ascertain compliance with drinking water standards throughout the ODM jurisdiction
- Implementation of the Water and Wastewater monitoring programme on a monthly basis to ensure water is safe for human consumption
- Inspection of community water supplies and infrastructure
- Compilation of water analysis report for B-Municipalities and industries
- Communication with community members a stakeholders in terms of potential unsafe water supply.

WATER QUALITY MONITORING

Municipal Health Services monitored the quality of drinking water on a monthly basis between July 2023 and June 2024. Overberg DM Water compliance rate is 85% with a 15% non-compliance rate. The Overberg region’s overall water quality improved with 6% with non-compliance reducing from 21% to 15%. Drinking water in most parts of ODM was deemed fit for human consumption.

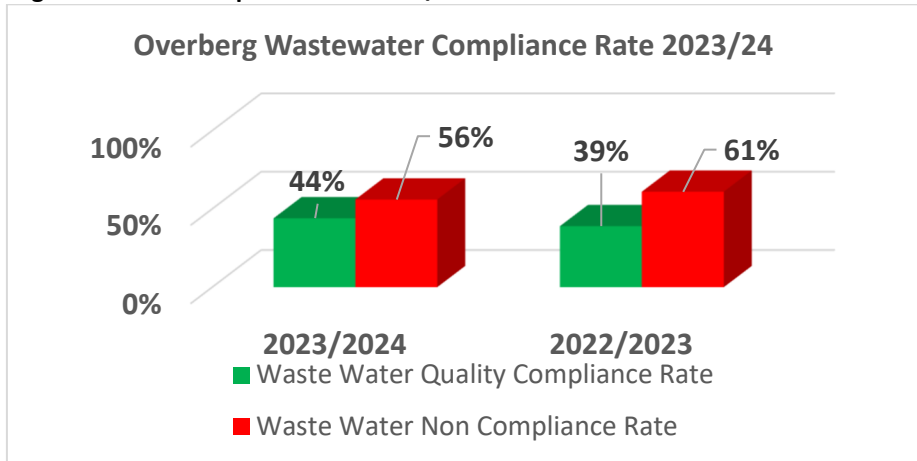
Figure 17: Water quality compliance rate 2023/24



WASTEWATER QUALITY MONITORING

Municipal Health Services conducted a monthly wastewater monitoring programme to determine compliance of final effluent from wastewater treatment plants or oxidation ponds. The Overberg region’s wastewater compliance of overall water quality improved with 5% with non-compliance reduced from 61% to 56%. The slight drop in non-compliance can be linked to reduced episodes of load-shedding and backup power interventions implemented during the period.

Figure 18: Overberg wastewater compliance rate 2023/24



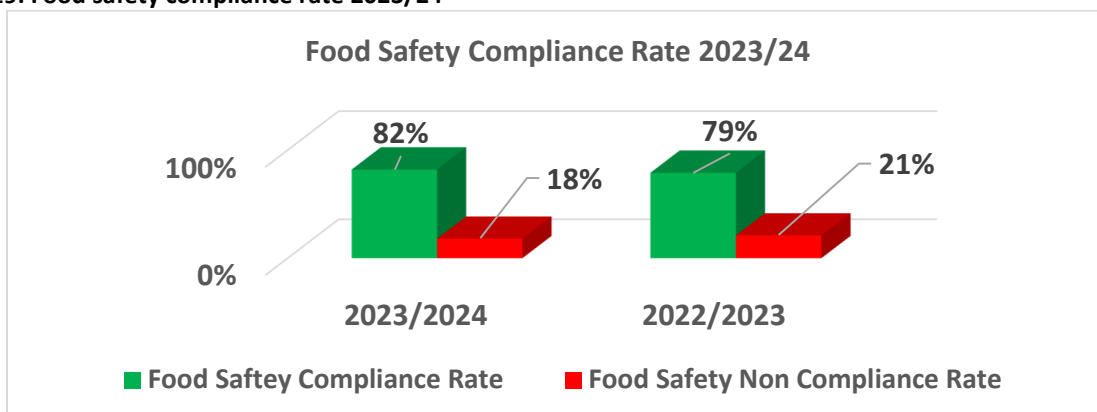
During the monitoring period, 56% of ODM treatment plants’ final effluent failed to comply with wastewater standards. The following wastewater plants are the main contributors to the high wastewater non-compliance rate: Klipperivier Sewage Purification Plant, Buffeljagsrivier Correctional Services Sewage Purification Plant and Suurbraak Oxidation Pond (Swellendam); Elim, Napier, Bredasdorp, Struisbaai (Cape Agulhas) and Gansbaai, Kleinmond WWTP’s, Uilenkraalsmond resort (Overstrand area).

FOOD SAFETY MONITORING

Environmental Health Practitioners embarked on daily inspections to monitor food safety within various food establishments such as restaurants, spaza shops, supermarkets and production facilities. Various elements checked during inspections include: Chemical management compliance, vector control to monitor pest control measures implemented by businesses to prevent pest infestation; assessment of operational efficiency and effectiveness of pest control operations, community survey to determine environmental factors that can create nuisances leading to pest control challenges and disease outbreaks, waste management to monitor safe management of waste by ensuring proper refuse storage, collection, transportation, transfer processing and final disposal. A total of 1930 food premises were inspected and 477 certificates of acceptability were issued to premises complying with food safety legislative requirements.

Based on food samples taken and analysis conducted, the food safety compliance rate for 2023/24 was 82% based on food samples sampled, with a food safety standards non-compliance rate at 18%. The drop in non-compliance can be linked to food safety training interventions and law enforcement interventions to premises found operating in contravention of food safety standards. Food premises’ certificates of acceptability issued also increased from 434 to 477.

Figure 19: Food safety compliance rate 2023/24



Foodstuff samples were sampled at various premises such as supermarkets, takeaways, schools, old-age homes and daycare centres. The food safety compliance rate dropped to the lowest rate ever recorded within the Overberg region. Continuous monitoring inspections are conducted to certify premises, coupled with food safety training of food handlers.

Blitz Operation – 20 June 2024 - oil testing at takeaway/supermarket premises



Environmental Health Practitioners in Swellendam educating shop owners on monitoring oil within takeaways and restaurants.

- A total of 12 food premises were visited in Swellendam by the EHPs and area managers of the Overberg District Municipality’s Municipal Health Services for testing the quality of cooking oil at takeaway premises and supermarkets.
- All premises were compliant according to the rapid test results of the cooking oil.
- Takeaway premises and supermarket managers and owners were given information on the correct use of cooking oil, the regular replacement thereof and the safe disposal of used cooking oil. Pamphlets and posters were handed to the owners and managers of food premises regarding the correct usage of cooking oil.

SURVEILLANCE OF PREMISES

A total of 1 188 premises were inspected and 227 Health Certificates were issued. Inspections and certifications were conducted at schools and early childhood development centres. Health facilities were inspected to ascertain compliance with Municipal Health Services requirements, as per ODM’s MHS By-law 2019.

TOWN PLANNING

Environmental Health Practitioners are involved when new developments are implemented within the Overberg region. EHPs assess various development plans ranging from house building plans and economic activities’ development plans. This is to ensure that all developments comply with Municipal Health Services requirements. During the reporting period, a total of 124 building plans and 104 town planning development applications were received, assessed and building evaluated, with comments submitted to all B-Municipalities within ODM who submitted the plans at various ODM Subdistrict offices.

COMMUNITY COMPLAINTS

Community members lodge various types of complaints regarding aspects such as odour, blocked sewage and foodstuff. A total of 148 community complaints were handled during the period.

The Swellendam Municipality and Veterinary Services were contacted regarding the illegal dumping of animal remains. Veterinary Services opened a case at the SAPD for the illegal slaughtering of animals.

General highlights for 2023/24

MHS offices

- Gansbaai satellite office was opened and is fully operational with one environmental health practitioner to serve the community.
- Approval to migrate from manual system to an electronic system.

World Environmental Health Day 2023

Environmental Health Practitioners of ODM attended the National Department of Health’s World Environmental Health Day event in the Cape Winelands district on 26 and 27 September 2023. Protective gear for Environmental Health Practitioners was exhibited at the event.



Display of EHP PPE during World Environmental Health Day, hosted by national Department of Health in collaboration with Cape Winelands and SALGA - September 2023.

Table 42: Employees: Municipal Health

Employee: Municipal Health					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	1	3	1	2	66.67%
7 - 9	4	6	3	3	50.00%
10 - 12	12	25	13	12	48.00%
13 - 15	5	5	5	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	22	39	22	17	43.59%

Table 43: Financial performance: Municipal Health Services

Financial Performance: Municipal Health Services							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	902	1 202	937	926	-1%	(11)	
Expenditure:							
Employees	15 367	16 494	16 065	15 756	-2%	(309)	
Repairs and Maintenance							
Other	2 118	2 265	2 566	2 293	-11%	(273)	
Total Operational Expenditure	17 484	18 759	18 631	18 049	-3%	(582)	
Net Operational Surplus/(Deficit)	(16 582)	(17 557)	(17 694)	(17 123)	-3%	571	

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

Table 44: Capital expenditure: Municipal Health Services

Capital Expenditure: Municipal Health Services						
						R' 000
Capital Projects	2023/24					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	40	37	37	0%		0

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS OVERALL

Municipal Health Services managed to perform within its allocated operational budget. According to norms and standards for municipal health, the service is not fully capacitated; however, staff is performing the function to the best of their ability. The expenditure on capital projects acquisition was aligned to the adjustment budget allocated to the department.

COMPONENT G: SECURITY AND SAFETY

The Emergency Department of the ODM performs a joint fire and disaster management function in the district, which is controlled by 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 (Act 99 of 1987) to the Cape Agulhas, Theewaterskloof and Swellendam municipalities in terms of an agreement on the level of fire services rendered, and a cooperation agreement exists between Overstrand Municipality and the ODM.

The two top remaining priorities for the unit are:

- Providing sufficient adequately trained staff to respond to incidents.
- To ensure the safety of the Overberg communities and visitors.

The municipality again managed to secure aerial support for the district for the five months of the fire season. Aerial resources operated very effectively.

Landowner involvement with fires remained constant during the year. ODM received support from landowners, which was coordinated by the Greater Overberg Fire Protection Association.



OPERATIONAL INCIDENTS

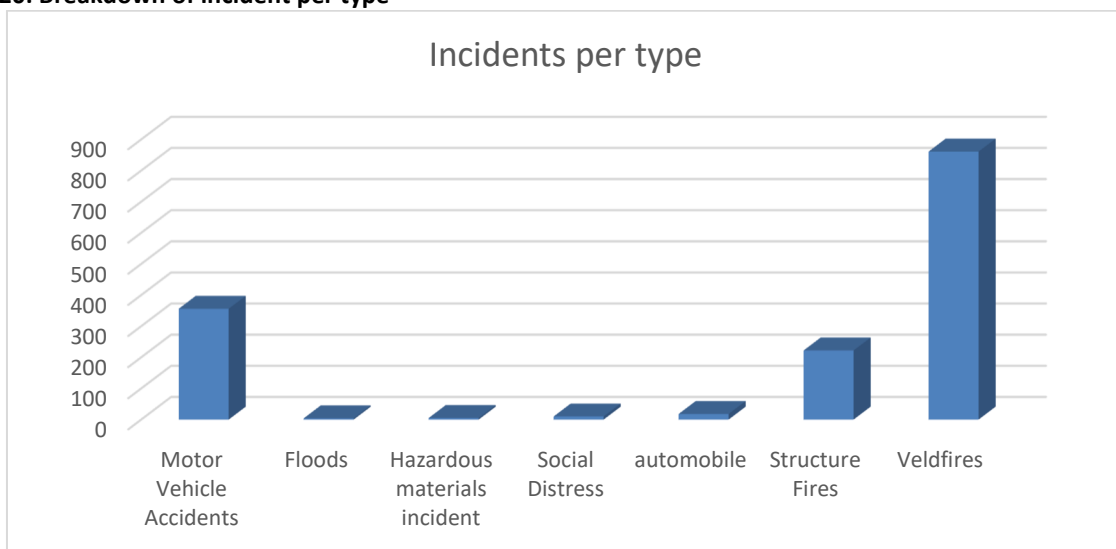
The Fire Department attended to 1 476 emergency incidents in the reporting period of June 2023 to July 2024.

Table 45: Fire Services data

Details	2022/23	2023/24
	Actual Number	Actual Number
Total incidents attended to in the year	1 988	1 476
Average *turnout time – urban areas	Turnout time for all calls - 4 min.	Turnout time for all calls - 4 min.
Average *turnout time – rural areas	Turnout time for all calls - 4 min. (travel time to the incident will depend on distance from stations)	Turnout time for all calls - 4 min. (travel time to the incident will depend on distance from stations)
Number of firefighters at year-end	54	54
Total number of fire vehicles at year-end	36	37
Average number of appliances off the road during the year	3	2

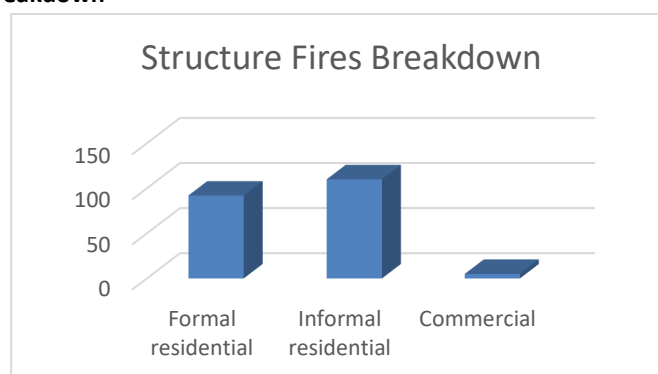
**Turnout – From call received to leaving station*

Figure 20: Breakdown of incident per type



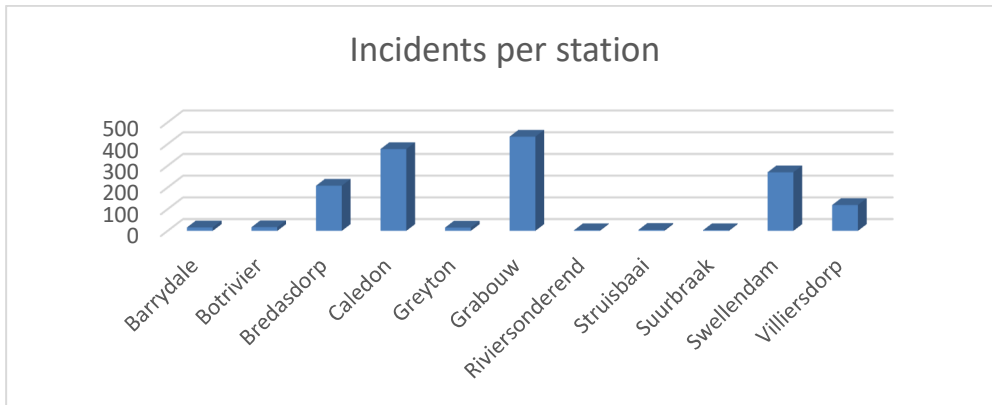
Veldfires remain the primary incidents dealt with in the Overberg. The effect of climate change as well as the expansion of informal settlements into the urban interphase is felt with a year-on-year increase of 716 in 2022/23 and 861 in 2023/24.

Figure 21: Structure fires breakdown



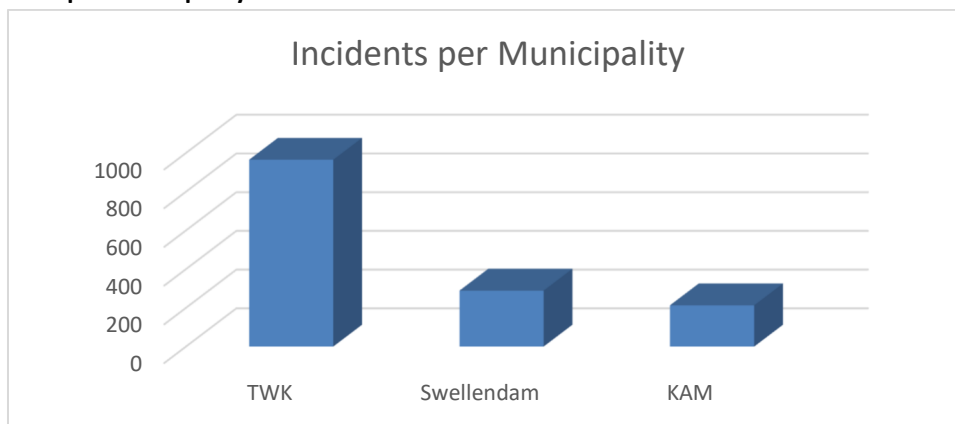
Informal and formal structure fires remain relatively evenly distributed. Only three major informal settlement fires, where more than 20 structures were destroyed simultaneously, took place in this period.

Figure 22: Incidents per station



Grabouw remains the busiest station due to old plantation fires. This settled down in the latter half of the season due to aggressive fuel reduction fighting strategies by the fire department.

Figure 23: Incidents per municipality



Theewaterskloof remains the most active municipality and user of our services, both as part of their function with respect to structural fires as well as other incidents.

Table 46: Employees: Emergency Services

Employee: Emergency Services (Fire and Disaster Services)					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0.00%
4 - 6	22	38	21	17	44.74%
7 - 9	34	55	33	22	40.00%
10 - 12	2	4	2	2	50.00%
13 - 15	2	4	3	1	25.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	62	103	61	42	40.78%

Table 47: Financial performance: Emergency Services

Financial Performance: Emergency Services (Fire and Disaster Management)							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance Adjustment Budget (R)	
Total Operational Revenue	5 854	5 308	5 368	5 325	-1%	(43)	
Expenditure:							
Employees	26 125	28 706	28 306	27 609	-2%	(697)	
Repairs and Maintenance							
Other	11 615	10 965	13 254	13 118	-1%	(136)	
Total Operational Expenditure	37 740	39 671	41 560	40 727	-2%	(833)	
Net Operational Surplus/(Deficit)	(31 886)	(34 363)	(36 192)	(35 402)	-2%	790	
<i>Variations are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 48: Capital expenditure: Emergency Services

Capital Expenditure: Emergency Services (Fire and Disaster Management)							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	4 000	6 801	5 111	-24.84%		(1 689)	

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

Fire services are rendered to the region through agreements signed between ODM and Theewaterskloof, Cape Agulhas and Swellendam municipalities. Disaster management services form part of this budget. Operational expenditure was higher during the financial period due to fuel hikes and increased fire prevention activities during the season.

Capital project funding increased significantly during the year and grant funding contributed towards the total budget approved (roll-over and current funding). Fleet expansion and upgrades contributed largely to the capital acquisitions.

3.10 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT



Disaster Management is performed in the district in terms of the requirements of the applicable Act and framework. The mandatory administrative part of the function, as described in the Act, is adhered to as financial resources allow. However, it should be noted that Disaster Management is still an unfunded mandate, and it remains very difficult to perform the full function with the limited budget. Due to these constraints, the disaster management continuum is not fully addressed, and the division is more focused on reaction than on prevention.

DISASTER INCIDENTS

Disaster Management dealt with several flood incidents, the most significant being June and September 2023 and April 2024. In May, another flashflood had to be dealt with. The primary impacts remained infrastructure damage, with the biggest impact being the N2 washaway near Botrivier in June 2023.

Our social development department was also intensely involved in assisting with disaster relief to affected communities.



N2 Botrivier – June 2023

COMMUNITY SAFETY

District Safety Forum

Four quarterly meetings took place during the year. In most cases it was well attended although the interest from the municipalities is declining. Successful projects included land invasion workshops and training for SAPS detectives. Rural safety training was given to two farm watch areas and funding was also made available to the safe-house in Caledon.

Mediation and early warnings

Mediators remain our flagship project. Mediators issued 97 early warnings and were able to monitor and react to them. Some turned into protest actions and our mediators were instrumental in defusing situations.

The additional three mediators deployed over the election period proved their worth and we are looking at extending their contract on a half-day basis.

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL

The budget allocation of Disaster Management forms part of the Emergency Services budget and causes similar constraints and staff shortages, which makes it difficult to adequately address the disaster management needs in the region.

COMPONENT H: SPORTS AND RECREATION

3.11 RESORTS

INTRODUCTION TO RESORTS

The Overstrand District Municipality (ODM) currently operates two holiday resorts, namely Die Dam and Uilenkraalsmond. Both resort properties are situated within the geographical boundaries of the Overstrand Municipality.

Die Dam resort is situated 40 km from Gansbaai and Uilenkraalsmond resort is situated 7 km from Gansbaai. Die Dam is registered in the name of Overstrand District Municipality. Uilenkraalsmond is registered to the National Government of the Republic of South Africa. Both resorts are staffed by ODM.

Die Dam Resort

Amenities

Short-stay bungalows: 2

Short-stay camping/caravan sites: 89

Long-term leased sites: 128

Shop: 1

Die Dam is the smaller of the two resorts, with two existing chalets and 89 camp sites available for booking. The ODM leases 128 stands in the resort on a long-term basis, which allows the leaseholders to use the site for six months in the year. The leaseholders are allowed to effect improvements on the sites with the consent of ODM. However, the

construction of any improvements is also subject to the Overstrand Municipality's building plan permission and, where applicable the Overstrand zoning scheme parameters.

The property at Die Dam leads into the Quoin Point Nature Reserve. The resort has potential for enhancement within the available consent uses. The optimisation of this potential would, however, require that the municipality brings the use of the resort into compliance with the zoning scheme. This includes monitoring the lease conditions, ensuring that relevant approvals from the local authority are in place for existing improvements, and restoring a harmonious aesthetic.

Uilenkraalsmond

Amenities

Short-stay bungalows: 36

Short-stay camping/caravan sites: 110

Long-term leased sites: 567

Coffee shop and store: 1

Putt-putt course and kiosk: 1

Waterslide and kiosk: 1

Laundromat building: 1

Halls: 2

The resort is adjacent to Franskraal village. The ODM has been operating the resort for approximately 60 years. The property was registered in the name of the National Government of the Republic of South Africa on 23/02/2023. The resort has 36 chalets, 110 camping sites and 567 sites are subject to long-term leases, which all expire on 30 June 2025. In this instance as well, the lease conditions and construction of improvements in line with the requisite permissions from Overstrand Municipality are not adequately monitored and enforced. The extent of the existing improvement of the leased stands, as well as the non-harmonious aesthetic impact on the 'resort-feel' of the property.

The resort property is the subject of a current ownership transfer negotiation between ODM and the DPWI. The status of the negotiations is that the ODM has been granted an opportunity to submit proposals that will resolve the prevalent issues at the resort. In addition to its coastal location, the resort also offers other amenities, such as a 'super-tube' waterslide, putt-putt and restaurant premises. These amenities are leased to SMME operators on a competitive bidding basis for three years. The renewal of these leases are, similarly, impacted by the uncertainty regarding the future ownership of the resort.

Service delivery highlights for 2023/24

- Initiated the restructuring of the resorts to ensure a more streamlined structure that will avoid duplication of effort and create an improved operational structure.
- In the absence of a maintenance management plan to guide the operational requirements, it was decided to develop a centralised asset maintenance plan that is linked to the budget and timeframe to ensure proactive management and not reactive management as was the case to date.
- The ODM received grant funding as part of the 2024/25 Western Cape Financial Management Capability Grant (WC FMCG) to undertake a feasibility study for the resort that will assist in guiding forward planning.

Service delivery challenges for 2023/24

- **Die Dam fire**
Die Dam resort lost its entrance building, security building and fencing in a runaway veld fire that spread in high wind conditions from Pearly Beach up to Ratelrivier earlier this year. This event was a major setback as the fire destroyed valuable infrastructure and impacted on the resort operationally. Although the security structure was replaced, the office had to be temporarily housed elsewhere.

These damages were assessed by the ODM insurance company and arrangements were made for replacement of lost infrastructure. This process has dragged out over a long period and affected operational arrangements at Die Dam.

- **Localised flooding of Uilenkraalsmond**
Due to the drainage of stormwater from Franskraal residential area through the Uilenkraalsmond resort, localised flooding has become a regular occurrence during each rain event. Communication structures were put in place to relay actions between ODM and Overstrand officials to act proactively.

Table 49: Employees: LED, Tourism and Resorts

Employees: LED, Tourism and Resorts					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	10	4	6	60.00%
4 - 6	11	18	7	11	61.11%
7 - 9	4	4	4	0	0.00%
10 - 12	2	3	2	1	33.33%
13 - 15	0	1	0	1	100.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	21	36	17	19	52.78%

Table 50: Financial performance: LED, Tourism and Resorts

Financial Performance: LED, Tourism and Resorts						
R'000						
Details	2022/23	2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)
Total Operational Revenue	18 889	20 130	20 231	21 241	5%	1 010
Expenditure:						
Employees	5 455	5 869	5 870	5 839	-1%	(30)
Repairs and Maintenance						
Other	11 146	11 251	11 903	11 352	-5%	(551)
Total Operational Expenditure	16 601	17 120	17 772	17 191	-3%	(581)
Net Operational Surplus/(Deficit)	2 288	3 009	2 459	4 050	65%	1 591
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>						

Table 51: Capital expenditure: LED, Tourism and Resorts

Capital Expenditure: LED, Tourism and Resorts						
R' 000						
Capital Projects	2023/24					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	920	640	376	-41.27%		(264)

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

The financial figures in the tables above include Resorts, LED and Tourism. Revenue received was close to the budget and was predominantly collected from rentals at the resorts. The underspending on capital projects was due to the delay in the upgrading of fixed assets pending the finalisation of the user agreement with Department of Public Works regarding the ownership.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES

The corporate policy offices include the executive and Council, financial services, human resources, information and communication services, support services, property, legal and risk management, performance management and internal audit.

3.12 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

This component includes the Executive Office (Executive Mayor, Councillors, Municipal Manager, Directors) and Internal Audit).

Throughout the year, Council performs 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 (APAC) and Fraud and Risk Management Committee (FARMCO).

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 submitted to Council and its committees to provide them with information and progress against targets, the implementation of the budget, and policies.

Council reviewed and approved various policies to strengthen the municipality's decision making and management.

Councillors participated in various initiatives rolled out in the district, internally or by government departments, for example: Environmental Health Day awareness, Anti-Gender-Based Violence and Femicide and the Premier's Safety Cycle Tour promoting cycle safety in the Overberg region.

Audit and Performance Audit Committee meetings were held to fulfil their role as an oversight committee. Continued DCF and DCFTech Committee meetings were held to ensure sound intergovernmental relations and cooperative interaction between the municipalities in the district.

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

Table 52 Employees: Executive and Council

Employees: Executive and Council					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	0	0	0	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	0	1	0	1	100.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Contract	3	4	4	0	0.00%
Total	4	6	5	1	16.67%

Table 53: Financial performance: Executive and Council

Financial Performance: Executive and Council							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	12 247	15 270	13 495	13 632	1%	137	
Expenditure:							
Employees	2 016	2 291	2 291	2 306	1%	15	
Repairs and Maintenance							
Other	8 422	8 461	8 848	8 968	1%	119	
Total Operational Expenditure	10 438	10 751	11 139	11 273	1%	134	
Net Operational Surplus/(Deficit)	1 810	4 518	2 356	2 359	0%	2	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 54: Capital expenditure: Executive and Council

Capital Expenditure: Executive and Council							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	0	0	0	0%		0	

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Revenue relates predominantly to the management fee received for the Road Agency function. The department stayed well within their budgeted parameters.

Table 55: Employees: Internal Audit

Employees: Internal Audit					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	0	0	0	0	0.00%
10 - 12	1	2	1	1	50.00%
13 - 15	1	0	0	0	100.00%
16 - 18	0	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	2	3	2	1	33.33%

Table 56: Financial performance: Internal Audit

Financial Performance: Internal Audit							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	1 559	1 682	1 682	1 702	1%	20	
Repairs and Maintenance							
Other	36	302	299	35	-88%	(264)	
Total Operational Expenditure	1 595	1 984	1 981	1 737	-12%	(244)	
Net Operational Revenue/(Expenditure)	(1 595)	(1 984)	(1 981)	(1 737)	-12%	.244	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 57: Capital expenditure: Internal Audit

Capital Expenditure: Internal Audit							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	0	0	0	0%		0	

COMMENTS ON THE PERFORMANCE OF INTERNAL AUDIT

Internal Audit managed to stay within its allocated operational budget. No capital projects were listed on the procurement plan for the fiscal period.

3.13 FINANCIAL SERVICES**INTRODUCTION TO FINANCIAL SERVICES**

The Directorate Finance consists of the following departments: Finance, Supply Chain Management and Assets, Payroll, Bank and Cash Investment.

Although the municipality is experiencing limited financial resources to fulfil its mandatory functions to its full capacity, various efforts were made to explore new and enhanced revenue streams and inputs were also made into existing DORA grants allocated to the ODM.

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, 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 financial- and budget-related policies were

reviewed, including the Cost Containment Policy. An inclusive process was followed in compiling the 2024/25-2026/27 MTREF Budget with the involvement of all departments as well as the Budget Steering Committee.

The municipality is still in the process of migrating its current financial system to a web-based system to be fully mSCOA compliant on reporting. Further focus areas include SCM Contract Management, Procurement and Expenditure and Asset Management. A Financial Management Capability Grant allocation has been received to co-fund the expenditure towards the migration.

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

As part of the organisational review of ODM, the Finance Directorate was restructured to ensure optimal utilisation of staff resources. This was approved by Council in February 2023, and TASK job evaluations were performed on all job descriptions and implemented according to the results received. All vacant positions had been filled internally with existing staff and financial interns in terms of Council's Succession Policy.

Table 58: Debt Recovery

Debt Recovery									R' 000
Details of the types of accounts raised and recovered	2021/22		2022/23			2023/24			
	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	Actual outturn for accounts billed in year	Actual proportion of accounts billed that were collected %	
Municipal and other services	29 534	100.00%	33 996	32 907	96.80%	39 613	34 812	87.88%	

Table 59: Employees: Finance

Employees: Finance					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	10	14	12	2	14.29%
10 - 12	6	8	7	1	12.50%
13 - 15	0	0	0	0	0.00%
16 - 18	3	3	3	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	19	25	22	3	12.00%

Table 60: Financial performance: Financial Services

Financial performance: Financial Services							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	98 921	94 746	101 455	101 410	0%	(45)	
Expenditure:							
Employees	10 702	11 071	10 681	11 588	8%	907	
Repairs and Maintenance							
Other	15 242	17 216	18 100	13 525	-25%	(4 575)	
Total Operational Expenditure	25 944	28 287	28 781	25 112	-13%	(3 669)	
Net Operational Surplus/(Deficit)	72 976	66 459	72 674	76 297	5%	3 624	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 61: Capital expenditure: Financial Services

Capital expenditure: Financial Services							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All	20	18	18	0%		0	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

Financial Services, as the custodian department of selected grants received by the municipality, underspent on their budget due to a few grants-funded projects that were not fully spent. Some of the JDMA grants that were not spent by the local municipalities in the district will not be able to be rolled over again and must be refunded to the province.

The capital project was well met towards the capital adjustment budget.

3.14 HUMAN RESOURCE SERVICES**INTRODUCTION TO HUMAN RESOURCE SERVICES**

Human Resource Services (or simply **HR**) is primarily concerned with the management of people within the organisation, focusing on policies and systems, including employee benefits, employee recruitment and selection, training and development, organisational change and industrial relations, that is, the balancing of organisational practices with requirements arising from collective bargaining and from governmental laws.

The following functions and duties reside in the HR Department of the municipality:

- Human Resources Administration
- Labour Relations
- Occupational Health and Safety
- Employee Assistance Programme
- Recruitment and Selection
- Employment Equity
- Expanded Public Works Programme
- Training and Skills Development
- Leave Management

An update as well as progress with regard the above functions are reported on various platforms, viz. Local Labour Forum (LLF), Employment Equity Committee, Training Committee, Occupational Health and Safety Committee, Corporate Services Portfolio Committee, and Council. Consultations are held with IMATU and SAMWU representatives to ensure transparency and promote and enhance good governance.

The HR Department plays an active role in the alignment of the Integrated Development Plan (IDP) to assist in ensuring that the municipality reaches its strategic goals. The activities of this section are detailed under Organisational Performance (Chapter 4).

HUMAN RESOURCE POLICIES

HR policies are aligned with the Municipal Staff Regulations (MSR), providing guidelines on employer-employee relations, which impart information on acceptable norms of behaviour, health and safety measures, employment laws, conflict resolution and disciplinary measures. Policies on the rights, duties and responsibilities of employees create a suitable working environment and promote healthy workplace relations. HR-related policies revised/ developed, and adopted during the 2023/24 period:

Table 62: Human Resource Policies

Policy / Framework	Reviewed
Acting, Additional and Secondment Allowance	24 May 2024
Transport Allowance Policy (Essential User)	10 June 2024
Transport Allowance Policy (Perk Scheme)	10 June 2024

Organisational development highlights for 2023/24

- During the financial year of 2023/24, a total of four roadshows were conducted. The focus of the roadshow is to keep the employees informed of all developments and information that have an impact on employees in terms of the following topics:
 - Employee Benefits
 - Labour Relations and Grievance
 - Leave
 - Skills Development and Training
 - Occupational Health and Safety
 - Employee Assistance Programme (EAP)
 - Recruitment and Selection
 - Municipal Staff Regulations (MSR)
 - Employment Equity
 - Sexual Harassment
- Appointment of the HR Practitioner: Labour Relations, OH&S and EAP.
- In terms of Recruitment and Selection, a total of thirty-four (34) external applicants were permanently appointed, 21 of which were under-represented as per the Employment Equity Targets.
- Twenty-eight (28) EPWP participants were permanently appointed within the ODM.
- The Department of Human Resources was able to accommodate a student from Boland College to obtain practical experience in the Human Resources environment and other departments.
- Ten (10) permanent employees were granted the opportunity to study towards a Diploma in Public Accountability at the School of Public Leadership, University of Stellenbosch.
- The department also successfully created a long outstanding learning environment for employees, e.g. employees on the lower level were granted learning opportunities to develop themselves. During the financial year of 2023/24, a total of ten (10) employees were sent to Northlink College for Recognition of Prior Learning (RPL) in the following trades: Panel Beating, Welding, Diesel Mechanic and Handyman.
- Funding was received for internal and external bursaries. A total of twenty-five (25) employees have been financially assisted to enroll at an academic institution to obtain a formal qualification in terms of personal development.
- External funding was also received by Provincial Treasury as part of the Financial Management Capability Grant (FMCG) for matriculants to pursue further studies.
- The department started the process of the implementation of Talent Management and Succession Planning during the month of April 2024, by workshopping it with managers, supervisors and union representatives. The aim is also to address and ensure effective identification of talent, succession planning, attraction and sourcing and development and retention of talented staff.

Organisational development challenges for 2023/24

- Available budget for training and personal development of employees in order to be capacitated with the required skills and MSR competencies.
- The department has become understaffed due to the increased workload as a result of the rapid increase in employees within the municipality.

Table 63: Employees: Human Resource Services

Employees: Human Resource Services					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	2	2	1	1	50.00%
10 - 12	2	4	4	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	5	7	6	1	14.29%

Table 64: Financial performance: Human Resource Services

Financial performance: Human Resource Services							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	2 815	3 555	3 127	3 021	-3.36%	(105)	
Repairs and Maintenance							
Other	1 043	1 100	1 409	1 506	6.92%	97	
Total Operational Expenditure	3 858	4 655	4 535	4 528	-0.17%	(8)	
Net Operational Surplus/(Deficit)	(3 858)	(4 655)	(4 535)	(4 528)	-0.17%	8	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 65: Capital expenditure: Human Resource Services

Capital expenditure: Human Resource Services							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All	0	0	0	0		0	

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

Human Resources managed to perform their duties within their operational budget and spent all the grant funding on bursaries and capacity building (internship). No capital projects were identified for the fiscal period.

3.15 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT Department is situated in the Corporate Directorate and is capacitated with two permanent employees, and one temporary ICT Learner. The unit is responsible for the ICT infrastructure at 19 premises with a total of 175 end-users. The effectiveness of technology and information management is monitored by regularly reporting to the ICT Steering Committee, which has an adopted Terms of Reference in place.

The top priorities of the unit includes the financial and HR systems, cyber security, e-mail and internet access. Backups for all data are performed daily. The financial programme, performance management and the information management system of roads are maintained by external organisations.

ICT Remediation Plan

A professional services agreement has been entered into between Overberg District Municipality and DFA Solutions to provide technical and administrative support, e.g. network design. They have been instrumental in drafting and monitoring progress in relation to the ICT Remediation Plan. The approved ICT Remediation Plan is implemented through deliverable action, attached to timeframes and reported on to the ICT Steering Committee, FARMCO and Corporate Services Portfolio Committee.

ICT policies

ICT policies are developed to provide a framework for ensuring that the municipality's ICT systems and infrastructure are secure and protected. Policies and frameworks are used to govern how we use all aspects of ICT to conduct business and to ensure users understand and follow procedures to ensure the safe and appropriate use of ICT resources.

Table 66: List of ICT policies

Policy / Framework	Revised and Adopted
ICT Disaster Recovery Plan	3 June 2024
ICT Performance Plan	22 August 2022
ICT Strategic Plan	3 June 2024
ICT Change Management Policy	5 December 2022
ICT User Access Management Policy	5 December 2022
ICT Operating System Security Controls Policy	5 December 2022
ICT Security Controls Policy	5 December 2022
Municipal Corporate Governance of ICT Policy	5 December 2022

Service delivery highlights for 2023/24

- Upgraded the Bredasdorp Fire Station's network.
- Significant reduction in the number of risks identified in the ICT Remediation Plan.
- Cyber security awareness workshop held on 4 December 2023 for employees and Councillors.

Service delivery challenges for 2023/24

- To keep abreast of the ongoing development in the ICT environment.
- Cyber security threats.

Table 67: Employees: ICT

Job Level	Employees: ICT				
	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	1	2	1	1	50.00%
10 - 12	1	1	1	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	2	3	2	1	33.33%

Table 68: Financial performance: ICT

Financial Performance: ICT							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	973						
Repairs and Maintenance							
Other	2 431	3 236	2 947	2 717	-7.80%	(230)	
Total Operational Expenditure	3 404	3 236	2 947	2 692	-8.65%	(255)	
Net Operational Surplus/(Deficit)	(3 404)	(3 236)	(2 947)	(2 692)	-9%	255	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 69: Capital expenditure: ICT

Capital Expenditure: ICT							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All	794	1 175	1 163	-1%		(13)	

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The department managed to stay within their allocated operational budget. Uncompleted capital projects will be rolled over to the new financial year due to the service providers having delays in supplying products. As from July 2023, the employment cost of the ICT staff reflects under Support Services

3.16 SUPPORT SERVICES

INTRODUCTION TO SUPPORT SERVICES

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

COMMITTEE SERVICES, RECORD MANAGEMENT AND COUNCILLOR SUPPORT

The department focused on the following top priorities during the year under review.

COMMITTEE SERVICES AND COUNCIL SUPPORT

Provided administrative and secretariate services to Council and committees, which included the compilation and circulation of agendas, taking of minutes and logistic arrangements during the meetings. Support was provided for approximately 98 meetings of the municipality. Provided administrative support and assistance to Councillors on Council's day-to-day activities.

Committee Services rendered an administrative support service to Council and its political structures and ensured quality administrative service delivery by managing standing committees and ad hoc committee meetings through effective coordination and secretariate support. Agendas for standing committee meetings are circulated five (5) calendar days prior to meetings. This results in Councillors having sufficient time to prepare for meetings. All agendas are distributed electronically, which contributes to a reduction in costs.

RECORDS MANAGEMENT

The Records and Archives Division managed the implementation of procedures and systems associated with document flow, such as the archiving and keeping of records systems (in accordance with statutory prescriptions) and the establishment, evaluation and maintenance of registry procedures for the operation of the main registry office and for regulating record keeping. The division also oversees compliance with statutory requirements regarding control over the maintenance and application of the filing system and records control schedule. All records of Overberg District Municipality are kept and managed in accordance with the Provincial Archives and Record Services of the Western Cape Act, 2005 (Act 3 of 2005). The Records Management Policy was revised and approved by Council on 4 December 2023.

The municipality purchased an electronic document management system and started with the implementation in 2023. Quarterly progress reports are provided to the Corporate Services Portfolio Committee to inform the committee on the implementation of the system.

Service delivery highlights for 2023/24

Committee Services:

- **Effective meeting management:** Successful organisation and management of committee meetings, including the timely distribution of agendas, minutes, and supporting documents.
- **Streamlined procedures:** Implementation of streamlined procedures for scheduling, conducting, and documenting committee meetings, improving overall efficiency.
- **Resolution tracking:** Efficient tracking and follow-up on committee resolutions and action items to ensure timely completion and implementation.

Council Support:

- Provided comprehensive administrative support to Council members, including scheduling, correspondence, and logistical arrangements for meetings.
- Effectively managed administrative tasks and provided support during emergency situations or urgent Council meetings.

Records Management:

- Improved organisation and categorisation of records, ensuring easy access and retrieval of critical documents.
- **Digital transformation:** Advanced the transition to digital record-keeping systems, enhancing efficiency and reducing reliance on physical storage.
- **Archiving procedures:** Implemented and refined archiving procedures to preserve historical records and facilitate long-term preservation.
- **Training and awareness:** Conducted training sessions for staff on best practices in records management and the use of the new document management system.

Service delivery challenges for 2023/24

Committee Services:

- **Increased workload:** With more committees or increased activities, managing agendas, minutes, and resolutions might become more time-consuming and challenging.
- **Technical issues:** Problems with virtual meeting platforms or other technologies could disrupt the efficiency of meeting management.

Records Management:

- **Archiving challenges:** Preserving historical records in a digital format while ensuring accessibility over the long term may be complex.
- **Change management:** Implementing new systems and procedures that are resistant.

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 2023/24 financial year, no investment properties were sold; however, various processes commenced by looking at revenue enhancement initiatives, possible selling options, and the benefit from these to the communities. These properties also form part of the long-term financial sustainability plan of the municipality.

Visits to properties assisted to update and monitor the associated risk, hence identifying, and assessing the condition and activities on the properties. Frequent monitoring of properties is crucial to ensure safeguarding ODM properties and mitigating illegal occupancy and unauthorised use.

Going forward, the municipality anticipates selling or availing the investment properties for opportunities that will benefit the municipality in service delivery enhancement and will assist in economic growth in the region. Optimising these resources will not only benefit the municipality's financial sustainability but also assist the communities it serves.

The municipality established a division to assist with the maintenance to the properties that are used for service delivery.

LEGAL SERVICES

The municipality has no internal legal capacity and makes use of external legal assistance from a panel of legal firms. A Labour Court review application related to TASK job evaluations is in process. A claim was instituted for fire damage against Overstrand Municipality and three others (ODM included) that occurred in the Overstrand jurisdictional area.

RISK MANAGEMENT

The following activities and actions were performed by the Performance and Risk Management Department during the year:

- Coordinated quarterly FARMCO meetings, chaired by an independent Audit and Performance Audit Committee member.
- 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 management and the Executive Mayoral Committee for approval by Council.
- Continuous emphasis on possible fraud and corruption risks and the related risk action plans.
- Monitoring of the risk management implementation plan.
- Engaging and involving all levels of management with the risk management activities.
- Compilation of quarterly combined assurance reports based on the Combined Assurance Policy Framework adopted by Council.
- Improved cooperation 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 feedback regarding the function is provided.
- Quarterly risk reports were submitted to portfolio committee meetings (and if required, to Council).
- The review of risk management documentation by the FARMCO, e.g. Risk Management Strategy

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. Individual performance agreements were concluded with employees in line with the Local Government Municipal Staff Regulation. 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 based on the 2022/23 performance assessment.

Performance assessments were done biannually 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 Office, 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 – point 3.13

Table 70: Employees: Committee Services, Records Management and Councillor Support Services

Employees: Committee Services, Records Management and Councillor Support Services					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	1	2	1	1	50.00%
10 - 12	2	2	2	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	4	5	4	1	20.00%

Table 71: Employees: Contract, Legal and Building Management

Employees: Contract, Legal and Building Management					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	2	1	33.33%
4 - 6	1	2	2	0	0.00%
7 - 9	0	4	2	2	50.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	1	0	1	100.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	4	10	6	4	40.00%

Table 72: Employees: Performance and Risk Management

Employees: Performance and Risk Management					
Job Level	2022/23	2023/24			
	Actual Employees	Approved Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	0	2	0	2	100.00%
10 - 12	0	0	0	0	0.00%
13 - 15	1	2	1	1	50.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	1	4	1	3	75.00%

Table 73: Financial performance: Support Services

Financial performance: Support Services							R'000
Details	2022/23	2023/24					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget	Variance to Adjustment Budget (R)	
Total Operational Revenue	33	25	40	101	151.29%	61	
Expenditure:							
Employees	7 139	10 982	9 504	8 956	-5.77%	(548)	
Repairs and Maintenance							
Other	3 392	4 001	5 146	3 955	-23.14%	(1 191)	
Total Operational Expenditure	10 531	14 983	14 650	12 911	-11.87%	(1 739)	
Net Operational Surplus/(Deficit)	(10 498)	(14 957)	(14 610)	(12 810)	-12.32%	1 799	
<i>Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Adjustment Budget.</i>							

Table 74: Capital expenditure: Support Services

Capital expenditure: Support Services							R' 000
Capital Projects	2023/24						
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All	545	1 083	925	-14.66%		(159)	

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. Capital projects consisted predominantly of acquiring backup power (load-shedding mitigation) systems to ensure service delivery. The adjustment budget increase was due to building upgrades and generator capacity.

Please note that Social Development Services, ICT and supporting staff costs also form part of this division's costs.

COMPONENT J: ORGANISATIONAL PERFORMANCE

DETAILED PERFORMANCE REPORT FOR 2023/24 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 2023 to Quarter ending June 2024				
						Target	Actual	R	Comments	Corrective Measurements
30	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended).	Number of samples taken per annum.	All	680	672	672	915	G2	915 Samples were taken. Additional samples were taken in Overstrand Municipal area as the water supply infrastructure were affected by the flooding and the non-compliance of water quality.	None required
31	Take food samples to monitor the quality of Food into the FCD Act and legislative requirements.	Number of samples taken per annum.	All	483	400	400	485	G2	485 Samples were taken. Additional request for sampling resulted in overperformance, e.g. export market, food poisoning and the non-compliance of samples.	None required
32	Take water sample at Sewerage Final Outflow to monitor water quality (National Water Act: General Standards).	Number of samples taken per annum.	All	173	180	180	196	G2	196 samples were taken. Extra monitoring was needed due to non-compliance taken.	None required
33	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee.	Number of reports submitted per annum.	All	4	4	4	4	G	Tabled reports on: 11/09/2023, Item 7.1 13/11/2023, Item 7.1 11/03/2024, Item 7.1 03/06/2024, Item, 7.1	None required
34	Report annually to the Community Services Portfolio Committee on the outcome of Karwyderskraal Landfill site adherence to the permit conditions.	Report submitted to the Community Portfolio Committee per annum.	All	1	1	1	1	G	Tabled on 11/03/2024, Item 7.2. Compliance result = 98.97%	None required
35	Report quarterly to the Community Services Portfolio Committee on the activities of the Regional Waste Forum.	Number of reports submitted per annum.	All	4	4	4	4	G	Tabled reports on: 11/09/2023, Item 7.1 13/11/2023, Item 7.1 11/03/2024, Item 7.1 03/06/2024, Item, 7.1	None required
36	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	4	4	4	4	G	Tabled reports on: 11/09/2023, Item 7.1 13/11/2023, Item 7.1 11/03/2024, Item 7.1 03/06/2024, Item, 7.1	None required

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2023 to Quarter ending June 2024					
						Target	Actual	R	Comments	Corrective Measurements	
37	Table the revised Disaster Risk Management Plan to Council by June.	Revised Disaster Risk Management plan tabled to Council.	All	1	1	1	1	1	G	Tabled on 10/06/2024, Item A70.	None required
38	Table to Council the revise Disaster Management Framework by June.	Revised Disaster Management Framework tabled to Council.	All	1	1	1	1	1	G	Tabled on 10/06/2024, Item A71.	None required
39	Present annually the revised winter readiness plan to the Community Services Portfolio Committee.	Number of revised Winter readiness plans submitted per annum.	All	1	1	1	1	1	G	Plan submitted on 3 June 2024, Item 9.4.	None required
40	Present annually the revised Festive and Fire Season Readiness Plan to DCFTech.	Number of revised Festive and Fire Season readiness plan presented per annum.	All	1	1	1	1	1	G	Presented Festive and Fire Readiness Plan to DCF and DCF Tech on 01/12/2023, Item 5.4	None required
41	Rollout formal Training programmes by fire services training centre.	Number of formal fire training programmes rolled out by fire training centre per annum.	All	0	2	2	2	2	G	Training programmes rolled out: Firefighter II Training Fire Line Safety Training	None required
42	Upgrade roads to permanent surface (MR276-2.28km).	Number of kilometres road upgraded per annum.	All	2.42	2.28	2.28	2.28	2.28	G	2.28 Kms of road upgraded to permanent surface.	None required
43	Kilometres of gravel roads to be regavelled.	Number of kilometres road regavelled per annum.	All	42.19	24.93	24.93	31.44	G2	31.44 Km of roads were regavelled. Gravel work that was stop during the floods were finalised after flood damage repairs completed. This results in more KM regavelled than anticipated.	None required	
44	Kilometres of gravel roads to be bladed.	Number of kilometres roads bladed per annum.	All	6862.61	6 500	6 500	6 686.53	G2	6686.53 Km or roads were bladed during the year. Due to the availability of essential plant, more kilometers of roads were bladed.	None required	
45	Submit annually the Business Plan for Provincial Roads budget allocation to Department of Infrastructure by 31 March.	Annual Business Plan submitted.	All	1	1	1	1	1	G	Business plan submitted and acknowledged on 19/03/2024 by Dept. of Infrastructure.	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 2023 to Quarter ending June 2024				
						Target	Actual	R	Comments	Corrective Measurements
16	Create temporary work opportunities through the municipality's EPWP programme by 30 June.	Number of temporary EPWP work opportunities created per annum.	All	207	131	131	135	G2	135 Work opportunities created through EPWP programme. The availability of additional own funding resulted in more opportunities be created.	None required
29	Invite service providers to register on the suppliers database by 30 June.	Invitation placed on ODM website and in external media.	All	1	1	1	1	G	Suppliers advert place in media 24/04/2024 and 'Become a Service Provider' notice on web	None required
46	Report quarterly to the Community Portfolio committee on the progress of planned deliverables in RED & Tourism Strategy.	Number of progress reports tabled per annum.	All	4	4	4	4	G	4 Reports were tabled.	None required
47	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	4	4	4	G	4 Quarterly reports tabled.	None required
48	Submit a status report to the Community Services regarding the ownership of Uilenkraalsmond Holiday resort by June.	Number of reports submitted per annum.	All	3	1	1	1	G	Report Submitted on 3/06/2024, Item 10.2.	None required

Strategic Goal 3 (SG3)

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

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2023 to Quarter ending June 2024					
						Target	Actual	R	Comments	Corrective Measurements	
1	People from employment equity target groups employed in vacancies on the three highest levels of management in compliance with the approved Employment Equity Plan for the financial year. (Reg)	Number of people from employment equity target groups employed in vacancies that arise in the three highest levels of management per annum.	All	1	1	1	1	1	G	Director Community Services appointed (started 1 February 2024)	None required
12	Percentage of Municipal budget to be spent on the implementation of the Workplace Skills Plan by 30 June. (Reg)	% of Municipal Budget spent per annum on the WSP (Actual spent on Training/Total Expenditure Budget).	All	0.44%	0.49%	0.49%	0.55%	G2	Total Expenditure: R279 800 475 Spent: R1 543 003.65 =0.55% Additional funds were made available for MMC training which resulted in overperformance.	None required	
13	Report Municipal Staff Regulation Implementation Plan progress quarterly to Corporate Portfolio Committee.	Number of progress reports submitted per annum.	All	0	4	4	4	G	Report on: 11/09/2023, Item 6.1.4 13/11/2023, Item 6.1.1 11/03/2024, Item 6.4.2 03/06/2024, Item 6.4.9	None required	
14	Quarterly implementation of HR Roadmap to keep staff informed of HR policies and processes.	Number of staff engagements held per annum.	All	0	4	4	3	O	3 Quarterly engagements were held. An extensive sexual harassment awareness campaign held in the second quarter resulted in that no HR Roadmap engagement was held.	To combine the HR Roadmap engagement with the sexual harassment	
15	Arrange Bi-annual sexual harassment staff awareness campaigns.	Number of awareness campaigns arranged per annum.	All	0	2	2	2	G	2 Awareness campaigns were held.	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 2023 to Quarter ending June 2024				
						Target	Actual	R	Comments	Corrective Measurements
2	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	50%	80%	80%	85.12%	G2	Capital Budget: R14 321 901.00 R12 190 598 = 85.12% The recognising of VAT on grant funded projects and retention on the Karwyderskraal project resulted in more spending than anticipated.	None required
24	Table quarterly Pool Fleet Management Report to Corporate Services Portfolio Committee.	Number of reports tabled per annum.	All	0	4	4	4	G	Reports tabled on: 11/09/2023, Item 6.3.2 13/11/2023, Item 6.3.2 11/03/2024, Item 6.3.5 03/06/2024, Item 6.3.2	None required
25	Measured financial viability in terms of the municipality's ability to meet it's service debt obligations by 30 June (Debt coverage). (Reg)	The number of times the municipality was able to meet it's Debt obligation ((Total operating revenue received - operating grants)/debt service payments)).	All	11.2	10	10	12.06	G2	R282 596 615 - R214 909 284 = R67 687 331/R1 491 286 + R4 119 875 = R5 611 161 = 12.06 Loan obligation remains static as no new loans are taken up while operational own revenue increase annually.	None required
26	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	4.12	3	3	3.48	G2	Cash and Cash Equivalents R77 584 843/ R267 605 700 (Total expenditure)/12 = R22 304 225 = 3.48 Additional cash is as a result of Roads Agency Input VAT claims. Additional cash is as a result of Roads Agency Input VAT claims.	None required
27	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	13	15%	15%	11.62%	B	Outstanding Service Debtors Water R 81 844.15 Electricity R 12 299.18 Waste Disposal R1 877 162.57 Total R1 971 305.90 Total annual Service charges revenue = R16 962 949 = 11.62% R444 708 (18.4%) of the outstanding debtors was in respect of waste disposal levies, charged in advance for the next financial year.	None required
28	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		G	Reports tabled to Council on: 04/12/2023, Item A30 10/06/2024, Item A66	None required

Strategic Goal 5 (SG5)

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

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2023 to Quarter ending June 2024				
						Target	Actual	R	Comments	Corrective Measurements
3	Coordinate the functioning of the Audit & Performance Audit Committee during the financial year.	Number of quarterly meetings held per annum.	All	4	4	4	4	G	4 Quarterly meetings were held.	None required
4	Develop a Risk-based Audit Plan for the next financial year and table to the Audit & Performance Audit Committee by 30 June.	Risk-based audit plan developed and tabled.	All	1	1	1	1	G	RBAP tabled on 28/06/2024, Item O104.	None required
5	Execute audit projects in terms of the Risk Base Audit Plan (RBAP).	Number of audits executed per annum.	All	22	16	16	21	G2	21 Audits were executed. Additional requests for audits resulted in overperformance.	None required
6	Facilitate IDP Awareness initiatives in the district.	Number of IDP awareness initiatives facilitated per annum.	All	2	2	2	2	G	IDP Awareness initiatives were held on: 06/12/2023 12/06/2024	None required
7	Facilitate District IGR (IDP Managers & PPSComm) engagement with Local Municipalities.	Number of engagements facilitated per annum.	All	8	8	8	8	G	8 Engagements were held.	None required
8	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
9	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	2024/2025 Top Layer SDBIP approved on 14/06/2024.	None required
10	Review annually the TL SDBIP to inform Council should a revised TL SDBIP be necessary and table the report to Council.	Report (Sec 72) tabled to Council by January.	All	1	1	1	1	G	Tabled report to Council on 29/01/2024, Item A41.	None required
11	Compilation and submission of Draft Annual Performance Report to the AG by 31 August.	Annual Performance Report submitted.	All	1	1	1	1	G	Report was submitted to Auditor-General on 31/08/2023.	None required

Ref	KPI Name	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Overall Performance for Quarter ending September 2023 to Quarter ending June 2024				
						Target	Actual	R	Comments	Corrective Measurements
17	Coordinate quarterly Ordinary Council Meetings.	Number of Ordinary Council meetings coordinated per annum.	All	6	4	4	4	G	Ordinary Council meetings held on: 10/06/2024 21/08/2023 04/12/2023 25/03/2024	None required
18	Review Records Management Policy and table to Council by December.	Reviewed policy tabled to Council.	All	1	1	1	1	G	Records Management Policy tabled to Council on 04/12/2023, Item A33	None required
19	Table quarterly progress report on Electronic Document Management System to Corporate Services Portfolio Committee.	Number of progress reports tabled per annum.	All	0	4	4	4	G	Reports tabled on: 11/09/2023, Item 6.2.2 13/11/2023, Item 6.2.2 11/03/2024, Item 6.1.2 03/06/2024, Item 6.1.2	None required
20	Table bi-annual progress report on remedial actions from WC Archives & Record Services to Portfolio Committee.	Number of progress reports tabled per annum.	All	0	2	2	2	G	Reports tabled on: 11/09/23, Item 6.2.3 03/06/2024, Item 6.1.3	None required
21	Table quarterly progress report on ICT Remediation Plan to Corporate Services Portfolio Committee.	Number of progress reports tabled per annum.	All	0	4	4	4	G	Reports tabled on: 11/09/2023, Item 6.4.2 13/11/2023, Item 6.4.1 11/03/2024, Item 6.2.1 03/06/2024, Item 6.2.1	None required
22	Review ICT Steering Committee Terms of Reference and table to Council by March each year.	Revised TOR tabled to Council.	All	1	1	1	1	G	ICT Steering Committee TOR tabled to Council on 29/01/2024, Item A47.	None required
23	Table quarterly activity report on Building Management and Support Services to Corporate Portfolio Committee.	Number of activity reports tabled per annum.	All	0	4	4	4	G	Reports tabled on: 11/09/2023, Item 6.3.1 13/11/2023, Item 6.3.1 11/03/2024, Item 6.3.1 03/06/2024, Item 6.3.1	None required

COMPONENT K: PERFORMANCE ASSESSMENT OF GOODS AND SERVICE PROVIDERS

Performance assessments were done throughout the 2023/24 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 R30 000).

Table 75: Service providers assessed during the year

Name of Service Provider	Goods and Services Supplied
Nedbank	Banking Services
Enviroserve Waste Management (Pty) Ltd	Operating cell 4 at Karwyderskraal landfill site
Pro Heat and Energy Electrical CC	Supply, service and repairs to boilers, burners hot- and coldwater tanks, heat exchangers, circulation pumps and all other parts pertaining to the hotwater system
Swift Siliker (Pty) Ltd t/a Merieux Nutrisciences	Food and water sample analysis
Kishugu Aviation (Pty) Ltd	Ad hoc aerial firefighting services
Delta Built Environment Consultants (Pty) Ltd	Consulting Engineers for Solid Waste
JPCE (Pty) Ltd	
TWK Communication CC	VOIP Telephone System
Siyanda Business Solutions	Accounting Services
Solvem	SLA – SAMRAS System
Ignite Advisory Services	SLA – Performance Management, Risk and Compliance System
Sleba Enterprises (Pty) Ltd	Fuel, Oils and Grease
Memotek Trading	Bitumen, Bitumen Emulsions, Prime, MC 3000 Cutback, Slurry Services, Laying of Asphalt and Milling and Filling Services
Tosas	
Martin & East	
Colas SA	
Kohler Signs	Bolts and Nuts and Washers and Road signs
Southern Ambition 1281 t/a NU Way Enterprises CC	
Silverlake Trading 305 (Pty) Ltd t/a Opulentia Financial Services	Short-term Insurance
Ithuba Industries	Reinforced concrete pipes, box culverts and bases
Zana Manzi Services (Pty) Ltd	Pumps - Resorts
Denza's Alien Clearing	Control and eradication of alien and invasive vegetation
DS Alien Plant Cleaning Services	
Cities Landscaping & Projects	
Gray Security Solutions (Pty) Ltd	Guarding and Security Services
Simons Electrical	Electrical Services
Juno Corp	Hiring of Honey Sucker, Super Sucker or Liquid Ring unit for Sewage Removal and a combination unit for sewer and stormwater maintenance
Premium Consulting	Professional (psychology) counselling services
Roadlab Laboratories (Pty) Ltd	Laboratory test services for civil works
NCC Environmental Services (Pty) Ltd	Provision of a strike team / taskforce
NCC Environmental Services (Pty) Ltd	Provision of ground crews
Enviro Wildfire (Pty) Ltd	
Leafix (Pty) Ltd	Herbicide

Name of Service Provider	Goods and Services Supplied
Langeberg Bande (Pty) Ltd t/a Supaquick Swellendam	Batteries
Soetmuis Vier BK t/a Kwik N Go	
Arina Wilson	Translation and Editing Advertisements
Boebies Body Works CC	Printing and eyeline paper
Vida E Sport (Pty) Ltd	Protective clothing and footwear
Pienaar Brothers (Pty) Ltd	
Black Bird Trading 480	
Startune (Pty) Ltd	
KFC Engineering & Industrial Supplies	
Kukhulu Plant Hire	Construction plant
FG Jacobs Transport CC	
Sobuza Investments CC	
TVM Konstruksie Pty Ltd	
Uitkyk Diggers CC	
Sector 6 (Pty) Ltd	
Midmar Plant Hire CC	
Breda Hardware t/a Build It Breasdorp	Cement
Soetmuis Vier BK t/a Kwik 'N Go	Supply and delivery of spare parts, service, refurbishing, repairs and/or replacement of components for firefighting and motor vehicles, earthmoving and road construction equipment
Boebies Bodyworks CC	
Bantom Performance Centre	
Hein's Auto Electrical CC	
Ramcom Cape (Pty) Ltd	
SWD Motors	
Metsy Motors CC	
LA Odendaal t/a Cross - Odendaal Auto Electrical	
Worcester Gearbox Centre CC	
Rola Auto (Pty) Ltd t/a Rola Ford	
AAD Truck & Bus (Pty) Ltd	
Wearcheck, a division of Synerlytic Services (Pty) Ltd	
Worldwide Spares (Pty) Ltd	
Car Boat Truck Spares (Pty) Ltd	

Results: All performance ratings done on service providers were positive and services and goods rendered to the municipality were satisfactory and of 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 and Communication • Performance and Risk Management 		
Directorate Finance <ul style="list-style-type: none"> • Finance • Payroll, Bank and Cash Investment • Supply Chain Management and Assets 	Directorate Corporate Services <ul style="list-style-type: none"> • Human Resources • Committee Services, Records Management and Councillor Support • Contract, Legal, ICT and Building Management 	Directorate Community Services <ul style="list-style-type: none"> • Municipal Health Services • Environmental Management • Social Development • Emergency Services • Roads Services • LED, Tourism and Resorts

The Overberg District Municipality employs 383 (excluding temporary employees) officials who individually and collectively contribute to the achievement of the municipality's objectives.

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS: TURNOVER AND VACANCIES

Table 76: Employees total

Description	Employees				
	2022/23	2023/24			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Roads Services	211	239	228	11	5%
Planning (IDP/Communications)	2	3	2	1	33%
Environmental Management	3	44	4	0	0%
Municipal Health Services	22	39	22	17	44%
Emergency (Fire and Disaster Management) Services	62	103	61	42	41%
Social Development	1	3	1	2	67%
LED, Tourism and Resorts	21	36	17	19	53%
Office of Municipal Manager/Executives	4	6	5	1	17%
Internal Audit	2	3	2	1	33%
Finance	19	25	22	3	12%
Human Resources	5	7	6	1	14%
Contract, Legal and Building Management	4	10	6	4	40%
Support Services, Committee Services, Records Management and Councilor Support	4	5	4	1	20%
ICT Services	2	3	2	1	33%
Performance Management and Risk Management	1	4	1	3	75%
No position / Organisation structure not clear	0	0	0	0	0%
Totals	363	490	383	107	22%

Calculation: Employees and approved posts on 30 June 2024

Occupational levels

The total number of **employees (including employees with disabilities)** at 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	1	0	1	0	2	0	0	0	0	4
Senior Management (Level 16-22)	0	1	0	5	1	1	0	0	0	0	8
Professionally qualified and experienced specialists and mid-management (Level 14-15)	0	2	0	5	2	1	0	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Level 9-13)	8	26	0	11	8	18	0	6	0	0	77
Semi-skilled and discretionary decision making (Level 4-8)	57	54	0	11	15	19	0	3	0	0	159
Unskilled and defined decision making (Level 1-3)	28	37	0	7	23	27	0	3	0	0	125
TOTAL PERMANENT	93	121	0	40	49	68	0	12	0	0	383
*Temporary employees	15	54	0	5	20	25	0	1	0	0	120
GRAND TOTAL	108	175	0	45	69	93	0	13	0	0	503
<i>*The number of EPWP and intern programmes' employees on 30 June 2024 forms part of the temporary employees.</i>											

Table 78: Turnover rate

Turnover Rate			
Year	Number of employees at yearend	Number of terminations during the year	Turnover Rate*
2020/21	340	17	5.00%
2021/22	363	14	3.86%
2023/24	383	17	4.44%
<i>* Calculation: Terminations/by total number of permanent employees on 30 June 2024</i>			

COMMENT ON VACANCIES AND TURNOVER

The turnover 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 Resource policies and plans

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted/reviewed by Council or comment on failure to adopt
1	Bursary Policy	100.00%	100.00%	28 June 2021
2	Cellular Phones, Tablet and Data Card Policy	100.00%	100.00%	27 July 2015
3	Dress Code Policy	100.00%	100.00%	28 June 2021
4	Study Aid Policy	100.00%	100.00%	28 June 2021
5	Employee Assistance Programme	100.00%	100.00%	27 July 2015
6	Education, Training and Development Policy	100.00%	100.00%	22 August 2022
7	Employment Equity Policy	100.00%	100.00%	22 August 2022
8	Exit Interview Policy	100.00%	100.00%	22 August 2022
9	External Bursary Aid Policy	100.00%	100.00%	22 August 2022
10	Grievance Procedure Policy	100.00%	100.00%	22 August 2022
11	Induction and Orientation Policy	100.00%	100.00%	22 August 2022
12	Human Resources Policy Framework	100.00%	100.00%	22 August 2022
13	Financial Support for Driving Lessons	100.00%	100.00%	5 December 2017
14	HIV/Aids Policy	100.00%	100.00%	18 June 2012
15	Occupational Health and Safety	100.00%	100.00%	28 June 2021
16	Overtime Policy	100.00%	100.00%	18 July 2018
17	Recruitment and Selection Policy	100.00%	100.00%	22 August 2022
18	Sexual Harassment Policy	100.00%	100.00%	6 December 2019
19	Skills Retention Policy	100.00%	100.00%	27 July 2015
20	Smoking Policy	100.00%	100.00%	27 July 2015
21	Substance Abuse Policy	100.00%	100.00%	6 December 2019
22	Task Job Evaluation Policy	100.00%	100.00%	3 December 2012
23	Travel and Subsistence Policy	100.00%	100.00%	24 May 2024
24	Private work (Employees)	100.00%	100.00%	5 December 2017
25	Performance Management Framework Policy	100.00%	100.00%	22 August 2022
26	Time-off to attend funerals Policy	100.00%	100.00%	24 May 2021
27	Remuneration Policy	100.00%	100.00%	28 May 2018
28	Acting, Secondment and Additional Allowance Policy	100.00%	100.00%	24 May 2024
29	COVID-19 Policy	100.00%	100.00%	24 May 2021
30	Housing Subsidy Policy	100.00%	100.00%	5 December 2022
31	Employment Equity	100.00%	100.00%	22 August 2022
32	Expanded Public Works Programme	100.00%	100.00%	29 May 2023

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 management of staff. The Department of Human Resources reviewed Human Resource policies and developed new policies to align with the Local Government: Staff Regulations.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 80: Number of days of sick leave (excluding injuries on duty)

Number of days of sick leave (excluding injuries on duty)				
Salary band	Total sick leave	Proportion of sick leave without medical certification	Total employees in post	Average sick leave per Employees
	Days	%	No.	Days
Unskilled and defined decision making (Levels 1-3)	1630	29.02%	125	13.04
Semi-skilled and discretionary decision making (Levels 4-8)	1136	33.54%	159	7.14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Level 9-13)	757	17.04%	77	9.83
Professionally qualified and experienced specialists / midmanagement (Levels 14-15)	63.5	25.20%	10	6.35
Senior management (Level 16-22)	42	23.81%	8	5.25
Top management/ executive (Level 23-26)	1	0.00%	4	0.25
Total	3629.5	21.43%	383	6.98

Figure 24: Average number of days sick leave (excl IOD)

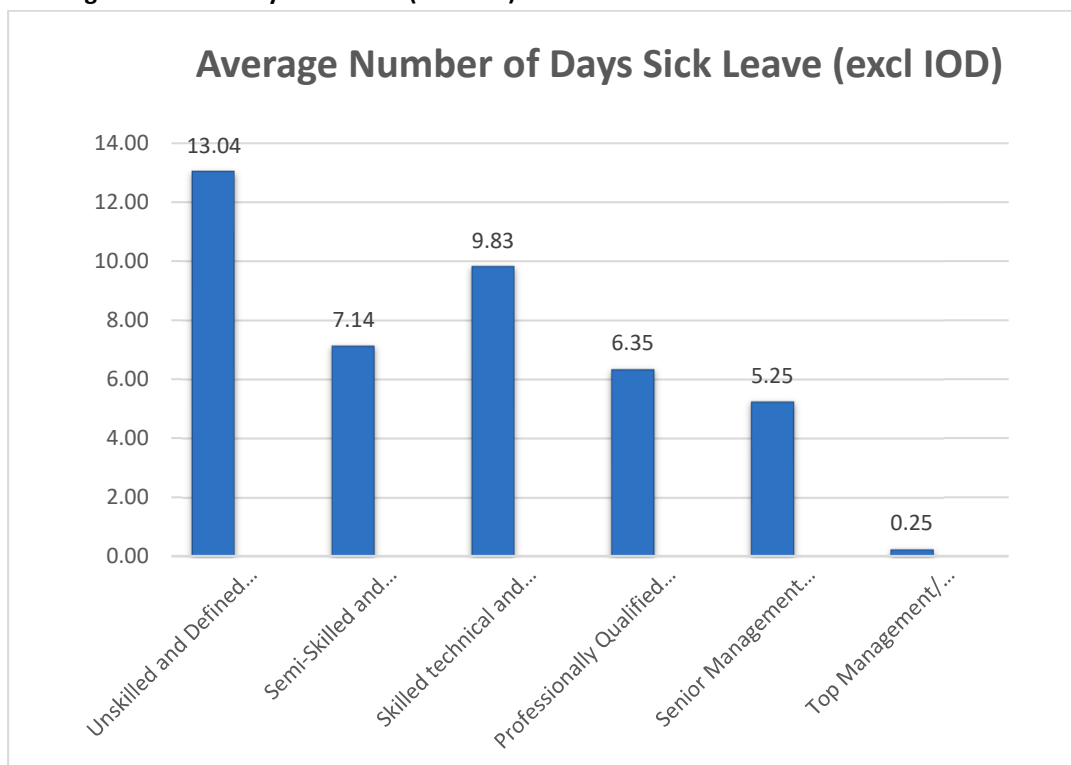


Table 81: Number of leave days due to Injury on Duty

Number of leave days due to Injury on Duty				
Type of injury	Number of Injury Leave days taken	Number of Employees using injury leave	Average Injury Leave days per employee	Percentage of total employees using Injury Leave
Required basic medical attention only	151	19	8	4.96%
Temporary total disablement	151	2	76	0.52%
Permanent disablement	0	0	0	0.00%
Fatal	0	0	0	0.00%
Total	302	21	14.4	5.48%

COMMENT ON INJURY AND SICK LEAVE

Sick leave taken by staff has service delivery and cost implications. By monitoring the record for sick leave and leave for injuries on duty, the employer can detect patterns or trends. The sick leave days increased from the previous year (2023 – 2 476 days) due to increased dread diseases. During the year, 21 injuries on duty were reported, with no fatalities.

Table 82: Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Status of Case	Date Finalised
Supervisor	Intimidation and assault against Senior Manager: HR	24 July 23	Suspension was lifted on 24 February 2024. The hearing was scheduled for 16 July 2024, but was further postponed due to Employee Representative not receiving the entire bundle from Employer Representative. New date is not scheduled yet.	Still ongoing. Case not finalised yet
Pont Operator	Absenteeism	19 July 23	Investigation was concluded and investigating officer found no prima facie evidence to proceed with the case.	Finalised

Table 83: Disciplinary action taken in cases of financial misconduct

Disciplinary Action Taken in Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date Finalised
Operator Special Grade	Damaging of lowbed, which is the property of Department of Infrastructure (Roads), with damaging loss of R 208 771.15	Disciplinary hearing scheduled for 13 August 2024	Ongoing

4.4 PERFORMANCE REWARDS**COMMENT ON PERFORMANCE REWARDS**

There is no performance incentive system in place for employees. However, the performance agreements of the Municipal Manager and directors specify whether a performance bonus is payable. Performance bonuses were paid to the directors based on their 2022/23 performance outcome.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

4.5 SKILLS DEVELOPMENT AND TRAINING

The table below indicates the number of employees who received training in the year under review.

Table 84: Skills matrix

Skills Matrix								
Occupational Categories	Gender	Employees in post as at 30 June 2024	Number of skilled employees required and actual as of 30 June 2024					
			Learnerships		Other forms of training Unemployed		Total	
			Target 2023/24	Actual 2023/24	Target 2023/24	Actual 2023/24	Target 2023/24	Actual 2023/24
MM and s57	Female	2	0	0	0	0	0	0
	Male	2	0	0	0	0	0	0
Councillors	Female	8	0	0	0	0	0	0
	Male	15	1	1	0	0	1	1
Snr Managers and Middle managers	Female	7	6	3	0	0	6	3
	Male	12	11	8	0	0	11	8
Professionals	Female	18	8	8	6	3	14	11
	Male	9	6	6	7	1	13	7
Technicians and associate professionals	Female	7	7	7	7	0	14	7
	Male	13	8	8	8	2	16	10
Clerical support workers	Female	22	23	11	0	0	23	11
	Male	15	12	3	0	0	12	3
Services and sales workers	Female	10	9	1	0	0	9	1
	Male	50	43	7	0	0	43	7
Plant and Machine Operators and Assemblers	Female	3	3	0	0	0	3	0
	Male	52	47	25	0	0	47	25
Elementary Occupations	Female	56	52	51	3	0	55	51
	Male	105	88	81	19	0	107	81
Subtotal	Female	133	108	81	16	3	124	84
	Male	273	216	139	34	3	250	142
Total		406	324	220	50	6	375	226

Table 85: Financial Competency Development: Progress Report

Financial Competency Development: Progress Report 30 June 2024						
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	21	0	21	21	0	18
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	26	0	26	26	4	23

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

In terms of sections 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 an amount of R205 700 was spent on compliance training and workshops attended during the financial year.

During the 2023/24 financial year, employed beneficiaries and unemployed beneficiaries participated in various training and skills development programmes, including but not limited to structured skills programmes, internal and short courses. A formal skills 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 **25 April 2024**, which included the training plan for 2024/25.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**INTRODUCTION TO WORKFORCE EXPENDITURE**

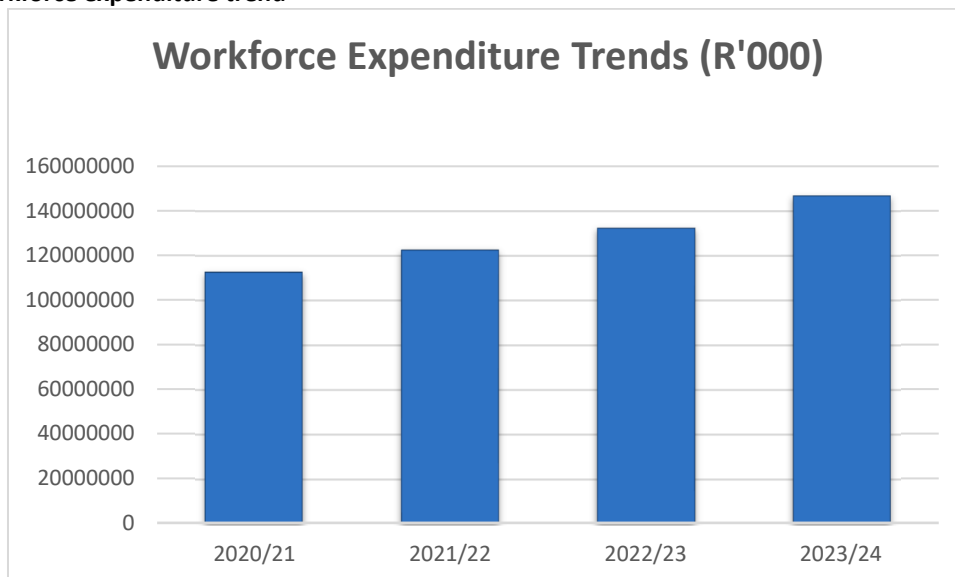
The workforce expenditure is controlled by means of an approved staff establishment and a salary budget. Internal factors that influenced remuneration are the organisational structure, job evaluation system and policies. Salaries are controlled by Bargaining Council Collective Agreements, legislation 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 25: Workforce expenditure trend



COMMENT ON WORKFORCE EXPENDITURE

The workforce expenditure for the year amounted to 52.51% of the total expenditure budget, 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 86: 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 permanent appointments were made to posts not approved.

DISCLOSURES OF FINANCIAL INTERESTS

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

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

During the period under review, the municipality remained focused on but found it challenging to stay within the approved budget. The overall cash position decreased year on year. The municipality concluded the year with a decrease in its cash position mainly due to less receipts to date from the Roads Maintenance Services and no selling of investment properties in comparison with the previous year. Furthermore, not all provisions are fully cash-backed. The cash balance decreased with R 10.352 million.

The municipality is dependent on government grants as one of the primary sources of revenue. Any fluctuations in the Equitable Share and allocations per the Division of Revenue Act will impact directly on service delivery requirements from a perspective that it forms a significant portion of revenue sources. The 2022 Stats SA population count result outcomes for the country indicated that the number of households in the region grew exponentially, hence an adjustment in the grant allocations in the foreseeable future is necessary to render services accordingly.

The total assets of the municipality amount to R206.766 million with the current assets amounting to R91.455 million and the non-current assets amounting to R115.311 million respectively. The overall financial health status of the municipality continues with a slight decrease, considering the prior year's cash increase due to roads funding received in advance. The employee and supplier cost increase annually and the revenue need to increase simultaneously to carry these inflationary expenses. This impacts the cash balances at yearend, the net decrease in 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 R89.733 million with the current position amounting to R33.211 million and the long-term liabilities amount to R56.522 million. Assets, both current and non-current, exceed liabilities, indicating that the municipality will be able to cover all liabilities.

This chapter comprises four components:

Component A: Statement of Financial Performance

Component B: Spending against Capital Budget

Component C: Cash Flow Management and Investment

Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise. The financial statements have been prepared in accordance with the Municipal Finance Management Act (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 limited significant own revenue source(s) has been developed or approved for district municipalities. The municipality is predominantly 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 remain insufficient 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 87: Financial summary

Financial Summary							R' 000
Description	2022/23	Current Year: 2023/24			2023/24		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget	
Financial Performance							
Service charges	12 335	15 800	16 535	16 576	4.91%	0.25%	
Investment revenue	5 904	4 000	7 800	8 163	104.07%	4.65%	
Transfers recognised - operational	206 478	214 389	216 501	214 909	0.24%	-0.74%	
Other own revenue	43 380	39 290	39 026	43 815	11.52%	12.27%	
Total Revenue (excluding capital transfers and contributions)	268 097	273 479	279 862	283 463	3.65%	1.29%	
Employee costs	134 415	138 697	141 017	145 558	4.95%	3.22%	
Remuneration of councillors	6 195	6 340	6 340	6 763	6.68%	6.68%	
Depreciation & asset impairment	4 081	3 754	3 754	5 317	41.65%	41.65%	
Finance charges	3 006	2 753	2 753	2 255	-18.08%	-18.08%	
Inventory Consumed and Bulk Purchases	48 334	62 521	56 009	48 278	-22.78%	-13.80%	
Transfers and grants	1 811	-	2 174	2 300	100.00%	5.81%	
Other expenditure	58 291	62 746	67 754	58 068	-7.46%	-14.30%	
Total Expenditure	256 134	276 811	279 800	268 539	-2.99%	-4.02%	
Surplus/(Deficit)	11 963	(3 331)	62	14 924	-547.98%	24094.60%	
Transfers recognised - capital	1 219	500	2 544	1 961	292.27%	-22.89%	
Contributions recognised - capital & contributed assets	85	-	-	17	100.00%	100.00%	
Surplus/(Deficit) after capital transfers & contributions	13 267	(2 831)	2 605	16 902	-696.97%	548.75%	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	
Surplus/(Deficit) for the year	13 267	(2 831)	2 605	16 902	-696.97%	548.75%	
Capital expenditure & funds sources							
Capital expenditure							
Transfers recognised - capital	1 219	500	2 544	1 961	292.27%	-22.89%	
Public contributions & donations	85	-	-	17	100.00%	100.00%	
Borrowing	364	-	4 536	4 283	100.00%	-5.58%	
Internally generated funds	6 002	5 855	7 242	5 929	1.27%	-18.13%	
Total sources of capital funds	7 671	6 355	14 322	12 191	91.83%	-14.88%	
Financial position							
Total current assets	97 929	50 777	84 920	91 455	80.11%	7.70%	
Total non current assets	107 685	123 605	119 413	115 311	-6.71%	-3.43%	
Total current liabilities	44 410	26 214	42 059	33 211	26.69%	-21.04%	
Total non current liabilities	61 074	67 687	59 537	56 522	-16.50%	-5.06%	
Community wealth/Equity	100 131	80 481	102 736	117 033	45.42%	13.92%	
Cash flows							
Net cash from (used) operating	44 783	1 826	6 534	6 917	278.78%	5.86%	
Net cash from (used) investing	2 852	(4 355)	(14 322)	(11 902)	173.29%	-16.90%	
Net cash from (used) financing	(4 631)	(5 365)	(5 365)	(5 367)	0.03%	0.03%	
Cash/cash equivalents at the year end	87 936	35 691	74 783	77 585	117.38%	3.75%	
Cash backing/surplus reconciliation							
Cash and investments available	87 936	35 691	74 783	77 585	117.38%	3.75%	
Application of cash and investments	45 552	14 741	26 067	31 575	114.19%	21.13%	
Balance - surplus (shortfall)	42 384	20 950	48 716	46 010	119.62%	-5.55%	
Asset management							
Asset register summary (WDV)	87 388	90 339	82 283	94 491	4.60%	14.84%	
Depreciation & asset impairment	4 081	3 754	3 754	5 317	41.65%	41.65%	
Renewal of Existing Assets	1 783	3 725	8 906	7 225	93.96%	-18.88%	
Repairs and Maintenance	5 377	9 468	8 484	5 821	-38.52%	-31.39%	
<i>Variances are calculated by dividing the difference between actual and original/adjustment budget by the original /adjustment budget.</i>							

Table 88: Financial performance of operational services

Financial Performance of Operational Services							R '000
Description	2022/23	2023/24		2023/24 Variance			
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget	
Operating Cost							
Waste Management	9 283	9 967	9 339	8 896	-10.74%	-4.74%	
Component A: sub-total	9 283	9 967	9 339	8 896	-10.74%	-4.74%	
Roads	114 791	122 375	123 408	120 627	-1.43%	-2.25%	
Component B: sub-total	114 791	122 375	123 408	120 627	-1.43%	-2.25%	
Planning	1 415	1 621	1 605	1 586	-2.12%	-1.14%	
Component C: sub-total	1 415	1 621	1 605	1 586	-2.12%	-1.14%	
Human Development	-	-	-	-	-	-	
Component D: sub-total	-	-	-	-	-	-	
Environmental Mangement	3 051	3 402	3 453	3 210	-5.65%	-7.05%	
Component E: sub-total	3 051	3 402	3 453	3 210	-5.65%	-7.05%	
Health	17 484	18 759	18 631	18 049	-3.79%	-3.12%	
Component F: sub-total	17 484	18 759	18 631	18 049	-3.79%	-3.12%	
Fire Services and Disaster Management	37 740	39 671	41 560	40 727	2.66%	-2.00%	
Component G: sub-total	37 740	39 671	41 560	40 727	2.66%	-2.00%	
Sport and Recreation	16 601	17 120	17 772	17 191	0.42%	-3.27%	
Component H: sub-total	16 601	17 120	17 772	17 191	0.42%	-3.27%	
Executive & Council	10 438	10 751	11 139	11 273	4.85%	1.21%	
Internal Audit	1 595	1 984	1 981	1 737	-12.45%	-12.33%	
Financial Services	25 944	28 287	28 781	25 112	-11.22%	-12.75%	
Human Resource Services	3 858	4 655	4 535	4 528	-2.74%	-0.17%	
Support Services	10 531	14 983	14 650	12 911	-13.82%	-11.87%	
Performance Management	-	-	-	-	-	-	
ICT Services	3 404	3 236	2 947	2 692	-16.81%	-8.65%	
Component G: sub-total	55 769	63 896	64 033	58 253	-8.83%	-9.03%	
Total Expenditure	256 134	276 811	279 800	268 539	-2.99%	-4.02%	
<i>Variances are calculated by dividing the difference between actual and original/adjustment budget by the original/adjustment budget.</i>							

5.2 GRANTS

Table 89: Grant performance

Grant Performance							R'000
Description	2022/23	2023/24			2023/24 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget	
Operating Transfers and Grants							
National Government:	86 431	89 475	89 577	87 650	-2.04%	-2.15%	
Local Government Equitable Share	81 486	84 437	84 437	84 437	0.00%	0.00%	
Finance Management	1 000	1 000	1 000	1 000	0.00%	0.00%	
EPWP Incentive	1 123	1 192	1 192	1 192	0.00%	0.00%	
Rural Roads Asset Management Grant	2 822	2 846	2 948	1 021	-64.12%	-65.36%	
Provincial Government:	120 047	124 914	126 924	127 259	1.88%	0.26%	
Roads Subsidy	116 243	122 375	122 375	123 763	1.13%	1.13%	
Seta	354	240	446	483	101.11%	8.24%	
Health Subsidy	157	182	182	168	-7.84%	-7.84%	
Human Capacity Building Grant	-	-	-	1	-	-	
Safety Initiative Implementation - WOSA	1 385	1 560	1 777	1 668	6.90%	-6.14%	
CDW Operational Support Grant	113	57	57	54	-5.40%	-5.40%	
Load Shedding Mitigation Grant	99	-	-	2	100.00%	100.00%	
Joint District and Metro Approach Grant	883	-	1 000	500	100.00%	-50.00%	
Grant WCFMC Capability	688	500	812	446	100.00%	-45.12%	
Grant Intervention	124	-	276	96	100.00%	-65.13%	
Municipal Water Resilience Grant	-	-	-	80	-	-	
Total Operating Transfers and Grants	206 478	214 389	216 501	214 909	0.24%	-0.74%	

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 2023/24 fiscal year. When funding is not spent or committed at yearend, the funding (outstanding balance) needs to be repaid to the various treasuries. Funding that is, however, already committed 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 90: 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	Actual Grant	Date Grant terminates	Nature and benefit from the grant received, include description of any contributions in kind
	2022/23	2023/24		
Parastatals				
SETA Training Fund	253 033	276 740	On-going	Training as per WSP
CDW Operational Support Grant	56 000	57 000	Once-off	Provincial allocation for capacity building
Human Capacity Building Grant	300 000	-	Once-off	Provincial allocation for community development workers
Financial Management Capacity Grant	500 000	700 000	Once-off	Provincial allocation (Roll-over portion)
Safety Initiative Implementation - WOSA	1 500 000	1 560 000	On-going	Emergency Services capacity and mediation (Roll-over portion)
Fire Services Capacity Building Grant	-	500 000	Once-off	PPE Bunker Clothing
Joint District and Metro Approach Grant (Sanitation)	1 000 000	-	Once-off	Sanitation Swellendam and Theewaterskloof (Roll-over portion)
Load Shedding Mitigation Grant	1 600 000	-	Once-off	Back up electricity (Roll-over portion)
Municipal Intervention Grant	300 000	100 000	Once-off	Disaster Internship (Roll-over portion)
Municipal Water Resilience Grant	-	1 200 000	On-going	Water Truck
SETA Training Fund	253 033	276 740	On-going	Training as per WSP

COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

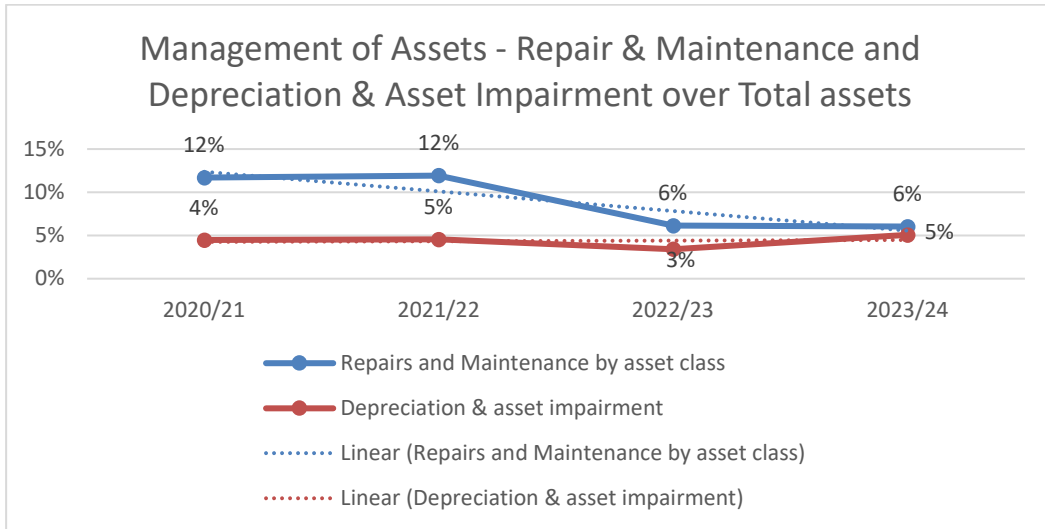
Funding from LG SETA is ongoing and based on a portion of the skills development levies the municipality contributes annually. This informs the amount of LG SETA allocation that is paid on a quarterly basis and contributes towards training costs and related expenditure. A few grant allocations were only made within the financial year; however, the municipality was able to commit the funds optimally.

5.3 ASSET MANAGEMENT

Table 91: Asset management

Asset Management 2023/24							R'000
R thousands	2020/21	2021/22	2022/23	2023/24			
	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjustment budget	Audited outcome	
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure	-	-	-	-	-	-	
Infrastructure - Road transport	-	-	-	-	-	-	
Infrastructure - Electricity	-	-	-	-	-	-	
Infrastructure - Water	-	-	-	-	-	-	
Infrastructure - Sanitation	-	-	-	-	-	-	
Infrastructure - Other	-	-	-	-	-	-	
Community	-	-	-	-	-	3	
Heritage assets	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	
Other assets	4 584	7 873	5 888	2 630	5 416	4 867	
Agricultural assets	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	
Intangibles	-	-	-	-	-	96	
TOTAL CAPITAL EXPENDITURE ON NEW ASSETS	4 584	7 873	5 888	2 630	5 416	4 966	
Capital expenditure on renewal/upgrading of existing assets by Asset Class/Sub-class							
Infrastructure	22 421	-	367	-	4 536	4 226	
Infrastructure - Road transport	-	-	-	-	-	-	
Infrastructure - Electricity	-	-	-	-	-	-	
Infrastructure - Water	-	-	-	-	-	-	
Infrastructure - Sanitation	-	-	-	-	-	-	
Infrastructure - Other	-	-	367	-	4 536	4 226	
Community	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	
Other assets	452	1 665	1 416	3 725	4 370	2 999	
Agricultural assets	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	
Intangibles	-	-	-	-	-	-	
Total capital expenditure on renewal/upgrading of existing assets	22 874	1 665	1 783	3 725	8 906	7 225	
Total capital expenditure							
Infrastructure	-	-	367	-	4 536	4 226	
Infrastructure - Road transport	-	-	-	-	-	-	
Infrastructure - Water	-	-	-	-	-	-	
Infrastructure - Sanitation	-	-	-	-	-	-	
Infrastructure - Other	-	-	367	-	4 536	4 226	
Community	-	-	-	-	-	3	
Other assets	5 036	9 537	7 304	6 355	9 786	7 866	
Intangibles	-	-	-	-	-	96	
Total capital expenditure - asset class	5 036	9 537	7 671	6 355	14 322	12 191	
Asset register summary							
Infrastructure	30 044	29 162	28 656	34 046	32 910	31 980	
Infrastructure - Road transport	1 927	1 871	1 815	1 370	1 017	1 760	
Infrastructure - Electricity	314	305	296	186	138	287	
Infrastructure - Water	837	813	788	2 023	1 502	765	
Infrastructure - Sanitation	2 547	2 472	2 398	1 344	998	2 326	
Infrastructure - Other	24 418	23 702	23 359	29 124	29 254	26 844	
Community	11	11	10	11	10	13	
Investment properties	12 811	12 797	12 797	12 769	12 783	12 797	
Other assets	36 840	42 271	45 920	51 976	52 351	49 627	
Intangibles	12	8	5	3	3	74	
TOTAL ASSET REGISTER SUMMARY	79 718	84 249	87 388	98 805	98 057	94 491	
EXPENDITURE OTHER ITEMS							
Depreciation & asset impairment	3 558	3 831	3 006	3 754	3 754	5 317	
Repairs and Maintenance by asset class	9 324	10 063	5 377	9 468	8 484	5 821	
Infrastructure	-	-	-	-	-	-	
Infrastructure - Road transport	-	-	-	-	-	-	
Infrastructure - Electricity	-	-	-	-	-	-	
Infrastructure - Water	-	-	-	-	-	-	
Infrastructure - Other	-	-	-	-	-	-	
Community	-	-	-	-	-	-	
Other assets	9 324	10 063	5 377	9 468	8 484	5 821	
TOTAL EXPENDITURE OTHER ITEMS	12 882	13 894	8 382	13 222	12 237	11 138	

Figure 26: Management of assets – Repairs and maintenance and depreciation and asset impairment over total assets



COMMENT ON ASSET MANAGEMENT

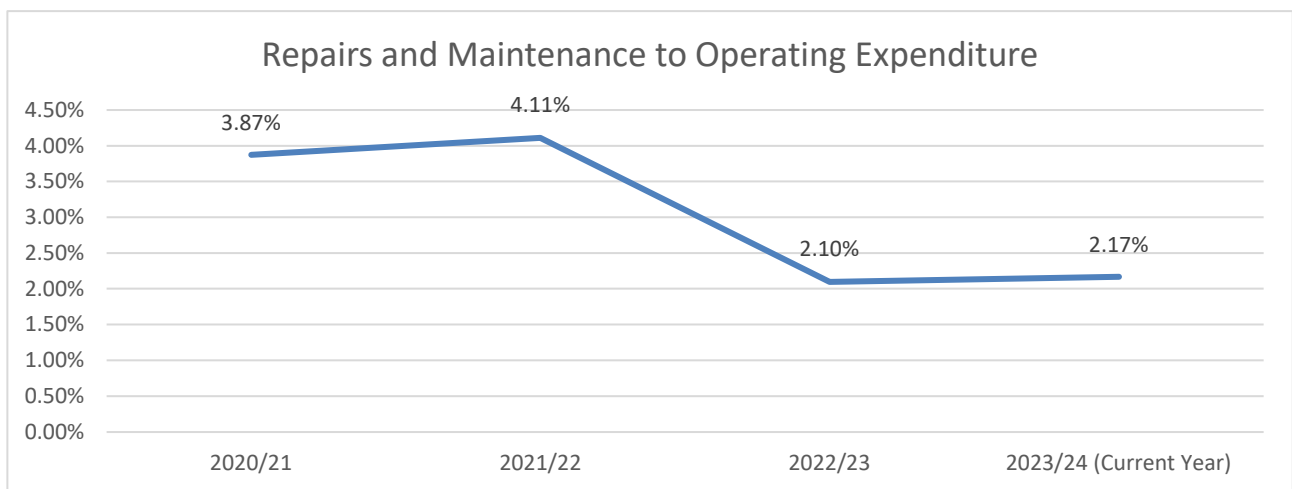
The above figure illustrates that the percentage spent on repairs and maintenance remains unchanged. Depreciation and asset impairment increased slightly, as the total asset value increased significantly. Infrastructure assets of the Roads Department are excluded from the budget and actual figures, as these assets do not belong to ODM.

Table 92: Repairs and maintenance expenditure

Repairs and Maintenance Expenditure: 2023/24				
	Original Budget	Adjustment Budget	Actual	Adjustment Budget variance
Repairs and maintenance expenditure	9 468	8 484	5 821	-31.39%

R' 000

Figure 27: Repairs and maintenance to operating expenditure



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.

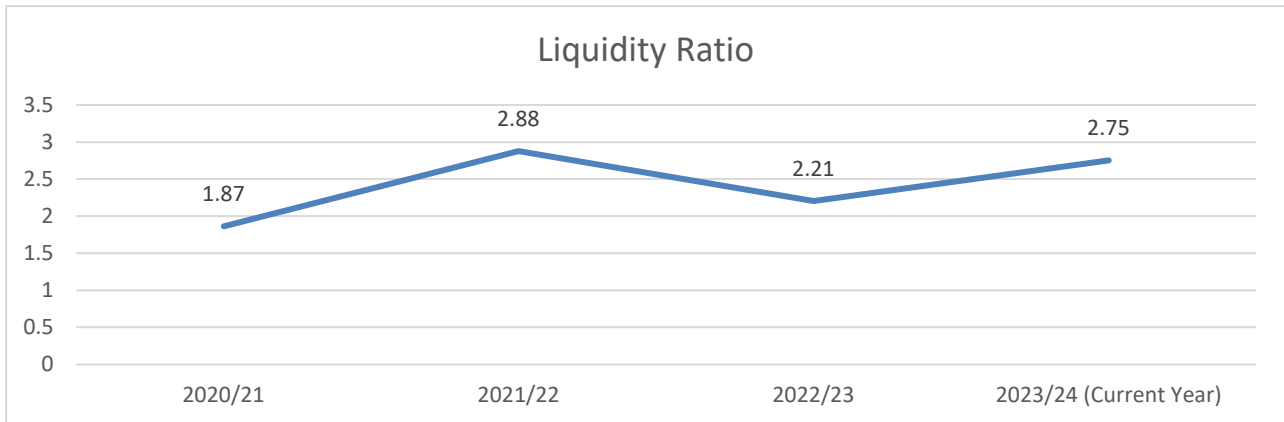
COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE

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 repairs and maintenance figure. The reduction in the percentage repairs and maintenance spent on own assets for the 2022/23 and the 2023/24 year

was due to an audit finding issued in the 2022/23 audit cycle. This audit finding requires a significant adjustment of the operations on the landfill site previously included in the repairs and maintenance disclosure in terms of GRAP 17.

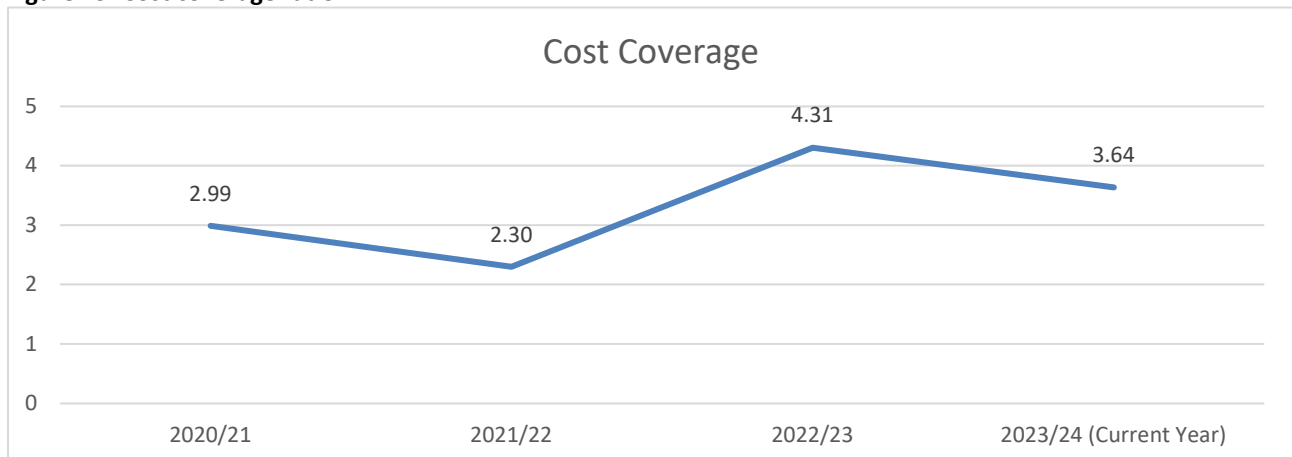
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Figure 28: Liquidity ratio



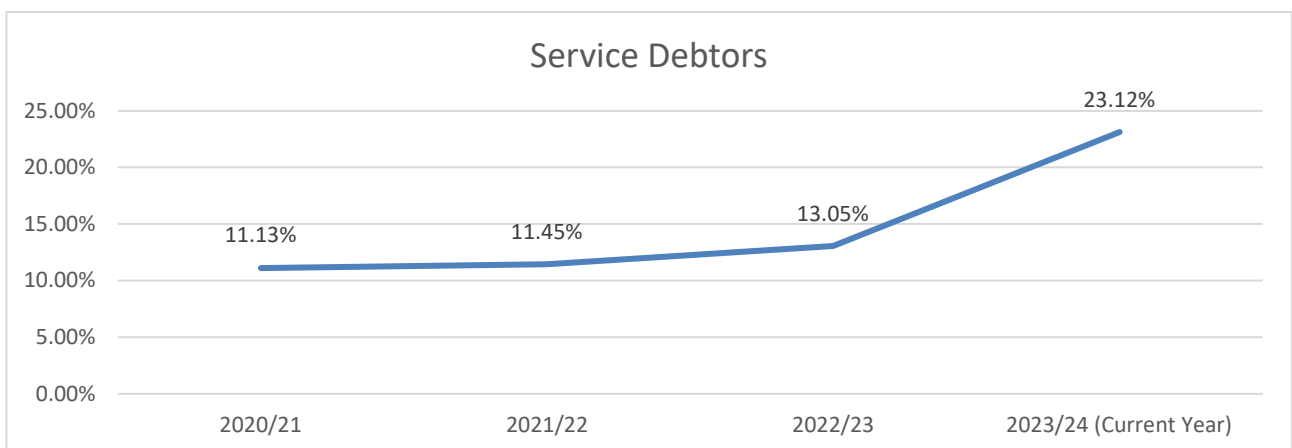
Liquidity ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality’s current liabilities. A higher ratio is better.

Figure 29: Cost coverage ratio



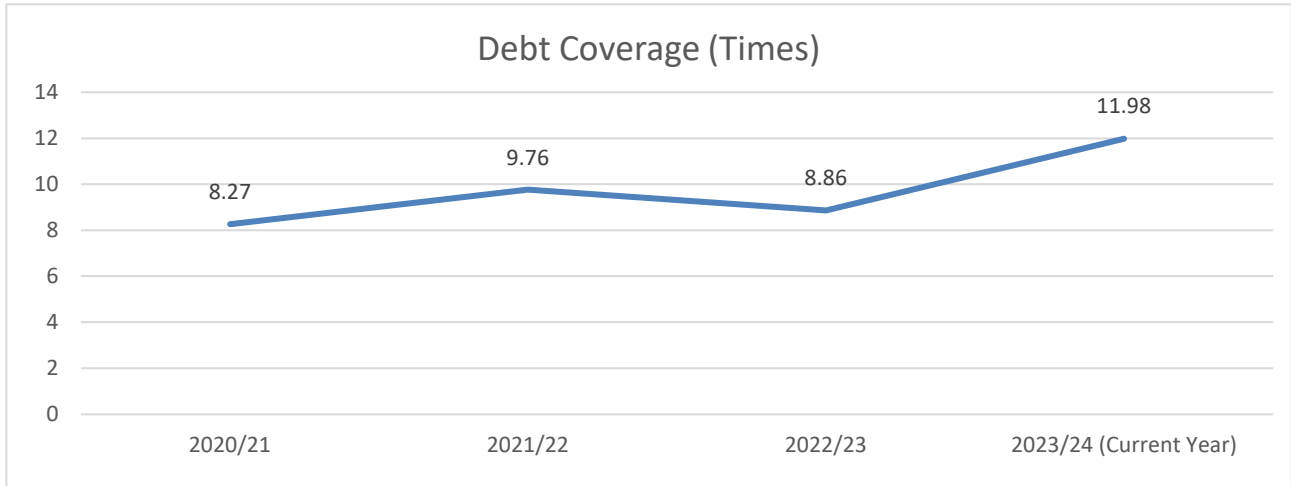
Cost coverage ratio – Explains how many months’ expenditure can be covered by the cash and other liquid assets available to the municipality, excluding utilisation of grants.

Figure 30: Service debtors ratio



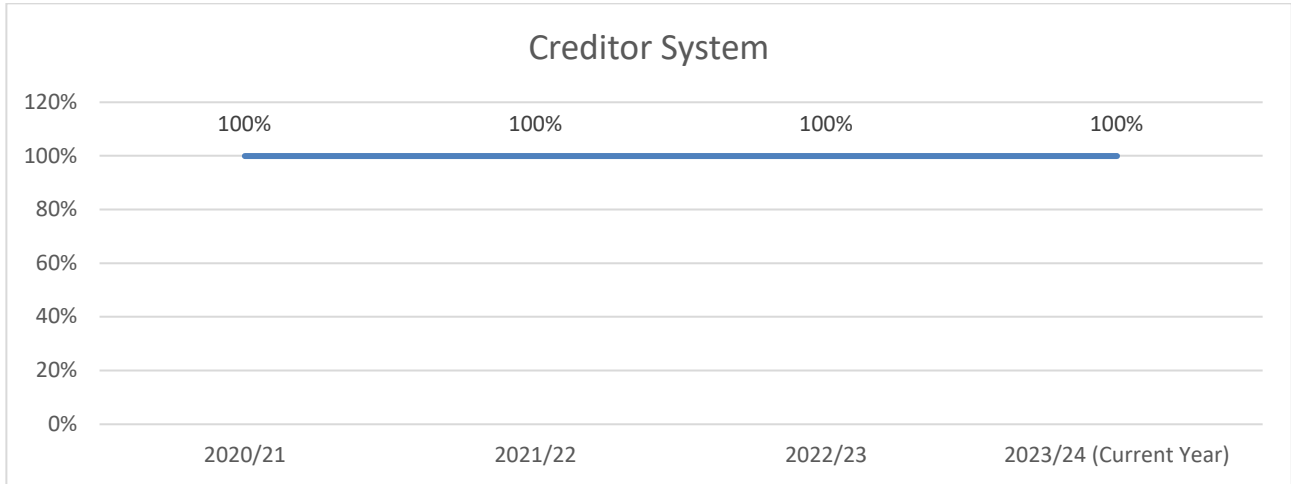
Total outstanding service debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

Figure 31: Debt coverage ratio



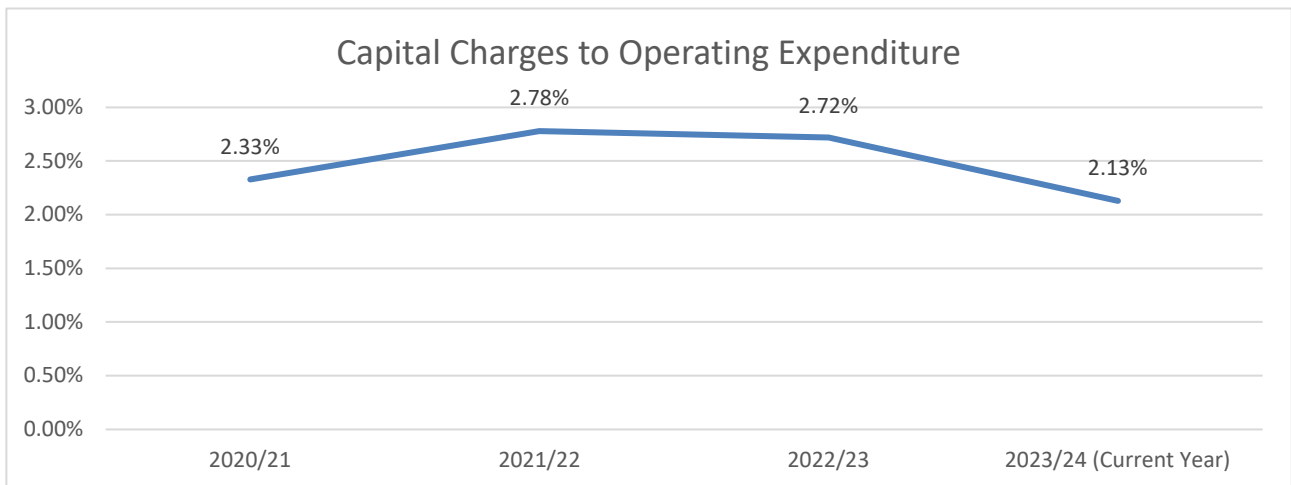
Debt coverage – The number of times debt payments can be accommodated within operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality.

Figure 32: Creditor system efficiency ratio



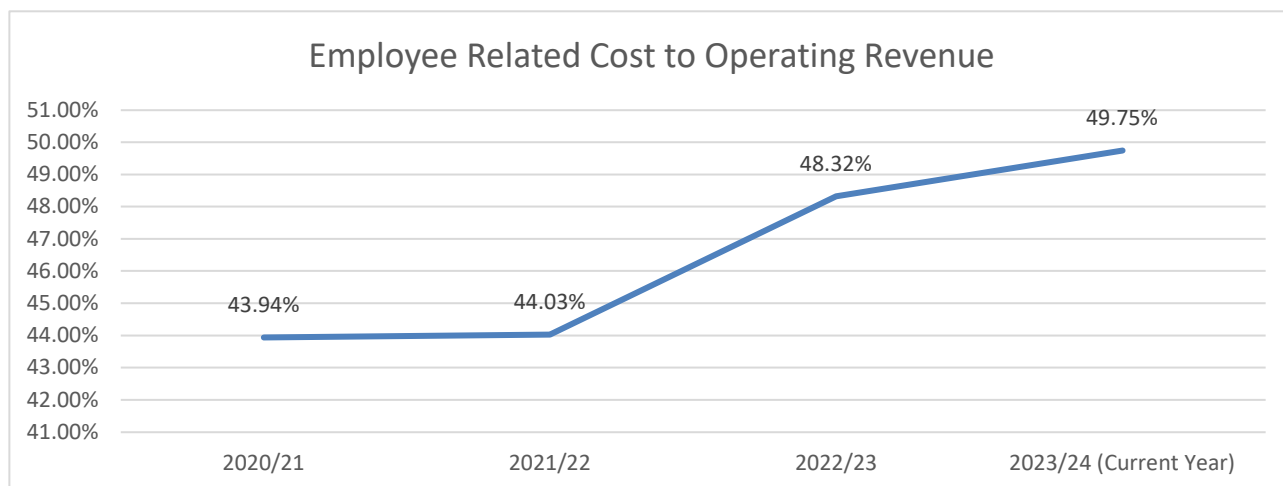
Creditor system efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases.

Figure 33: 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 34: 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 from the previous financial year. The ratio remains above the norm. Overall, the cash position improved during the past few years due to VAT claims submitted to SARS relating to the Roads Agency function, which was paid out during the fiscal periods. In effect, the uncommitted cash position of the municipality remained satisfactory.

The services debtors’ ratio increased due to the amounts owed for fire services by some local municipalities settled after yearend. One large incident of debt owned had a significant impact on the downward trend in outstanding debtors anticipated. Other outstanding debtors consist of rental properties at the resorts and waste management services provided to local municipalities.

The cost coverage ratio decreased slightly due to revenue being less than the previous year, which includes revenue from property sales.

Capital charges decreased due to the redemption of the outstanding loans and no new loans were taken up 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 increased slightly due to critical funded vacancies that were filled during the budget year.

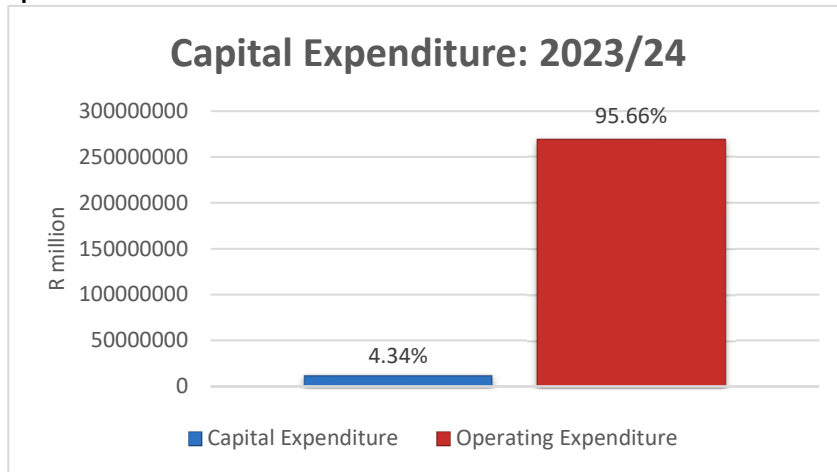
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Various capital projects were executed during the previous financial year, which include the upgrade of the regional waste landfill site. This project was financed from the remaining portion of the external loan while the other roll-over projects were financed from the capital replacement reserve funds. The proceeds from the sale of properties in the previous financial year contributed towards the capital replacement reserve to fund essential capital expenditure to reduce the maintenance cost spend on old and redundant vehicles. The municipality managed to spend 85% of the capital budget on committed projects.

5.5 CAPITAL EXPENDITURE

Figure 35: Capital expenditure

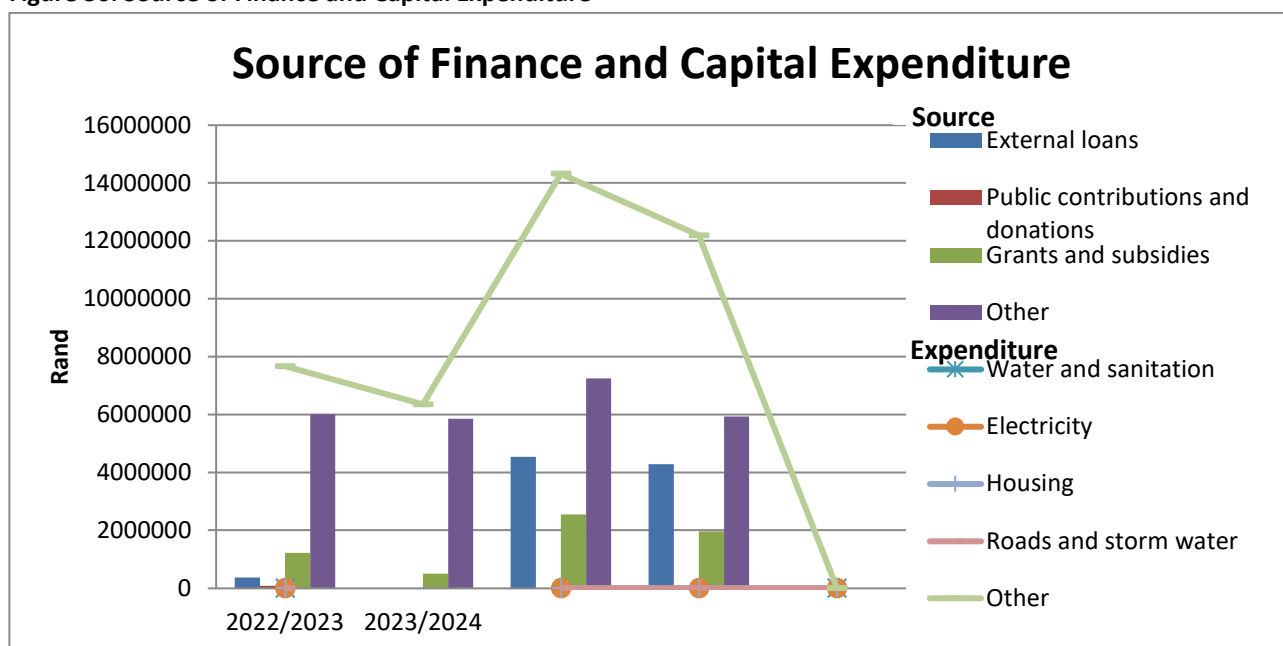


5.6 SOURCES OF FINANCE

Table 93: Capital expenditure – Funding sources

Capital Expenditure - Funding Sources Year 2022/23 to 2023/24						
R' 000						
Details	2022/2023	2023/2024				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	364		4 536	4 283	100.00%	-5.58%
Public contributions and donations	85			17	100.00%	100.00%
Grants and subsidies	1 219	500	2 544	1 961	292.27%	-22.89%
Other	6 002	5 855	7 242	5 929	1.27%	-18.13%
Total	7 671	6 355	14 322	12 191	91.83%	-14.88%
Percentage of finance						
External loans	4.74%	0.00%	31.67%	35.13%	100.00%	10.92%
Public contributions and donations	1.11%	0.00%	0.00%	0.14%	100.00%	100.00%
Grants and subsidies	15.90%	7.87%	17.76%	16.09%	104.49%	-9.41%
Other	78.25%	92.13%	50.57%	48.64%	-47.21%	-3.81%
Capital expenditure						
Water and sanitation					0.00%	0.00%
Electricity					0.00%	0.00%
Housing					0.00%	0.00%
Roads and storm water					0.00%	0.00%
Other	7 671	6 355	14 322	12 191	91.83%	-14.88%
Total	7 671	6 355	14 322	12 191	91.83%	-14.88%
Percentage of expenditure						
Water and sanitation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Electricity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Housing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roads and storm water	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Figure 36: Source of Finance and Capital Expenditure



COMMENT ON SOURCES OF FUNDING

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

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Table 94: Capital expenditure on five largest projects

Capital Expenditure of 5 largest projects*						R' 000
Name of Project	2023/24					
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
Vehicle Replacement (Emergency Services)	2 200	2 225	2 257	-3%	-1%	
Karwyderskraal Infrastructure	-	45 361	4 487	100%	90%	
Water Tanker	-	1 200	1 120	100%	7%	
Load-shedding Mitigation	-	844	842	100%	0%	
ICT Equipment	530	526	524	1%	1%	
* Projects with the highest capital expenditure in 2023/24						

COMMENT ON CAPITAL PROJECTS

Various capital projects commenced in the financial period, however some of the larger ones are to be rolled over to the new financial year. Bunker gear (PPE) projects could not be finalised due to suppliers being on backlog with providing stock in the power crisis the country finds itself in.

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 95: Cash flow outcomes

Cash Flow Outcomes					R'000
Description	2022/23	2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Service charges	12 132	15 800	16 535	15 290	
Other revenue	36 125	37 140	38 656	36 531	
Government - operating	221 272	214 389	214 689	204 702	
Government - capital	2 063	500	1 700	1 620	
Interest	5 449	4 050	8 070	8 405	
Dividends			-		
Payments					
Suppliers and employees	(228 275)	(268 219)	(269 109)	(255 734)	
Finance charges	(2 172)	(1 834)	(1 834)	(1 596)	
Transfers and Grants	(1 811)	-	(2 174)	(2 300)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	44 783	1 826	6 534	6 917	
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	10 435	2 000	-	-	
Decrease (Increase) in non-current debtors	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	
Payments					
Capital assets	(7 583)	(6 355)	(14 322)	(11 902)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	2 852	(4 355)	(14 322)	(11 902)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	
Increase (decrease) in consumer deposits	-	-	-	-	
Payments					
Repayment of borrowing	(4 631)	(5 365)	(5 365)	(5 367)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 631)	(5 365)	(5 365)	(5 367)	
NET INCREASE/ (DECREASE) IN CASH HELD	43 005	(7 894)	(13 153)	(10 352)	
Cash/cash equivalents at the year begin:	44 932	43 585	87 936	87 936	
Cash/cash equivalents at the year end:	87 936	35 691	74 783	77 585	

COMMENT ON CASH FLOW OUTCOMES

The cash flow position of the municipality decreased slightly against the previous financial year, as no sale of any property materialised. More cash-outflow on capital projects, which were rolled over from the previous year, reduced the cash balances.

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. The remainder of the loan was fully spent.

Table 96: Actual borrowings: Year 2021/22 – 2023/24

Actual Borrowings Year 2021/22 to 2023/24			
	R' 000		
Instrument	2021/22	2022/23	2023/24
Municipality			
Long-Term Loans (annuity/reducing balance)	15 232	11 112	6 519
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	1 357	112	-
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Municipality Total	16 589	11 225	6 519

Figure 37: Actual borrowing

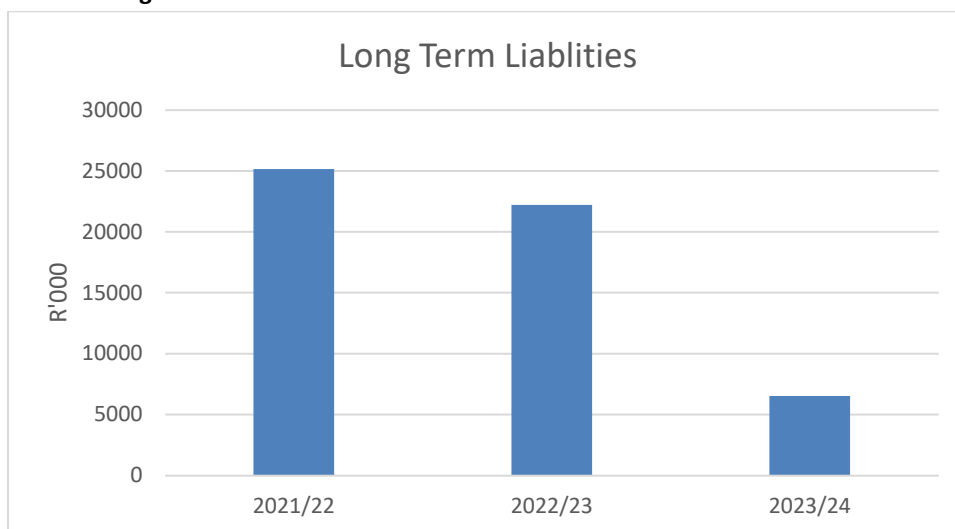


Table 97: Municipal investments

Municipal Investments			
			R' 000
Investment type	2021/22	2022/23	2023/24
	Actual	Actual	Actual
Municipality			
Deposits - Bank	44 930	87 936	77 584
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 subtotal	44 930	87 936	77 584
Consolidated total	44 930	87 936	77 584

COMMENT ON BORROWING AND INVESTMENTS

The deposits included all bank balances and investments 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) policies have been reviewed, and the unit is operating efficiently. Monthly, quarterly, and annual SCM reports have been submitted as required. Service provider performance was assessed informally monthly, with formal evaluations conducted bi-annually. Reports were submitted following each bi-annual evaluation.

Amendments to the SCM Regulations were published in the Gazette on 14 December 2023. The municipality amended the SCM policy to reflect these changes.

All SCM employees achieved the required qualifications for their roles by fulfilling the necessary MMC unit standards. No Councillors are involved in the bid process.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognised **A**ccounting **P**ractice, and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders.

The municipality has fully implemented GRAP. The financial statements are compiled according to GRAP standards, as prescribed by the 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 the auditing of and reporting on the accounts, financial statements and financial management of all municipalities. Section 45 of the Local Government: Municipal Systems Act (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 within the prescribed timeframes as determined by section 126 (1)(a) of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2022/23

6.1 AUDITOR-GENERAL REPORT 2022/23

Table 98: Auditor-General Report on financial performance year 2022/23

Auditor-General Report on Financial Performance Year 2022/23	
Audit Report Status*	Unqualified Audit with no findings (Clean)
Non-Compliance Issues	Remedial Action Taken
No material non-compliance with selected legislative requirements were identified.	None
Internal Control Deficiencies	Remedial Action Taken
No significant deficiencies in internal controls were identified.	None
Emphasis of matters	Remedial Action Taken
<u>Restatement of corresponding figures</u> As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2023.	This was rectified in the adjusted annual financial statements.

Table 99: Auditor-General Report on service delivery performance 2022/23

Auditor-General Report on Service Delivery Performance 2022/23	
Audit Report Status	Unqualified Audit with no findings
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the reported performance information for the selected strategic goal (Strategic goal 1).	
Achievement of planned targets – refer to the annual performance report on pages 80-82 for information on the achievement of audited planned targets for the year.	

COMPONENT B: AUDITOR-GENERAL OPINION 2023/24

6.2 AUDITOR-GENERAL REPORT 2023/24

Table 100: Auditor-General Report on financial performance year 2023/24

Auditor-General Report on Financial Performance Year 2023/24	
Audit Report Status*	
Non-Compliance Issues	Remedial Action Taken
No material non-compliance with selected legislative requirements were identified.	None
Internal Control Deficiencies	Remedial Action Taken
No significant deficiencies in internal control were identified	None
Emphasis of matters	Remedial Action Taken
<u>Restatement of corresponding figures</u> As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in die financial statements of the municipality at, and for the year ended, 30 June 2024.	None

Table 101: Auditor-General Report on service delivery performance 2023/24

Auditor-General Report on Service Delivery Performance 2023/24	
Audit Report Status	
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the reported performance information for the selected strategic goal (Strategic goal 1).	
Achievement of planned targets – refer to the annual performance report on pages 83-84 for information on the achievement of audited planned targets for the year.	

AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2023/24

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

COMMENTS ON AUDITOR-GENERAL'S OPINION 2023/24

The Municipality received an unqualified audit outcome with no findings (clean). This recognition indicates to the citizens of the Overberg, that the municipality is well managed. The clean administration entails good leadership, assurance levels and effective teamwork amongst all departments and keeping people accountable for their area of responsibility. Effective leadership, accountability, good governance and political stability serve as the municipality's foundation.

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 were 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. These include 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 the 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 for 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)	Sets out municipal goals and development plans.
National key performance areas	<ul style="list-style-type: none"> • Service delivery and 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 their 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 and 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					
Council Members	Fulltime/ Part-time	Committees Allocated	Party Represented	Percentage Council Meetings Attended	Percentage Apologies for non-attendance
	FT/PT			%	%
Andries Erwee Franken (Executive Mayor) (Alderman)	FT	Mayoral Committee	DA	100%	0
Lincoln Milton de Bruyn (Speaker) (Alderman)	FT	Council - Speaker	DA	100%	0
Helen Coetzee (Deputy Mayor) (Councillor)	FT	Chairperson: Strategic Services Portfolio / Mayco Member	DA	100%	0
Johan Nieuwoudt (Alderman)	FT	Mayco Member / Chairperson: Finance Portfolio	DA	100%	0
Steven Hendrikus Fourie (Councillor)	FT	Mayco Member / Chairperson: Community Services Portfolio	DA	100%	0
Archibald Gabriel Klaas (Councillor)	PT	Mayco Member / Chairperson: Corporate Services Portfolio	DA	100%	0
Msa Nomatiti (Councillor)	PT	Member: Finance Portfolio	DA	100%	0
Theresa Els (Councillor)	PT	Member: Community Services Portfolio	DA	100%	0
Ronald Brinkhuys (Alderman)	PT	Member: Community Services Portfolio	DA	100%	0
Unathi Mabulu (Councillor)	PT	Member: Finance Services Portfolio	DA	100%	0
Yvonne Marie van Tonder (Councillor)	PT	Member: Corporate Services Portfolio & Strategic Services Portfolio	DA	100%	0
Dawid Julius (Councillor)	PT	Member: Corporate Services	DA	100%	0
Mlamleli Raymond Mokotwana (Councillor)	PT	Member: Corporate Services Portfolio	ANC	90%	10%
Melanie Gertrude du Plessis (Councillor)	PT	Council	ANC	100%	0
Ntombizine Michell Sapepa (Alderman)	PT	Member: Community Services Portfolio	ANC	75%	25%
Roland Theo Olivier (Alderman)	PT	Member: Finance Services Portfolio	ANC	90%	10%
Constancy Connie Tafu-Nwonkwo (Councillor)	PT	Member: Strategic Services Portfolio	ANC	100%	0
Mbogeni Alfred Nomkoko (Councillor)	PT	Member: Corporate Services Portfolio	ANC	70%	30%
Bongiwe Blossom Mkhwibiso (Alderman)	PT	Member: Finance Services Portfolio	ANC	80%	20%
Michele Mathews (Councillor)	PT	Member: Community Services	GOOD	100%	0
Martin Mathews (Councillor)	PT	Member: Community Services Portfolio	GOOD	90%	10%
Cynthia Clayton (Alderman)	PT	Member: Strategic Services Portfolio	GOOD	90%	10%
Cuan Hedley Elgin (Councillor)	PT	Council	VF+	100%	0
Jacobus Adriaan van Staden (Councillor)	PT	Member: Strategic Services	VF+	100%	0

Number of meetings held during the year:

Executive Mayoral Committee meetings: 9

Council meetings (Ordinary and Special meetings): 12

Section 80 Committees (Strategic, Finance, Corporate and IGR and Community Services) meetings: 16

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

Councillors representing Council on Statutory Committees and other governing bodies	
Council Members	Represent Council on Statutory Committees and other governing bodies
Andries Erwee Franken (Executive Mayor)	SALGA: Governance and Intergovernmental Relations Provincial Health Council WESGRO
Lincoln Milton de Bruyn (Speaker)	Speaker of Council
Helen Coetzee (Deputy Mayor)	Chairperson: Alleged Breaches Committee Representative: Economic Development and Job Creation Representative: Development Planning and Rural Development
Johan Nieuwoudt	SALGA: Municipal Finance and Fiscal Policy
Archibald Gabriel Klaas	Member: Local Labour Forum / Employment Equity & Training Committee (observer)
Dawid Julius	None
Theresa Els	SALGA : Women's Commission
Steven Hendrikus Fourie	Alleged Breaches Committee SALGA: Public Transport, Environmental Management and climate Change Resilience and Roads SALGA: Electricity Energy Provision, Public Works, Water and Sanitation Member: Fire Work Group Member: Regional Waste Committee Member: Karwyderskraal Monitoring Committee
Unathi Nicholas Mabulu	Member: Municipal Public Accounts Committee (MPAC)
Msa Nomatiti	None
Yvonne Marie van Tonder	Member: Training Committee Member: Local Labour Forum Member: Employment Equity Member: Caledon Museum
Mlamleli Raymond Mokotwana	Member: Local Labour Forum & Employment Equity Bredasdorp Shipwreck Museum
Melanie Gertrude du Plessis	Member: Training Committee (Observer) & Drostdy Museum, Swellendam
Ntombizine Michell Sapepa	None
Roland Theo Olivier	Member: Alleged Breaches Committee
Constancy Connie Tafu-Nwonkwo	Member: Old Harbour Museum
Mbogeni Alfred Nomkoko	None
Bongiwe Blossom Mkhwibiso	None
Michele Mathews	None
Cynthia Clayton	None
Cuan Hedley Elgin	Chairperson: Municipal Public Accounts (MPAC) Member: Biodiversity and Climate Change Forum Member: Koggelberg Biosphere Reserve Company
Jacobus Adriaan van Staden	Member: MPAC
Ronald Brinkhuys	Representative: Human Settlements Urban

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	16
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	6
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	2
Training Committee	In terms of the Skills Development Act (Act 97 of 1998). To promote skills development in the workplace.	Councillors, Management and Union member	4
Employment Equity	In terms of the Employment Equity Act. To promote equal opportunities and fair treatment to all in the workplace.	Councillors, Management and Union member	4
Local Labour Forum	According to the SALGBC Main Collective Agreement to promote sound Labour Relations.	Councillors, Management and Union member	10
Health & Safety Committee	In terms of the Occupational Health and Safety Act (Act 85 of 1993). To promote a healthy and safe working environment for employee and community	Officials	4
Alleged Breaches Committee	It is a special committee established by Council to assist in the discipline of Councillors.	Councillors	0
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, Senior Manager: Corporate Services, Head: Financial Services and Head: IDP & Communication	4
Information and Communication Technology Committee	The 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 2024	
Office of the Municipal Manager	<i>Senior Manager: Internal Auditor – Mr WP Coetzee</i>
	<i>Manager: IDP and Communication – Mr F Ruiters</i>
	<i>Coordinator Performance Management – Ms M Dunn</i>
Directorate: Finance	<i>Manager: Payroll, Banking and Investments – Mr S Zikmann</i>
	<i>Senior Manager: Finance – Mr W Crafford</i>
	<i>Manager: SCM and Assets – Ms D Kapot-Witbooi</i>
Directorate: Corporate Services	<i>Manager: Contract, Legal, ICT and Building Management – Vacant</i>
	<i>Senior Manager: Human Resources – Ms S Mdewu</i>
	<i>Manager: Council Support and Records – Ms A Thompson-Rossouw</i>
Directorate: Community Services	<i>Manager: Municipal Health – Ms M Mukoma</i>
	<i>Manager: Environmental Management – Mr F Kotze</i>
	<i>Manager: Social Development – Vacant</i>
	<i>Manager: Emergency Services – Mr R Geldenhuys</i>
	<i>Senior Manager: Roads Services – Mr A van Eeden</i>
	<i>Manager: LED, Tourism and Resorts – Vacant</i>

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 the 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 Malgas	
Stormwater management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic wastewater 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 sports 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 2024

INTRODUCTION

The Audit and Performance Audit Committee presents its report for the year ended 30 June 2024 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 also submitted 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 (Term ended 28 November 2023)
- Mr CCC Pieterse (Term ended 28 November 2023)
- Mr T Blok (Re-appointed for second term from 29 November 2023)
- Mr D Smith (New Chairperson from 29 November 2023)
- Mr J Steyl (New member appointed from 29 November 2023)
- Mr J Fairbairn (New member appointed from 29 November 2023)

MEETINGS

Committee meetings	
<u>Date</u>	<u>Reason</u>
7/7/2023	Special meeting to approve Risk-based Audit Plan
16/8/2023	Discussion on AFS
29/8/2023	AGSA Strat Plan
29/9/2023	Quarterly APAC meeting
27/11/2023	Quarterly meeting and AGSA Report
19/1/2024	Discussion Annual Report
27/3/2024	Quarterly APAC meeting
28/6/2024	Quarterly APAC meeting

AUDIT COMMITTEE RESPONSIBILITIES

The Audit and Performance 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 and Performance Audit Committee:

- Quarterly OPCAR reports for 2022/2023 audit
- Year-end stock count
- New tariffs
- Performance Management 4th quarter of 2022/2023
- Performance Management 1st quarter of 2023/2024
- POE Performance reports for Municipal Manager, CFO and Directors
- Other Revenue Fire Services
- Municipal Staff Regulations conformance
- Performance Management 2nd quarter for 2023/2024
- Other Revenue and bookings Resorts
- Supply Chain Management Deviations
- Compliance Review on DoRA

- Supply Chain Management compliance on formal written price quotations
- Performance Management 3rd quarter of 2023/2024
- MFMA Compliance

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

- Review of 2022/2023 draft Annual Financial Statements on 16 August 2023
- Minutes of quarterly APAC meetings
- New financial web-based system
- Roads Agency function VAT situation
- Municipal Structures Amendments Act: MPAC Terms of Reference
- Uilenkraalsmond ownership
- Quarterly Risk Management Committee meetings minutes and feedback on activities
- Combined assurance
- Quarterly financial reports
- Quarterly Internal Audit Findings Status Reports
- APAC mid-year report
- Annual Report
- Internal Audit SWOT analysis
- Internal Audit's assistance to Swellendam Municipality
- Mid-year Budget and Performance Assessment Report
- APAC self-evaluations
- Audit readiness
- AGSA Report for 2022/2023
- Appointment Director Community Services
- New APAC members
- Progress reports on Risk-based Audit Plan
- Annual Internal Audit Opinion
- Review Internal Audit and APAC Charters;
- Approval of Risk-based Internal Audit Plan for 2024/2025
- Revised top layer SDBIP
- New Global Internal Audit Standards (GIAS)

The Audit and Performance 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 and Performance 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, Director: Community Services and CFO for 2022/2023 was carried out by a properly constituted panel on 7 December 2023 and attended by the chairperson, Mr D Smith. The mid-year appraisal of both the Municipal Manager, CFO and Director: Corporate Services 2023/2024 was carried out on 4 March 2024 and attended by the chairperson, Mr D Smith. The member of the Performance Audit Committee served on the panels with the purpose of evaluating the process.

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

D. Smith

CHAIRPERSON

APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE AUDIT COMMITTEE 2023/24

The information only refers to broader recommendations based on findings raised in internal audit reports.

Municipal Audit and Performance Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2023/24	Recommendations adopted (enter Yes) If not adopted (provide explanation)
29 September 2023	Year-end stock take procedures	Yes
29 September 2023	Performance Management quarter 4 of 2022/23	Yes
27 November 2023	Performance Management quarter 1 of 2023/24	Yes
27 March 2024	Performance Management quarter 2 of 2023/24	Yes
27 March 2024	Resorts Bookings	Yes
27 March 2024	SCM Deviations	Yes

APPENDIX G – LONG-TERM CONTRACTS (LARGEST CONTRACTS)

Long-term contracts (largest contracts entered into 2023/24)					
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
Afrimat Aggregates	Supply and delivery of road surfacing material and layer work material for the period ending 30 June 2026	21 September 2023	30 June 2026	A van Eeden	R1 000 000
Memotek Trading					R1 000 000
Kishugu Aviation (Pty) Ltd	Ad hoc aerial firefighting services at the Overberg District Municipality for the period ending 30 November 2024	1 November 2023	31 October 2024	R Geldenhuys	R1 200 000
Memotek Trading	Supply of Bitumen, Bitumen Emulsions, Prime, MC 3000 Cutback, Slurry Services, Laying of Asphalt and Milling and Filling services for the period ending 30 June 2026	21 September 2023	30 June 2026	A van Eeden	R15 000 000
Tosas					
Martin & East					
Colas					
Bredasdorp Armed Response	Guarding and security services at the Overberg District Municipality's Bredasdorp, Caledon and Swellendam premises for the period 1 May 2024 to 30 June 2026	8 April 2024	30 June 2026	D Pick	R5 917 790.00

APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests 2023/24		
Position	Name	Description of financial interests (Nil / or details)
Executive Mayor	Andries Franken	Property, livestock, trustee, shares, directorship, business
Deputy Mayor	Helen Coetzee	Property, directorship
Speaker	Lincoln de Bruyn	Property, pension
Member of Mayco	Johan Nieuwoudt	Property, pension
Member of Mayco	Steven Fourie	Nil
Member of Mayco	Archibald Klaas	Shareholder
Councillor	Ronald Brinkhuys	Shareholder, business
Councillor	Theresa Els	Nil
Councillor	Yvonne van Tonder	Property, pension
Councillor	Msa Nomatiti	Shareholder, business
Councillor	Dawid Julius	Nil
Councillor	Unathi Mabulu	Shareholder, directorship,
Alderman	Roland Theo Olivier	Trustee
Councillor	Mlamleli Raymond Mokotwana	Property, shareholder, directorship
Alderman	Ntombizine Michelle Sapepa	Shareholder, property
Councillor	Melanie du Plessis	Shareholder, business
Councillor	Constancy Tafu-Nwonkwo	Nil
Councillor	Mbongeni Nomkoko	Nil
Councillor	Bongiwe Mkwibiso	Business, property
Councillor	Cynthia Clayton	Property
Councillor	Michele Mathews	Nil
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
Chief Financial Officer	NL Kruger	Investment, property
Director Corporate Services	VS Zeeman	Investment, property
Director Community Services	M Boyce	Property, Provident Fund, Remunerated work outside the Municipality

APPENDIX I – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX I (I) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R'000
Description	2022/23	2023/24			2023/2024		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget	
Service charges - Electricity	711	200	800	812	306.2%	1.55%	
Service charges - Water	35	–	35	40	100.0%	13.77%	
Service charges - Waste Water Management	704	600	900	660	9.9%	-26.70%	
Service charges - Waste Management	10 884	15 000	14 800	15 064	0.4%	1.79%	
Sale of Goods and Rendering of Services	9 116	9 223	9 971	10 001	8.4%	0.30%	
Agency services	12 006	12 770	12 770	12 909	1.1%	1.09%	
Interest earned from Receivables	–	50	270	222	343.8%	-17.82%	
Interest earned from Current and Non Current Assets	5 904	4 000	7 800	8 163	104.1%	4.65%	
Rental from Fixed Assets	12 849	13 825	12 844	13 812	-0.1%	7.54%	
Licence and permits	746	1 000	750	758	-24.2%	1.13%	
Operational Revenue (Exchange)	819	423	2 422	2 848	573.9%	17.62%	
Transfer and subsidies - Operational	206 478	214 389	216 501	214 909	0.2%	-0.74%	
Operational Revenue (Non-Exchange)	691	–	–	2	100.0%	100.00%	
Gains on disposal of Assets	–	2 000	–	–	0.0%	0.00%	
Other Gains	7 154	–	–	3 261	100.0%	100.00%	
Total Revenue (excluding capital transfers and contributions)	268 097	273 479	279 862	283 463	3.65%	1.29%	

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

APPENDIX I (II) – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R'000
Vote Description	2022/23	2023/24			2023/24		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget	
Municipal Manager	12 247	15 270	13 495	13 632	-10.73%	1.01%	
Corporate Services	33	25	40	101	300.87%	151.29%	
Finance	100 140	95 246	103 998	103 371	8.53%	-0.60%	
Community Services	156 982	163 438	164 872	168 337	3.00%	2.10%	
Total Revenue by Vote	269 402	273 979	282 406	285 441	4.18%	1.07%	

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

APPENDIX J – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjust-ment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ment Budget	
Local Government Equitable Share	84 437	84 437	84 437	0.00%	0.00%	Division of Revenue Act
Finance Management	1 000	1 000	1 000	0.00%	0.00%	Interns and Financial Management Programme
EPWP Incentive	1 192	1 192	1 192	0.00%	0.00%	Extended Public Works Programme
Rural Roads Asset Management Grant	2 846	2 948	1 021	-64.12%	-65.36%	Assessment on roads in the district
Seta	240	446	483	101.11%	8.24%	Training
Health Subsidy	182	182	168	-7.84%	-7.84%	Comprehensive Health Services
CDW Operational Support Grant	57	57	54	100.00%	-5.40%	Provincial allocation for community development workers
Fire Safety Plan Grant	1 560	3 684	3 021	100.00%	-18.01%	Safety Plan Implementation (WOSA) PPE Bunker Clothing and Water truck
Municipal Service Delivery and Capacity Building Grant			2	100.00%	100.00%	Load-shedding Migration Grant
Joint District and Metro Approach Grant		1 000	500	100.00%	-50.00%	Sanitation in Local Areas Phase 2
Local Government Public Employment Support Grant		276	96	100.00%	-65.13%	Disaster Intern and GIS
Human Capacity Building Grant			80	100.00%	100.00%	External Bursaries
Total	91 514	95 221	92 053	0.59%	-3.33%	

APPENDIX K – CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROGRAMMES
APPENDIX K (I) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme							
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	-	-	-
Infrastructure: Road transport - Total	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-
Infrastructure: Water - Total	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-	-
Infrastructure: Other - Total	-	-	-	-	-	-	-
<i>Waste Management</i>	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
Community - Total	-	-	-	3	-	-	-
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	-	-	-	3	-	-	-

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Capital Expenditure - New Assets Programme								R '000
Description	2022/23	2023/24			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27	
Capital expenditure by Asset Class								
Heritage assets - Total	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Investment properties - Total	-	-	-	-	-	-	-	
Housing development	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Other assets	5 888	2 630	5 416	4 867	4 690	800	-	
General vehicles	3 952	2 500	3 513	3 413	3 660	500	-	
Specialised vehicles	-	-	-	-	-	-	-	
Plant & equipment	1 363	100	1 597	892	600	300	-	
Computers - hardware/equipment	520	-	96	129	180	-	-	
Furniture and other office equipment	54	30	27	287	-	-	-	
Abattoirs	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	
Civic Land and Buildings	-	-	-	-	-	-	-	
Other Buildings	-	-	183	145	250	-	-	
Other Land	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Agricultural assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Biological assets	-	-	-	-	-	-	-	
<i>List sub-class</i>								
Intangibles	-	-	-	96	400	-	-	
Computers - software & programming	-	-	-	96	400	-	-	
Other (<i>list sub-class</i>)	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	5 888	2 630	5 416	4 966	5 090	800	-	
Specialised vehicles	-	-	-	-	-	-	-	
Refuse	-	-	-	-	-	-	-	
Fire	-	-	-	-	-	-	-	
Conservancy	-	-	-	-	-	-	-	
Ambulances	-	-	-	-	-	-	-	

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

Capital Expenditure - Upgrade/Renewal Programme								R '000
Description	2022/23	2023/24			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27	
Capital expenditure by Asset Class								
Infrastructure - Total	-	-	4 536	4 226	1 650	28 650	-	
Infrastructure: Road transport -Total	-	-	-	-	-	-	-	
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-	
<i>Storm water</i>	-	-	-	-	-	-	-	
Infrastructure: Electricity - Total	-	-	-	-	150	150	-	
<i>Generation</i>								
<i>Transmission & Reticulation</i>					150	150	-	
<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	-	-	4 536	4 226	1 500	28 500	-	
<i>Waste Management</i>	-	-	4 536	4 226	1 500	28 500	-	
<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								

Table continued next page

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme							
							R '000
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	1 416	3 725	4 370	2 999	4 765	3 528	2 470
General vehicles	90	500	1 170	670	2 200	950	1 300
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	8	900	983	467	390	220	120
Computers - hardware/equipment	341	794	1 079	1 067	1 260	250	250
Furniture and other office equipment	406	991	701	471	635	1 633	300
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	572	540	437	256	280	475	500
Other Land	-	-	-	68	-	-	-
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-		-	-	-	150
Computers - software & programming	-			-	-	-	150
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	1 416	3 725	8 906	7 225	6 415	32 178	2 620
Specialised vehicles	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2023/24

Capital Programme by Project: 2023/24					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - OB) %	Variance (Act - Adj) %
Biodiversity and Landscape	6	5	4	-25.05%	-0.06%
Budget and Treasury Office	20	18	18	-9.22%	0.00%
Corporate Wide Strategic Planning (IDPs, LEI)	30	27	2	-93.32%	-92.53%
Executive and council	0	0	0	0%	0%
Fire Fighting and Protection	4 000	6 801	5 111	27.78%	-24.84%
Health Services	40	37	37	-7.89%	0.00%
Information Technology	794	1 175	1 163	46.45%	-1.08%
Recreational Facilities	920	640	376	-59.14%	-41.27%
Solid Waste Disposal (Landfill Sites)		4 536	4 555	100.00%	0.41%
Support Services	545	1 083	925	69.65%	-14.66%

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

Declaration of Loans and Grants made by the municipality: 2023/24				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2023/24 R' 000	Total Amount committed over previous and future years
None				
* Loans/Grants - whether in cash or in kind				

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 4 to 110, which comprise the statement of financial position as at 30 June 2024, 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 2024 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 Division of Revenue Act 5 of 2023 (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 responsibilities of the auditor-general 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 40 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Other matters

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

Unaudited disclosure note

9. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed 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 111 to 123 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

Responsibilities of the auditor-general 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. This description, which is located at pages 6 and 7 forms part of this auditor's report.

Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic goal presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following strategic goal presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected the strategic goal that measure the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Strategic goal	Page numbers	Purpose
Strategic goal 1 (SG1)	83 – 84	To ensure the well-being of all in the Overberg through provision of efficient basic services and infrastructure

17. I evaluated the reported performance information for the selected strategic goal against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
 - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
20. I did not identify any material findings on the reported performance information for the strategic goal.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

Report on compliance with legislation

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
26. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

27. The accounting officer is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

29. My responsibility is to read this other information and, in doing so, consider whether it 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.
30. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report on that fact.
31. I have nothing to report in this regard.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
33. I did not identify any significant deficiencies in internal control.

Auditor General

Cape Town
29 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the 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 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

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)

Legislation	Sections or regulations
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(4), 5(6), 8(4)
MSA: Municipal Staff Regulations	Regulations 7(1), 31
Preferential Procurement Policy Framework Act 5 of 2000	Section 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

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

MFMA section 71 returns not made during year 2023/24 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 render basic services, e.g. water and electricity. See Annual Reports of local municipalities.	N/A
Output: Implementation of the Community Works Programme (CWP).	The municipality only implemented EPWP programmes 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 2023/24

Annual Financial Statements 2023/24 – Volume II of Annual Report