

2019/2020 ANNUAL REPORT



April 2021

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

1.1. MAYOR’S FOREWORD



It is my privilege to present the 2019/2020 Annual Report of Swartland Municipality – a municipality that has once again performed admirably despite the continued difficult economic climate as well as the complex social environment in which local government has to operate at present.

Swartland Municipality has once again made good progress towards the fulfilment of its vision of *hope and dignified life for all people*.

Swartland Municipality included the local community to participate in the affairs of the municipality. It engaged through a number of platforms when it comes to municipal affairs i.e. ward committee meetings, Swartland Municipal Advisory Forum and one on one engagements with stakeholders. I also conducted public meetings in all towns whereby ward priorities and challenges were discussed and split per town. However, Swartland believes that it can still improve its ‘policy performance’ and the delivery thereon by working more closely with citizens, communities, civil society organizations, interest groups, businesses and other stakeholders.

It has not been an easy task, particularly as the frustrations of communities regarding matters over which municipalities have no control, such as inadequate National Government funding for human settlement projects, are directed at municipalities as the sphere of government closest and most accessible to the communities. The Municipality experienced the second highest in-migration in the Western Cape, at an annual rate of 4.7%. Population wise (133 762 in 2016) Swartland Municipality is now the sixth largest municipality in the Western Cape and the largest in the West Coast District.

We have implemented the 3rd year of the 2017-2022 IDP during the 2019/2020 financial year, and there are five strategic goals on which we have focused, namely:

PEOPLE: Improve quality of life for citizens

ECONOMY: Inclusive economic growth

ENVIRONMENT: Quality and sustainable living environment

INSTITUTIONS: Caring, competent and responsive institutions, organisations and businesses

SERVICES: Sufficient, affordable and well-run services

Key performance indicators and targets were assigned to each of the strategic goals, which include service delivery improvements throughout the Swartland area. These indicators have been measured and monitored on a monthly basis throughout the year and all related information was captured on an electronic performance management system.

According to the independent report on the state of local government finances and financial management issued by Ratings Africa in November 2020, Swartland achieved a sustainability index score of 71% (2018 = 75%) which indicates an improvement on a year to year basis.

Swartland strengthened its financial stability and improved its score from 86 in 2018 and weakened slightly to 82 in 2020. Swartland still rates under the top 5 leading municipalities in South Africa.

We are proud to say that all our Strategic documents have been aligned with Provincial and National Government policies and directives, namely:

- Sustainable Development Goals (United Nations General Assembly)
- National Development Plan
- Integrated Urban Development Framework
- Medium-Term Strategic Framework
- Back to Basics Approach
- Western Cape Provincial Strategic Plan (2019-2024)
- Western Cape Provincial Spatial Development Framework
- West Coast District IDP

The Municipality continued to set an example of good and responsible financial management and again performed well in 2019/2020. It maintained the good liquidity levels of the previous year and ended the year with a cash surplus of R105 million after the exclusion of non-cash transactions.

One of the most important contributors to a municipality's financial health is how well its ratepayers and customers pay their municipal accounts. However, the recovery of debt in areas where Eskom provides power directly to the people remains a problem. Without adequate revenue, not even the most basic services can be rendered properly, nor can infrastructure such as roads and electricity, water and sewerage networks be maintained or upgraded. I would like to thank our Councillors for helping to instil this culture of payment in our communities.

The Municipality has done well in terms of basic service delivery. 100% of the registered urban residential properties have access to minimum service delivery levels or above. There are therefore some informal sites and backyard dwellers that do not have formal access to services.

The Municipality continued to support registered indigent and poor households in the form of a monthly subsidy on their household accounts to cover the basic fees with regard to sewerage (R234.35 pm), refuse removal (R131.52 pm), water (R116.71 pm) and electricity (R55.51). Indigent households received 50 kWh of free electricity, 6 kl of water per month, free refuse removal per month, free access to sanitation and free rates if the value of the property is less than R95 000 (R15 000 impermissible tax excluded).

Vandalism and theft is unfortunately also a growing problem in parts of the municipal area and is costing the Municipality a substantial amount annually. The time has come for a major educational drive to address this problem and to convince communities that vandalism is to their own detriment. The assistance and co-operation of ward councillors and ward committee members can be invaluable in this regard.

An extensive range of programmes and projects were carried out in the field of social development in 2019/2020. Programmes were implemented according to the six focus areas of the Swartland Social Development Policy and Strategy of 2013, focussing on early childhood development (ages 0-6), child development (ages 7-14), youth development (ages 14-35), collaboration and co-ordination, access to economy and vulnerable groups.

The Provincial Department of Environmental Affairs and Development Planning selected Swartland Municipality to participate in the Regional Socio Economic Programme (RSEP). RSEP is an urban upgrading project that is currently being implemented in wards 8-11 (Malmesbury) with a focus on crime prevention, community participation and infrastructural upgrades.

Extension of the RSEP is planned for Darling that will start in the 2020/2021 financial year.

In respect of job creation, 223 job opportunities were created through the Municipality's registered Expanded Public Works Programme (EPWP) projects in the 2019/2020 financial year. 183 jobs were also created through the Municipality's own capital projects (contracts greater than R200 000).

A verification process carried out in conjunction with the Provincial Human Settlement Department showed that at the end of June 2020 there were 14 598 families waiting for houses.

There is a continuous stream of new arrivals at informal settlements as well as backyard dwellers in Swartland and it is often they who are the most militant in their demands for housing.

I would like to conclude by thanking my fellow-councillors as well as the management for keeping Swartland Municipality at the forefront of service delivery, management excellence and dedication. Thank you also for your loyal support and for remaining positive.

ALDERMAN Tijmen van Essen
EXECUTIVE MAYOR

1.2. EXECUTIVE SUMMARY

1.2.1 MUNICIPAL MANAGER'S OVERVIEW



The operating environment for municipalities has been difficult and complex for several years now and the 2019/2020 financial year was no less challenging than the preceding years. However, I believe that we can once again look back on another good year with some notable achievements. The Municipality performed well overall and detailed information can be obtained elsewhere in this annual report. I would, however, like to highlight the following:

AUDIT:

The Municipality has up to the 2016/2017 financial year achieved seven clean audits and two unqualified audits for 2017/18 and 2018/19, which confirms its reputation as one of the best managed municipalities in South Africa. It is indeed great to report that the Municipality for the 2019/2020 financial year, achieved a clean audit (unqualified with no findings) audit report. This in itself speaks to and is proof of the dedication of management

and personnel to meet and maintain high standards of performance at all times.

FINANCIAL HEALTH:

The Municipality has completed another year of improved service delivery without negatively impacting liquidity in the context of being able to fund operations and sustainably contributing to its reserves to fund future capital expansion and refurbishment. It ended the 2019/2020 year by improving on financial sustainability with a cash surplus of R105 million before contributing to the capital replacement reserve, a prerequisite for effective and sustained service delivery.

An excellent cash position was achieved with the improved current ratio result of 5.24: 1 for the year under review compared to the achievement of 5.22: 1 in 2018/2019, which illustrates management’s capacity to apply and influence sound financial and governance principles.

The 2019/2020 revenue collection rate amounted to 89.27% compared to an average of 95.91% for the previous four years. In order to determine the real collection rate, bad debts written-off is taken into consideration and is it the impairment of fines that impacts the ratio negatively. It is proof of a good culture of payment amongst the ratepayers of Swartland, as well as the Municipality’s excellent and diligent revenue management system and consistent application of the Debt Collection Policy of the municipality.

The Capital Replacement Reserve which is a cash-backed reserve established to enable the Municipality to finance future capital expenditure, amounted to R199.5 million at 30 June 2020, compared to R191.8 million at 30 June 2019 and R181.1 million as at June 2018.

Outstanding external loans amounted to R118 million at the end of the 2019/2020 financial year, compared to R129.7 million at 30 June 2019 and R140.3 million at 30 June 2018.

Personnel costs as a percentage of total expenditure amounted to 32.39% in 2019/2020, compared to 30.32% in 2018/2019. This is well within the national norm of between 25 to 40% and shows that personnel costs were well under control. The challenge is to keep this under control with the increasing demand of expectations regarding improved service delivery.

Total operating income increased by 9% from R790.4 million in 2018/2019 to R861.2 million at 30 June 2020. The increase in operating expenditure was limited to only 6.07% to R714.7 million over the same period.

Operating expenditure versus budget for the year under review amounted to 94.31%, whilst 85.89% of the capital budget was spent. The latter is on standard for Swartland Municipality, as the average for the five years was 91.32%.

LOCAL ECONOMIC DEVELOPMENT:

The GDP growth of Swartland averaged 1.8% per annum over the period 2014-2018.

The three largest sectors in the Swartland area according to the GDP contribution, 2018 (SEP, 2020) were as follows:

1. Manufacturing (24.9%)
2. Wholesale and retail trade (17.8%)
3. Agriculture, forestry and fishing (14.7%)

The three largest sectors in the Swartland area according to the employment contribution, 2018 (SEP, 2020) were as follows:

1. Agriculture, forestry and fishing (28.8%)
2. Wholesale and retail trade (20.4%)
3. Community, social and personal services (12.1%)

SERVICES:

The five largest capital projects for 2019/2020 (June 2020 adjustments budget) were:

- Upgrading of roads (R15.0 million)
- De Hoop Housing Project (R13.2 million)
- Sewerage: Moorreesburg (12.6 million)
- Sibanye Moorreesburg (R9.9 million)
- Water: Replacement water reticulation network (R8.1 million)

Electricity losses were 6.01% for the rolling 12 months 2019/2020, compared to 5.62% in 2018/2019.

Water losses were 18.05% for the rolling 12 months 2019/2020, compared to 16.72% in 2018/2019.

During the 2019/2020 financial year 16.5 km of roads was resealed. This is 22% more than the 13.5km of previous year. A total of 1011 potholes were repaired. It is noted that future spending on the resealing of roads must be increased in order to maintain the asset to an acceptable standard.

PLANNING AND DEVELOPMENT

A total of 724 building plan applications to the value of 440 million were approved in 2019/2020, compared to 1125 building plans applications to the value of R571 million in 2018/2019 - a slight decrease of 23% in total value. The Riebeeck West housing project of 229 units were included in the amount and values of 2018/2019. The average building plan approval timeframe is 14 days in 2019/2020.

IMPROVING ORGANISATIONAL MANAGEMENT AND PERFORMANCE

The Municipality once again performed well in terms of its Performance Management System and Service Delivery and Budget Implementation Plan (SDBIP), showing that it is a results-oriented organisation. 292 indicators for the Municipal Manager and Directors were measured during the year of which 12 were General KPI's in terms of the Municipal Planning and Performance Management Regulations of 2001, 50 were indicators from the IDP and 230 were generic and other indicators. These results are reported on in Chapter 3 of this Report and reasons are given for the indicators that were rated lower than 3.

The following top ten risks of the municipality have been identified for which management action plans are indicated in the Risk Register and IDP:

- 1 Exposure to Coronavirus (COVID-19) / COVID-19 outbreak
- 2 Insufficient preparation for disasters
- 3 In-migration and population growth
- 4 Land invasion and Land grabs
- 5 Ageing and poorly maintained infrastructure
- 6 Lack of capacity in respect of infrastructure
- 7 Community safety and law compliance
- 8 Insufficient information for potential developers to invest in Swartland (choose to invest elsewhere)
- 9 Unsafe and unhealthy working conditions and environment
- 10 Unsatisfied/uninvolved/Uninformed clients

CHALLENGES OF THE 2019/2020 FINANCIAL YEAR:

The most important challenge was to maintain the high levels of service delivery which have become a hallmark of this Municipality while at the same time keeping it affordable for our ratepayers and users of services in the continued difficult economic climate.

The presence of informal settlements continued to impact on the percentages of households that could not be provided with minimum levels of service, often because they were inaccessible or situated too far from bulk infrastructure services to be connected.

There appeared to be a growing unhappiness with regard to housing matters especially with the reduction of the age limit from 40 years to 35 years. The challenge was to improve the community’s understanding of the responsibilities of the various spheres of Government with regard to the provision of housing as well as certain basic services. Ward councillors as well as ward committee members had an important role to play in this regard.

IN CONCLUSION:

I am pleased to report that the management team of Swartland Municipality is well settled. I could rely on a loyal and hard-working personnel corps in the year under review. I would therefore like to thank all for having helped to make 2019/2020 another success.

I would again like to thank Council, and in particular the Executive Mayor, the Executive Deputy Mayor, the Speaker, the Mayoral Committee and the chairpersons of the Portfolio Committees and each and every Councillors, for their support and positive leadership. This has helped to create an environment in which my team and I could stay focused on service delivery and overcoming difficult challenges that came our way.

Joggie Scholtz
MUNICIPAL MANAGER

1.2.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

(a) Population Details (2016 Community Survey)

Age Category	Male	Female	Total
Age: 00 - 04	6 095	6 349	12 444
Age: 05 - 09	5 714	5 828	11 542
Age: 10 - 19	11 062	11 141	22 203
Age: 20 - 29	11 792	11 483	23 275
Age: 30 - 39	10 165	10 455	20 620
Age: 40 - 49	9 359	8 629	17 988
Age: 50 - 59	6 838	6 707	13 545
Age: 60 - 69	3 817	4 094	7 911
Age: 70 +	1 601	2 634	4 235

(b) Households and poor households (2016 Community Survey)

Total Number Of Households	Households Earning Less than 2X State Pension Grant +10%
39 139	8 836

(c) Socio Economic Status

Year	Housing backlog as proportion of current demand	Unemployment Rate	Proportion of households with no income	Proportion of formally employed in low-skilled employment	Total registered patients receiving ART treatment	Illiterate people older than 14 years
2016 (CS)	14 607	10.40%	10.40%	49.97%	2 337	22.00%

(d) Economic Performance

Swartland contributed 27.3% to the West Coast District's GDP in 2018. The GDP growth of Swartland averaged 1.8% per annum over the period 2014 to 2018. This is marginally above the average of the District (2.7%). In 2018 the local economy in the Swartland municipal area was dominated by the manufacturing sector (24.9%), followed by wholesale and retail trade, catering and accommodation (17.8%) and agriculture, forestry and fishing sector (14.7%).

GDP contribution per sector - 2018

Sector	%
Finance, insurance; real estate and business services	9.2
Manufacturing	24.9
Agriculture, forestry and fishing	14.7
Wholesale and retail trade, catering and accommodation	17.8
General government	11.5
Construction	5.4
Transport, storage and communication	7.3
Community, social and personal services	6.8
Electricity, gas and water	2.3
Mining and quarrying	0.2
Total	100.0

Source: Swartland Socio-economic Profile, 2017

(e) Overview of Neighbourhoods within Swartland (2016 Community Survey)

Town	Households	Population
Abbotsdale	1 510	6 240
Chatsworth	1 380	5 980
Darling	3 000	12 370
Ilinge Lethu and Saamstaan	4 700	22 210
Kalbaskraal	790	3 470
Koringberg	320	1 810
Malmesbury	3 160	11 139
Moorreesburg	4 600	18 643
Other Urban Settlements	150	604
Riebeek Kasteel and Esterhof	1 810	8 465
Riebeek West and Ongegund	1 470	7 830
Riverlands	540	2 300
Swartland NU	11 879	16 471
Wesbank	2 880	14 060
Yzerfontein	950	2 170
TOTAL	39 139	133 762

(f) Comment on background data

None

1.2.3 SERVICE DELIVERY OVERVIEW

(a) Introduction

Basic Services were delivered as follows at 30 June 2020:

- Water - 21 371 households
- Electricity - 18 528 households
- Sanitation - 19 544 households
- Refuse removal - 20 901 households

Out of these free basic services were delivered to indigent household in the following manner:

- Electricity - 50 kWh free
- Water - 6 kl free

- Sanitation - R 234.35 per month levy
- Refuse removal - R 131.52 per month levy for one removal per week

(b) Proportion of poor households with access to basic services (current year)

Service	Access To Free Services	Free Access Percentage
Electricity Distribution	5 957	67.42%
Rates Services	8 062	91.24%
Refuse Removal	8 836	100.00%
Sewerage Services	8 525	96.48%
Water Services	8 836	100.00%

1.2.4 FINANCIAL HEALTH OVERVIEW

(a) Introduction

The municipality is currently still in a healthy financial position but good financial management practices and the effect of cost pressures on financial resources requires a continuous evaluation of the financial position of the municipality. These cost pressures include the maintenance of the ageing infrastructure, as well as items beyond the control of the municipality, such as the effect of Eskom increases of **15.63%** and the increase of bulk water purchases of **5.6%** as well as the collective agreements on employee related costs of **6.5%**. Total revenue for the year amounts to **R 861.2m** while operating expenditure amounts to **R 714.7m**, with the budgeted surplus being **R 128.5m**

The Municipal Finance Management Act 2003, together with the implementation of Generally Recognised Accounting Practices (GRAP) in local government, shifted the focus from the traditional "short-term balanced Income and Expenditure budgets" to sustainability over at least the medium term with emphasis on cash-funding. The municipality closed the financial year with more cash than the previous financial year and must still put controls in place to ensure that cash recourses do not deplete. The demand for infrastructure investment, and especially the replacement of ageing infrastructure, requires a significant amount of cash, and the municipality identified the preservation of its cash resources while also attending to the investment requirements, as a critical strategic area to be addressed in each future budget.

The population growth in the municipal area is amongst the highest in the Western Cape, standing on 133 762 according to the 2016 community survey. Naturally that requires additional capital infrastructure, as well as an increased demand for services. In terms of the Constitution, local government is entitled to its fair share of revenue raised nationally. This is being distributed in the form of an Equitable Share to all municipalities. With the population growth and increased unemployment, Swartland's Equitable Share households also increases.

A benchmarking tool was developed for Municipalities, which they can use to measure itself against set benchmarks and against its peers, in order to continuously improve and to ensure financial viability. Below is a summary of the key benchmarks and the municipality's results for the financial year.

(b) Ratios

Viability Information	Indicative Benchmark	Results for Swartland Municipality	
		Current Year	Previous Year
Asset Test Ratio	2 : 1	5.13 : 1	4:1
Payment Level (Excluding write-off of bad debts)	>95%	89.27%	101.00%
Cash Generated from Operations	20%	25.59%	27.70%
Purchase of PPE as % of Cash Generated	100	49.64%	46.82%
Cost Coverage (months)	>4	10	9
Debtors Turnover (days) (Before impairment)	<75	52	58
Long-term debt as % of Revenue	<40%	14.07%	17.99%
Debt servicing cost to Revenue	5%	3.66%	4.72%
Short-term debt as % of Cash	50%	22.95%	14.81%
Cash Funded Budget over MTREF	100%	100%	100%

From the above it is clear that the municipality equals or exceeds the benchmarks in nearly all areas and is on the right track in managing its financial resources, with the only real concern the amount of Property, Plant and Equipment purchased which exceeds the amount of cash generated by operations and will force the management team to cut back on only the most important core service delivery infrastructure. Some areas, however, indicate a decline against the previous year and will be continuously monitored and strategies developed to ensure acceptable levels.

(c) Financial Overview - 2019/2020

Description	Original Budget	Adjustment Budget	Actual
Grants	R179 826 895	R196 923 835	R174 659 994
Taxes, Levies and tariffs	R540 939 138	R539 112 155	R579 743 827
Other	R98 090 410	R108 108 498	R120 316 398
Income	R818 856 443	R844 144 488	R874 720 219
Less Expenditure	R737 857 813	R757 823 883	R746 209 020
Net Total	R80 998 630	R86 320 605	R128 511 199

(d) Operating Ratios

Expenditure Type	Ratio
1 Employees	31.02%
2 Contracted Services	8.97%
3 Other	60.01%

(e) Comment on operating ratios

Total expenditure is **5.69%** under budget, mainly due to the following:

- **Bad Debts Written Off and Reversal of Impairment Loss/(Impairment Loss) on Receivables:** The municipality budgets for debt impairment and write-offs as a single line while GRAP splits these. The difference in the combined amount pertains to the indigents' subsidy which is fully impaired. In the prior year an audit finding was raised regarding the validity of indigent debtors. In return, any indigent discounts granted may not be accounted for as a reduction of revenue or a discount against the debtor account. At year end, the municipality fully impair these debtor balances as the monies are not considered collectable given the nature of the debtor. The value of this impairment for 2020 is R18m.
- **Other materials:** The variance is due to the refund from the District (water service concession arrangement) exceeding expectations.
- **Transfers and subsidies:** Some grant projects did not materialise due to the lockdown (e.g. Berg River Canoe Marathon), whilst other projects could not continue due to late submission of supporting documents required from the earmarked institutions prior to the payments being made. Earmarked institutions projects that did not materialise were approximately R230 000 whilst the bursary allocation and food parcel expectations did not materialise to the value of R200 000 and R250 000 respectively.
- **Operational Costs and Water Losses:** The budget for Workmans Compensation subscription as well as Water Losses is included under this line per the NT Budget prescripts (Total budgeted value of R5m) whilst savings were noted on external computer services (R2m) and insurance (R2m). The saving on the computer services was due to the service not being required whilst the negotiations with the insurer yielded better premiums than expected.

Total revenue is **2.02%** over budget, mainly due to the following:

- **Construction Contracts:** This revenue arises from a new standard adopted, however the revenue was budgeted for under Government Grants and Subsidies
- **Agency services:** Agency fees are based on a monthly estimate of licenses that will be issued. As the traffic services office was closed during the lockdown, the receipts were less than budgeted.
- **Operational Revenue:** Development charges (R1.7m) is not budgeted for as this item is ad-hoc in nature.
- **Interest received on rates receivables:** Variance is due to a reclassification from the interest received under exchange to non-exchange.
- **Government grants and subsidies:** The grant income is lower than budgeted as expenditure was delayed due the lockdown. Some civil services could continue after the first month, but the housing and regional socio-economic project could only continue once the lockdown was lifted.
- **Fines:** Our budgeted expectations were not materialised. Future budgets will be updated accordingly.
- **Licences and permits:** As the traffic services office was closed during the lockdown period, the revenue was less than budgeted.
- **Donated Property, Plant and Equipment:** This item is not budgeted for as it is non-cash and the ad-hoc nature of the line item.

Employee costs (including Councillors Remuneration) represent **32.39%** of total operating expenditure, which is in line with expected norms set by the National Treasury. Should depreciation and bulk purchases be excluded from expenses, the employee cost as a percentage of operating expenditure is **58.08%**, which is well above the benchmark.

Repairs and Maintenance costs represents **7.46%** of total operating expenditure. This is in line with National Treasury's expected norm of **8%**. Should depreciation and bulk purchases be excluded from expenses, the repairs and maintenance as a percentage of operating expenditure is **13.38%** which is above the National Treasury's expected norm.

Depreciation charges are well above the average as a result of the deemed cost approach as described in the financial overview above. Various discussions were held in this regard and it was decided to stay on the current method of calculating for only that portion that is affordable by the community to contribute to the CRR in cash.

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. It also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from "Ratepayers and other" to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Swartland's cash coverage remained unchanged at **10 months** compared to the previous financial year, which is well above the benchmark of between 1 to 3 months, keeping in mind that Unspent conditional grants, Depreciation and Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets are excluded.

(f) Total Capital Expenditure

Original Budget	Adjustment Budget	Actual Expenditure
R143 673 084	R140 815 524	R120 941 959

(g) Comment on capital expenditure

Expenditure on the capital budget was underspent by **14.11%**. The main reasons per vote were the following:

- **Corporate Services:** At the time of preparing the budget, the purchase of land for housing projects was still considered capital. Following the implementation of the housing guideline, this expenditure (R2m) was considered operational.
- **Financial Services:** The R10m pertains to the gains of vesting of land which is not included in the budget.
- **Development Services:** Housing and regional socio-economic project could only continue once the lockdown was lifted which resulted in a delay in the projects expenditure. For RSEP the tender prices far exceeded the budget.
- **Protection Services:** The variance is due to donated traffic monitoring computer equipment which is on an ad-hoc (therefore unbudgeted) nature.

(h) Cost containment measures

Cost Containment In-Year Report Measures	2019/20 Original Budget	2019/20 Final Budget	Actual Expenditure Q1	Actual Expenditure Q2	Actual Expenditure Q3	Actual Expenditure Q4	Savings
Use of consultants	R 15 967 507	R 15 902 937	R 1 086 994	R 2 597 298	R 1 229 775	R 6 254 515	R 4 734 355
Travel and Subsistence	R 475 789	R 544 946	R 118 949	R 124 706	R 172 926	R -70 235	R 198 598
Domestic accommodation	R 147 394	R 165 113	R 38 302	R 32 093	R 18 065	R 1 870	R 74 783
Sponsorships, events and catering	R 765 235	R 772 635	R 45 969	R 421 401	R 59 937	R 45 214	R 202 115
Overtime Pay	R 9 249 097	R 12 278 827	R 1 589 614	R 3 044 370	R 3 115 351	R 5 790 213	R -1 260 721
Communication & Telephone cost	R 2 672 466	R 2 843 566	R 392 837	R 853 853	R 551 883	R 646 436	R 398 537
Vehicles used for political office -bearers	None	None	N/a	N/a	N/a	N/a	N/a
Number of Credit Cards	None	None	N/a	N/a	N/a	N/a	N/a
Grand Total	R 27 277 488	R 32 508 024	R 3 272 685	R 7 073 721	R 5 147 937	R 12 666 014	

1.2.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Swartland Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: **To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce.** Swartland Municipality considers its human resources as one of its most critical assets.

1.2.6 AUDITOR GENERAL REPORT

Follows on the next page. The report was issued on 28 February 2021 in accordance with the requirements set in the MFMA section 126(3)(b) and the two months extension given in terms of Government Notice 851 of 5 August 2020 and MFMA Circular 104.

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Swartland Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Swartland Municipality set out on pages 4 to 130, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flows statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Swartland Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 51 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2020.

Material impairments

8. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions, relating to service charges, of R43,2 million (2018-19: R20,6 million).
9. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions, relating to fines, of R25,4 million (2018-19: R29,6 million).

Material write offs

10. As disclosed in the statement of financial performance, bad debts of R27,9 million (2018-19: R32,7 million) was approved and written off by the council. Of this, R24,2 million (2018-19: R29,4 million) relates to traffic fines that were either written off or reduced.

Underspending of the capital budget

11. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent on its capital budget by 12% or R17,6 million. This mainly relates to a capital underspending in the vote development services, resulting from a housing and regional socio-economic project that could only continue once the lockdown has been lifted. This resulted in a delay in the project expenditure, as disclosed in note 44.17.

Underspending of conditional grants

12. As disclosed in the note 19 to the financial statements, the municipality materially underspent conditional grants by R16,8 million (2018-19: R8,4 million).

Events after the reporting date

13. I draw attention to note 68 to the financial statements, which deals with events after the reporting date and, specifically, the possible effects of the future implications of covid-19 on the entity's future prospects, performance and cash flows. Management has also described how it plans to deal with these events and circumstances. My opinion is not modified in respect of this matter.

Other matters

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

Unaudited supplementary schedules

15. The supplementary information set out on pages 131 to 139 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.

Unaudited disclosure notes

16. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

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

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

19. 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.
20. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

21. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
22. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures

included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality's annual performance report, for the year ended 30 June 2020:

Objective	Pages in annual performance report
Strategic goal 5 – sufficient, affordable and well-run services	41 – 43

24. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
25. I did not identify material findings on the usefulness and reliability of the reported performance information selected strategic objective.

Other matter

26. I draw attention to the matter below.

Achievement of planned targets

27. Refer to the annual performance report on pages 41 to 43 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.
31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

Auditor - General

Cape Town

28 February 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

1.2.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of 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 feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General	October
5	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
6	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	February
7	Municipalities receive and start to address the Auditor General's comments	March-April
8	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
9	Audited Annual Report is made public and representation is invited	
10	Oversight Committee assesses Annual Report	April-May
11	Council adopts Oversight report	
12	Oversight report is made public	
13	Oversight report is submitted to relevant provincial councils	
14	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

CHAPTER 2 – GOVERNANCE

2.1 INTRODUCTION

Governance is seen by Swartland Municipality as the exercise of economic, political and administrative authority to manage the municipality's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. To ensure good governance, which is – among other things – participatory, transparent and accountable – the Municipality views the four components dealt with in this Chapter as interrelated and mutually reinforcing.

2.2 POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION

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. Political governance is the process of decision-making to formulate policy, whereas administrative governance is the system of policy implementation.

Swartland Municipality strives towards achieving the following characteristics of efficient government in both the above legs of governance: •Participation; •Rule of law; •Transparency; •Responsiveness; •Consensus orientation; •Equity; •Effectiveness and efficiency; •Accountability; and •Strategic vision.

2.2.2 POLITICAL GOVERNANCE

(a) Introduction

Swartland Municipality has a mayoral executive system combined with a ward participatory system, whereby executive leadership vests in the executive mayor who is assisted by a mayoral committee. In terms of delegation, all legislative powers vest in the executive mayor, except for those listed by law for exclusive decision-making by the full council.

Recommendations on their respective portfolios are made for consideration to the executive mayor by three committees, appointed in terms of section 80 of the Structures Act, 1998, i.e. committees dealing with matters relating to (1) Municipal Manager and Finance, (2) Technical (Civil and Electrical) Services and (3) Administration, Development and Protection Services. During January 2019 it was resolved by Council to restructure the portfolio committee in terms of section 79 of the Structures Act to establish four committees, i.e. (1) Municipal Manager, Administration and Finance, (2) Technical (Civil and Electrical) Services, (3) Development Services and (4) Protection Services.

Ward committees for each of the twelve wards within the municipal area contribute by advising the municipality on matters affecting the respective wards.

The Performance and Risk Audit Committee provides opinions and recommendations on the overall control environment, financial processes and performance to Council, and also provides comments to the Municipal Public Accounts Committee (MPAC) on the Annual Report.

Swartland Municipality has established a Municipal Public Accounts Committee (MPAC) as an oversight committee, comprised of non-executive councillors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report. The Municipal Public Accounts Committee's (MPAC) report will be published separately in accordance with MFMA guidance.

(b) Political structure

MAYOR



Ald T van Essen

DEPUTY MAYOR



Ald MSI Goliath

SPEAKER



Clr M Rangasamy

MAYORAL COMMITTEE MEMBERS



Clr M Stemele



Clr R vd Westhuizen



Clr M van Zyl



Clr P Solomons

(c) Councillors

The Municipal Council of the Municipality has twenty three councillors, as determined by the Provincial Minister, of which twelve are ward councillors and eleven are proportionally elected councillors. Refer to Appendix A where a full list of councillors can be found. Also refer to Appendix B which sets out committees and committee purposes.

(d) Political decision-taking

Section 53 of the Municipal Systems Act (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the municipal manager must be defined. The section below is based on the Section 53 role clarification that was approved at the council meeting of May 2016.

■ **Municipal Council**

- governs by making and administering laws, raising taxes and taking decisions that affect people's rights;
- is a tax authority that may raise property taxes and service levies;

- is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers or officials;
 - can delegate responsibilities and duties for the purposes of fast and effective decision making;
 - must strive towards the constitutional objects of local government;
 - must consult the community with respect to local government matters; and
 - is the only decision maker on non-delegated matters such as the approval of the IDP and budget.
- **Executive Mayor**
- is the executive and political leader of the Municipality and is in this capacity supported by the mayoral committee;
 - is the ceremonial head of the Municipality;
 - must identify the needs of the Municipality and must evaluate progress against key performance indicators;
 - is the defender of the public's right to be heard;
 - has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters; and
 - performs the duties and exercise the responsibilities that were delegated to him by the council.
- **Mayoral Committee**
- its members are elected by the Executive Mayor from the ranks of councillors, with the exception of the Deputy Executive Mayor who is elected by the council and is an ex officio member of the mayoral committee;
 - its functional responsibility area is linked to that of the Executive Mayor to the extent that he must operate together with the members of the mayoral committee;
 - its primary task is to assist the Executive Mayor in the execution of his powers - it is in fact an "extension of the office of Executive Mayor"; and
 - the committee has no powers of its own – decision making remains that of the Executive Mayor.

2.2.3 ADMINISTRATIVE GOVERNANCE

(a) Introduction

By law, the Municipal Manager automatically is the head of administration as well as the accounting officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

The Municipal Manager is, amongst others, responsible –

- for the formation and development of an economical, effective, efficient and accountable administration;
- to ensure that the municipal "machine" operates efficiently, that the organizational structure is able to perform the various tasks and exercise the necessary controls;
- to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realize the municipality's goals;
- for the implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan;
- for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the carrying out of the decisions of the political structures and political office-bearers of the municipality. The Municipal Manager must facilitate participation by the local community in the affairs of the municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

The Swartland Municipality adopted an Integrated Development Plan for 2017-2022 with the following five strategic goals:

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- PEOPLE - Improved quality of life for citizens;
- ECONOMY - Inclusive economic growth;
- ENVIRONMENT - Quality and sustainable living environment;
- INSTITUTIONS - Caring, competent and responsive institutions, organisations and business; and
- SERVICES - Sufficient, affordable and well-run services.

The IDP strategic goals, objectives, initiatives, key performance indicators and annual targets are clearly linked with the annual budget and the Municipality's performance system. These linkages make it possible for the management team to work towards achieving the objectives and outcomes of the Municipality.

The Municipal Manager of a municipality is the accounting officer of the municipality and must provide guidance to political structures; political office bearers, and officials of the municipality.

(b) Top administrative structure

MUNICIPAL MANAGER



Joggie Scholtz

DIRECTORS

FINANCIAL SERVICES



Mark Bolton

CORPORATE SERVICES



Madelaine Terblanche

CIVIL ENGINEERING SERVICES



Louis Zikmann

ELECTRICAL ENGINEERING SERVICES



Roelof du Toit

DEVELOPMENT SERVICES



Jo-Ann Krieger

PROTECTION SERVICES



Philip Humphreys

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on National level:

- SALGA meetings

2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on Provincial level:

- SALGA meetings
- MinMayTech
- MinMay
- Premiers Coordinating Forum
- Municipal Managers Forum

2.3.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on District level:

- DCFTech
- DCF

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1 PUBLIC MEETINGS

(a) Communication, participation and forums

Public participation in Swartland is done in a **structured** way. The directive from national government on how community participation should be structured is the ward committee system. Most of the liaison with communities is done through ward committee meetings.

Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business and agriculture. Liaison with and involvement of such sector groups is therefore also crucial in order to get a full picture of the current reality in our area. Liaison with sector groups is done mainly through the Swartland Municipal Advisory Forum (SMAF).

The Municipality also communicates through a well-structured website www.swartland.gov.za as well as its Facebook Page www.facebook.com/SwartlandMunicipality.

Public Meetings					
Nature and purpose of meeting	Date of meeting	Number of participating municipal councillors	Number of participating municipal administrators	Number of community members attending	Dates and manner of feedback given to the community
RSEP Darling	2019-10-10	0	3	5	N/a
Swartland Municipality and Malmesbury Emerging Farmers	2019-11-13	2	3	12	N/a
LDAC	2019-11-27	1	4	9	N/a
SSDF	2020-02-19	1	3	25	N/a
RSEP Malmesbury	2020-02-27	1	3	23	<<NoData>>

(b) Ward committees

Section 152(1)(e) of the Constitution of the Republic of South Africa, read with sections 72 to 78 of the Structures Act, gives a direct mandate to municipalities to encourage the involvement of communities and community organisations in matters of local government and to establish community participatory systems.

Sections 8(g and h), 9(f) and 72 of the Structures Act, authorise municipalities to establish ward participatory systems as mechanisms to enhance participatory democracy in local government.

A ward committee is an advisory body of the community. A ward committee serves as the official public participatory structure of the Municipality and must as such –

- (a) assist the ward councillor in identifying challenges and needs of residents;
- (b) disseminate information in the ward concerning municipal affairs such as the budget, the integrated development plan (IDP) and service delivery options;
- (c) obtain inputs from residents regarding municipal affairs such as the budget, the integrated development planning and service delivery options;
- (d) receive queries and complaints from residents concerning municipal service delivery; and
- (e) interact with other forums and organisations on matters affecting the ward.

It was important to establish a ward committee for each of the twelve wards as soon as possible after the August 2016 elections. Thereafter much time was spent on induction, specifically on the Rules and Procedures for ward committees, the IDP and budget process. Ward committee members had the opportunity to participate in the development of Area Plans for each ward, containing, amongst others, the five most important service delivery priorities for each ward.

2.4.2 IDP PARTICIPATION AND ALIGNMENT

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

2.5 CORPORATE GOVERNANCE

2.5.1 OVERVIEW

The King-report listed discipline, transparency, independence, accountability, responsibility, fairness and social responsibility as primary characteristics of good governance. These traits have to be evident in municipal operations from the municipal council at the top to departmental staff at the bottom.

Corporate governance is the system by which municipalities/companies are directed and controlled and is essentially for effective leadership. Leaders need to define strategy, provide direction and establish the ethics and values that will influence and guide practices and behaviour with regard to sustainability performance. The framework of rules and practices ensures accountability, fairness, and transparency in a municipality's relationship with its stakeholders (financiers, customers, suppliers, management, employees, government, and the community).

2.5.2 INTERNAL AUDIT

An Internal Audit Activity (IAA) exists within Swartland Municipality under the control and direction of the Performance and Risk Audit Committee. The purpose of Internal Audit is to provide an independent, objective assurance and consulting services designed to add value and improve the municipality's operations. The IAA helps Swartland Municipality accomplish its objectives by bringing a systematic, risk-based, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. Furthermore, the IAA reports on matters relating to:

- Safeguarding of assets
- Internal Control
- Compliance with laws, regulations, policies, accounting practices and contractual obligations
- Reliability and integrity of information
- Risk and risk management
- Performance Management.

The Manager Internal Audit follows a risk based audit approach whereby an annual audit plan is compiled and approved by the Performance and Risk Audit Committee. Included in the plan are special tasks or projects requested by Management and the Audit Committee. Reporting is done on a monthly basis to the Municipal Manager regarding the activities of the unit such as audits and investigations performed, audit findings not yet implemented and any other concerns. Quarterly Performance and Risk Audit Committee meetings are held where risk management, performance management, audit reports issued and performance against the audit plan are discussed.

2.5.3 RISK MANAGEMENT

Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic and formalised process to identify, assess, manage, monitor, report and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Swartland Municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

Risk Assessments are conducted bi-annually by Internal Audit, as part of their consulting service to Management, through facilitating the process of identifying and assessing risk per Directorate to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas. Management informs Internal Audit immediately when business processes change and/or when the severity of a risk area change due the increase or decrease in the likelihood rating for them to update the risk registers accordingly.

To mitigate the risks it is confronted with, Management implements control activities by establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards.

In addition, Internal Audit reports quarterly to the Performance and Risk Audit Committee on work performed and other operating measures that are of interest to the Audit Committee.

The following top five risks of the municipality have been identified for which management action plans are indicated in the IDP:

- Urbanisation placing increased demand on housing resources
- Ageing and poorly maintained infrastructure
- Land invasion, informal settlements and backyard dwellers increasing pressure on municipal infrastructure services
- Lack of capacity in respect of infrastructure
- Community safety and law compliance

2.5.4 ANTI-CORRUPTION AND FRAUD

Swartland Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. Consequently Swartland Municipality is committed to fight fraudulent behaviour at all levels within the organisation.

The Strategy is premised on the organisations core ethical values driving the business of Swartland, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all departments and business units of Swartland and even external stakeholders must be guided by the Strategy as the point of reference for their conduct in relation to Swartland.

The policy of Swartland is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and

other controls and checking mechanisms as prescribed in the systems, policies and procedures of Swartland.

It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager. All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Municipal Manager. The Municipal Manager will initiate an investigation into the matter. Should employees or any member of the public wish to report allegations of fraud and corruption anonymously, they can contact the Municipal Manager and/or the Internal Audit Unit directly or the Public Service Corruption Hotline on 0800 701 701.

Any fraud or corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

- In case of employees, taking disciplinary action within a reasonable period of time after the incident;
- Instituting civil action to recover losses;
- Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
- Any other appropriate and legal remedy available.

Managers are required to ensure that losses or damages suffered by Swartland as a result of all reported acts committed or omitted by an employee, ratepayer or any other person are recovered from such an employee, ratepayer or other person if he or she is found to be liable for such losses.

Fraudulent and corruption awareness are done annually by means of newsletters, information notices with pay sheets and presentations by guest/specialist speakers. Policies, processes and systems are implemented by which the Municipality is directed, controlled and held to account with the trend towards greater corporate responsibility and the conduct of business within acceptable ethical standards. Transparency, accountability and openness are embedded in reporting and disclosure of information, both operational and financial to all stakeholders. Councillors' and Employees' work are governed by the municipality's rules, regulations and procedures and the Codes of Conduct for employees and Councillors to which they are expected to abide by, which includes guidelines on gifts, professional and personal behaviour and conflicts of interest. Segregation of duties exists within the procurement function and politicians are excluded from procurement and tender processes.

2.5.5 PERFORMANCE AND RISK AUDIT COMMITTEE

A combined Performance and Risk Audit Committee has been established and is functional. The overall responsibility of the committee is to assist Council members of Swartland Municipality in discharging their responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, and the oversight of the external and internal audit functions, as well as Performance- and Risk Management. The Performance and Risk Audit Committee is an advisory committee and not an executive committee and as such it must not perform any managerial functions or assume any management responsibilities. The Performance and Risk Audit Committee operates in accordance with their Charter which is approved by Council and is an independent function that excludes politicians and excludes officials as voting members.

2.5.6 SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy of Swartland Municipality complies with the prescribed framework as set out in section 110-119 of the Municipal Finance Management Act, 2003. No shortfalls were identified regarding long term contracts.

2.5.7 BY-LAWS

(a) By-laws Introduced during financial year

Name	Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-law?	Public Participation Date	By-law Gazetted?	Date Of Publication
Swartland Municipality: Credit Control and Debt Collection By-law		Revised	Yes	2019-03-15	Yes	2020-06-10
Swartland Municipality: By-law relating to the Installation of Telecommunication Infrastructure	Newly Developed		Yes	2019-06-04	Yes	2019-10-01
Swartland Municipality: Water and Sanitation Services Amendment By-law		Revised	Yes	2019-06-04	Yes	2019-10-01

(b) Comment on by-laws

By-laws are passed by the Council to regulate the affairs and the services it provides within its area of jurisdiction. A municipality derives the powers to pass a by-law from the Constitution of the Republic of South Africa, which gives certain specified powers and competencies to local government as set out in Part B of Schedule 4 and Part B of Schedule 5 to the Constitution.

2.5.8 MUNICIPAL WEBSITE - CURRENT YEAR

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous year's annual report	Yes	
The annual report published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	
All service delivery agreements	Yes	
All long-term borrowing contracts	Yes	

All supply chain management contracts above a prescribed value (R100 000)	Yes	Various dates during year
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during fin year	N/a	N/a: Not prescribed by legislation
Contracts agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/a	N/a
Public-private partnership agreements referred to in section 120	N/a	N/a
All quarterly reports tabled in the council in terms of section 52 (d)	Yes	-

2.5.9 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Client Satisfaction Survey - February 2017:

Question	Result
01. Electricity provision - general	3.75 (75.08%)
02. Speed with which new connections are done, meters are replaced	3.85 (77.00%)
03. Speed with which outages are repaired, notices regarding power outages are given, etc.	3.84 (76.80%)
04. Street lights	3.81 (76.11%)
05. Water provision - general	3.86 (77.26%)
06. Speed with which new connections are done	3.87 (77.40%)
07. Speed with which meters are replaced, damage to pipelines are repaired, etc.	3.86 (77.29%)
08. Sewerage - general	3.85 (77.02%)
09. Speed with which new connections are done	3.82 (76.39%)
10. Speed with which obstructions are cleared	3.82 (76.32%)
11. Speed with which conservancy tanks are drained	3.82 (76.36%)
12. Removal of domestic refuse, garden refuse	3.95 (78.93%)
13. Street refuse bins, cleaning of streets	3.81 (76.12%)
14. Reparation of potholes, tarring and resealing - streets and sidewalks	3.42 (68.43%)
15. Maintenance of gravel roads	3.42 (68.37%)
16. Weeding of sidewalks, spraying of insecticides	3.36 (67.18%)
17. Storm water	3.69 (73.88%)
18. Municipal cemeteries	3.55 (71.07%)
19. Sports fields - Preparation and maintenance	3.64 (72.88%)

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20. Municipal swimming pools	3.90 (78.03%)
21. Parks and gardens	3.42 (68.40%)
22. Fire fighting and emergency services	3.51 (70.17%)
23. Traffic and law enforcement services	3.50 (70.05%)
24. Motor vehicle registrations and licences	3.87 (77.42%)
25. Libraries	3.96 (79.22%)
26. Approval of building plans	3.93 (78.62%)
27. Execution of building inspections	3.95 (78.99%)
28. Municipal accounts	3.96 (79.21%)
29. Do you know who your ward councillor is?	Yes: 41.0%, No: 59.0%
30. Do you know who serves on your ward committee?	Yes: 32.1%, No: 66.3%, Partially: 1.6%
31. Effectiveness and functioning of your ward committee	2.69 (53.89%)
32. How was the service at the local office in respect of the handling of general enquiries?	3.93 (78.63%)
33. How was the service at the local office in respect of telephone etiquette?	3.94 (78.85%)
34. How was the service at the local office in respect of friendliness and helpfulness of staff?	3.97 (79.36%)
35. How was the service at the local office in respect of knowledge and expertise of staff?	3.96 (79.17%)
36. How was the service at the Malmesbury office in respect of the handling of general enquiries?	3.92 (78.31%)
37. How was the service at the Malmesbury office in respect of telephone etiquette?	3.92 (78.41%)
38. How was the service at the Malmesbury office in respect of friendliness and helpfulness of staff	3.93 (78.65%)
39. How was the service at the Malmesbury office in respect of knowledge and expertise of staff?	3.92 (78.44%)
40. How do you rate the Municipality's communication with rate payers?	3.86 (77.20%)

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

3.1 TOP LEVEL REPORTING

3.1.1 KPI'S AND TARGETS FROM THE IDP FOR 2019/2020

Because Chapter 3 of the Annual Report is divided according to service and not according to IDP goals, the following table is added. It is taken from the Municipality's 2017-2022 Integrated Development Plan (IDP) that was approved by Council on 25 May 2017 and as amended on 30 May 2019 displays the top level indicators and targets according to the five strategic goals in Chapter 7 of the IDP. It also displays the general key performance indicators as prescribed in the Municipal Planning and Performance Management Regulations, 2001. The last column of the table refers to the sections in this chapter where the indicators are found under the relevant service.

NOTE: All highlighted KPI's and targets are for future financial years

(a) Strategic Goal 1: Improved quality of life for citizens

Strategic Objective	Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
1.2 Promote childcare facilities and early child development (0-6 years)	Develop ECD information guidelines in respect of childcare facilities	ECD information guidelines approved	Yes (by June 2020)	Yes		3.9.3(a)
1.6 Coordinate social development internally and externally with partners.	Promote the coordination of social development through partnerships:					
	▪ Internally: Internal Social Development Committee to identify additional action plans in each department that contributes to social development	Agreement reached on additional action plans in each department	Yes (by June annually)	Yes		3.9.3(a)
	▪ Externally: Local Drug Action Committee to compile a Local Drug Action Plan that must be reviewed every two years	Local Drug Action Plan compiled	Yes (by June 2020)	Yes		3.9.3(a)
1.7 Lobby for the basic needs and rights of vulnerable groups	Develop guidelines for assistance to persons with disabilities	Guidelines approved	Yes (by June 2020)	Yes		3.9.3(a)
1.8 Increase the effectiveness of the municipal traffic & law enforcement service	Effective traffic and law enforcement execution by using an Automated Number Plate Recognition (ANPR) Bus	Report on progress submitted to the portfolio committee	Yes (monthly - 10 per annum)	Yes (9 for the year)	REASON: No reports during qrt 4 because of lockdown INTERVENTION: No intervention required	3.9.7(a)

Strategic Objective	Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
1.9 Integrated Crime Prevention / Safety stakeholder collaboration	Effective safety partnerships in terms of the Integrated Safety Strategy through an MOU with all role-players, especially SAPS	Report on progress submitted to the Mayoral Committee	Yes (annually by June)	No	REASON: Covid-19 lockdown and restrictions INTERVENTION: Will be submitted in August	3.9.7(a)
1.10 Prevent and manage land invasion. Monitor informal settlements.	Effective operation and monitoring by Traffic and Law Enforcement Division	Report on progress submitted to the Portfolio Committee	Yes (monthly - 10 per annum)	Yes (9 for the year)	REASON: No reports during qrt 4 because of lockdown INTERVENTION: No intervention required	3.9.7(a)
1.11 Ensure that infrastructure development, resources and equipment are available to deliver an effective and efficient Fire and Rescue Service to all communities in the Swartland	An effective operational Fire and Rescue Service	Secure budget to expand the current firefighting and emergency resources	Yes (annually by November)	Yes		3.9.7(a)
1.13 Establishment of a Swartland Safety Initiative	Facilitate the establishment of a Swartland Community Safety Forum	Report on progress submitted to the Portfolio Committee	Yes (Bi-annually)	Yes		3.9.7(a)
	Facilitate the establishment of four Neighbourhood watches (one per CPF)	Neighbourhood watches accredited, registered and trained	Yes (4 by June 2020)	No (1 for the year)	REASON: Due to the lockdown-Covid-19 , NHW could not be supported and established INTERVENTION: No intervention needed	3.9.7(a)

(b) Strategic Goal 2: Inclusive economic growth

Strategic Objective	Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
2.7 Increase tourism visitors and brand as a good place to live	Develop a more effective tourism destination marketing and development business model	Study done and revised tourism business model finalised.	Yes (by June 2020)	Yes		3.10.9(b)

General KPI's linked to Strategic Goal 2

Indicator in the regulations	Indicator in the Municipality's PMS	Targets	Actual	Notes	Reference
Jobs created through municipality's LED initiatives including capital projects	Number of jobs created through Municipality's capital projects (contracts > R200 000)	100 for the year	183 for the year		3.4.3(d)

(c) Strategic Goal 3: Quality and sustainable living environment

Strategic Objective	Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
3.1 Maximise economic opportunities and comparative advantage	Spatially strengthen mobility and economic links.	An economic mobility spatial plan developed and integrated into LED and EGM (subject to availability of funds).	Yes (By June 2020)	Yes		3.9.3(a)
3.3 Enhance conservation and biodiversity	Finalise stewardship programme	Registration of stewardship programme with Cape Nature on municipal land	Yes (By June 2020)	No	REASON: The stewardship programme is subject to the finalisation of the management plans for these areas. No funds, no service provider INTERVENTION: No intervention necessary	3.9.3(a)
3.8 Increase access for citizens in new settlements to urban amenities, work, schools, clinics, parks, etc.	Do new housing developments in terms of the Social economic Facility Policy and the Spatial Development Framework (SDF)	Council approval of budget and implementation for social facilities in terms of the project approval by DHS	Annually	N/a	REASON: According to DHS no funding is available for SCF in this financial year INTERVENTION: No intervention necessary	3.9.3(a)
	Secure funding for the social facilities		Annually	N/a	REASON: According to DHS no funding is available for SCF in this financial year INTERVENTION: No intervention necessary	3.9.3(a)

Strategic Objective	Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
3.9 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing.	Obtain land use rights and secure funding for (FLISP) housing, Gap housing and social housing	Funding secured	Yes (By June 2020)	No	REASON: Funding for Flisp is base on funding allocations from DHS. The municipality didn't received funding for FLISP in 19/20 but applied for Flisp/GAP 36 opportunities in Darling for 20/21 financial year. INTERVENTION: The Municipality applied for Flisp/GAP 36 opportunities in Darling for 20/21 financial year.	3.9.3(a)
	Appoint credible housing institution to build and manage social housing	Appointment finalised	By December 2019	N/a	REASON: Before a credible housing institution can be appointed, a social housing policy must be drafted INTERVENTION: Target changed to June 2021	3.9.3(a)

(d) Strategic Goal 4: Caring, competent and responsive institutions, organisations and business

Strategic Objective	Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
4.1 A redesigned organisation structure that effectively facilitate the strategic objectives and purpose of the organisation	Implement the redesigned organisation structure	Redesigned organisation structure implemented	During the 2019/2020 financial year	Yes		3.9.2(a)
4.3 Employment relations that create a climate of trust, cooperation and stability and accomplish a harmonious and productive workforce	Develop a programme of innovative interventions, e.g. diversity management and awareness, climate creation to ensure sound employee relations and practices	Programme developed for implementation during the 2019/2020 financial year"	By July 2019	Yes		3.9.2(a)

Strategic Objective	Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
4.4 More informed and effective ward councillors and ward committees	Compile, implement and monitor communication plans for individual ward councillors to enhance public participation	Communication activities for ward councillors monitored	Yes (Quarterly)	N/a	REASON: KPI not implementable INTERVENTION: This KPI and target have been deleted with the May 2020 amendment of the IDP	3.9.2(a)
		Councillors' performance monitored by the Executive Mayor as part of the PMS for councillors.	Quarterly	N/a	REASON: KPI not implementable INTERVENTION: This KPI and target have been deleted with the May 2020 amendment of the IDP	3.9.2(a)
4.6 Identify risks and implement preventative and corrective controls	Compile a Handover procedure to newly appointed Manager, Internal Audit	Complete handover procedure	By March 2020	No	REASON: The employment of the Manager, Internal Audit has been extended to 31 May 2021 INTERVENTION: The handover procedures to be finalised before the end of the second quarter of 2020/21. Amended IDP to reflect this change.	3.9.6(a)
	Maintain an effective independent Performance, Risk and Financial Audit Committee as per legislation (Appoint for three years, but can extend for six years)	Appointment of new members for the PRF Committee over a period of three years for continuity	Annually by June	Yes		3.9.6(a)
4.7 Sound long-term financial planning including making the right investment decisions	Review the Long Term Financial Plan	Review completed	Annually by March	Yes		3.9.5(a)
	Review budget related policies in line with the LTFP	Review completed	Annually by Feb	Yes		3.9.5(a)

General KPI's linked to Strategic Goal 4

Performance Objective	Indicator in the Municipality's PMS	Targets	Actual	Notes	Reference
Households earning less than 4 x old age pension (R5400) subsidy per month with access to free basic services	% of indigent households with access to free basic services	100%	100%		3.9.5(a)

Performance Objective	Indicator in the Municipality's PMS	Targets	Actual	Notes	Reference
Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year into the Municipality's IDP	% of capital budget spent	Between 90% and 105%	85.9% for the year	REASON: Change in accounting policy: Transaction (R2 100 000 - purchase of land Kalbaskraal) moved to land inventory (balance sheet) INTERVENTION: No intervention required.	3.9.6(a)
People from employment equity target groups employed	% of Previously disadvantaged individuals appointed for the month in terms of the Municipality's approved Employment Equity plan	70%	48.3% for the year (14/29 employees)	REASON: There were no other candidates from the designated groups who met the requirements for appointment. INTERVENTION: The Municipality complies with EE targets wherever possible	3.9.2(a)
Budget spent on implementing the workplace skills plan	% of the municipality's salary budget actually spent on implementing its workplace skills plan	0.83% (R1 805 366)	63.8% of 0.83% for the year	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required	3.9.2(a)
Ensure general financial viability	Debt coverage (Total operating revenue received - operating grants) ÷ debt service payments due within fin year)	Norm = 45%	17.45%		3.9.5(a)
	Outstanding service debtors to revenue (Total outstanding service debtors ÷ annual revenue actually received for services)	Norm = 20%	8.1%		3.9.5(a)
	Cost coverage (All available cash at a particular time + investments) ÷ monthly fixed operating expenditure)	Norm = 1-3 months	9 months		3.9.5(a)

(e) Strategic Goal 5: Sufficient, affordable and well-run services

Strategic Objective	Strategic Initiative	Key Performance Indicator	Targets	Actual	Notes	Reference
5.1 Secure sufficient long term bulk water provision	Work with relevant role-players to commit to an agreed service delivery model.	An agreed service delivery model	Yes (by end of June 2020)	Yes		3.9.1(a)
	Develop a water conservation and water demand management strategy (WCDM Strategy)	Policy document completed and submitted to Portfolio Committee	Yes (by end of October 2019)	Yes		3.9.1(a)
	Conduct an alternative water source study	Study completed and report submitted to Portfolio Committee	Yes (by end of June 2020)	N/a	The study could not be done because of Lockdown. The target in the IDP was therefore changed with the revision of the IDP in May 2020 to "Yes (by end of June 2021)".	3.9.1(a)
5.2 Maintenance and upgrading that sustain and improve the current condition of surfaced roads	Investigate and report to council annually on the status quo condition of surfaced roads	Report submitted to the Portfolio Committee	Yes (by end of Sep annually)	Yes		3.9.1(a)
	Inform budgetary processes of funding requirement for maintenance and upgrading of surfaced roads.	Budget requirements calculated and budget informed	Yes (by end of Nov annually)	Yes		3.9.1(a)
5.3 Ensure sufficient civil services capacity for planned developments	Review and maintain master plans in accordance with the most recent growth model information	Master plans reviewed and maintained	Yes (annually by end of March)	Yes		3.9.1(a)
5.4 Maintenance and upgrading that sustain the current condition of civil infrastructure	Inform budgetary processes of funding requirement for maintenance, renewal, upgrading and refurbishment of civil infrastructure	Budget requirements calculated and budget informed	Yes (by end of Nov annually)	Yes		3.9.1(a)
5.5 Ensure sufficient electricity capacity for planned developments (built environment) that are feasible	Review and maintain master plans	Master plans reviewed and maintained	Yes (annually by end of June)	Yes		3.9.4(a)

Strategic Objective	Strategic Initiative	Key Performance Indicator	Targets	Actual	Notes	Reference
5.6 Maintenance and upgrading that sustain and improve the current condition of electrical infrastructure	Inform budgetary processes of funding requirement for maintenance, renewal, upgrading and refurbishment of electrical infrastructure	Budget and motivation submitted to budget office (minimum 6% of annual electricity revenue allocation is a Nersa license condition)	Yes (by end of Nov annually)	Yes		3.9.4(a)
5.7 Provide electricity cost effectively	Provide competitive tariffs for industrial consumers in support of economic growth	Approval of tariffs by Nersa	Annually before end of June	Yes		3.9.4(a)
	Maintain energy losses at an acceptable level	% total energy losses (technical + non-technical)	Maintain the annual average below 8%	2.61% for rolling 12 months		3.9.4(a)

General KPI's linked to Strategic Goal 5

NOTE: The 100% applies only to urban residential properties registered on the Surveyor General's maps and on the records of the Municipality. It does not include informal structures e.g. backyard dwellings and illegally erected informal structures.

Performance Objective	Indicator in the Municipality's PMS	Targets	Actual	Notes	Reference
Improved access to water, sanitation and refuse removal	% of urban households with access to at least piped (tap) water within 200 meters from dwelling	100%	100%		3.9.1(a)
	% of urban households with access to at least a flush toilet, chemical toilet or pit toilet with ventilation (VIP)	100%	100%		3.9.1(a)
	% households registered for refuse removal service which receive a service once a week	100%	100%		3.9.1(a)
Improved access to electricity	% of urban households with access to electricity	100%	100%		3.9.4(a)

3.1.2 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

In terms of Section 13G of the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013 ("the B-BBEE Act"), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports.

A compliance report required to be included annually in terms of section 13G(1) of the Act from a sphere of government, public entity or an organ of state must reflect the state of compliance in respect of (i) ownership where applicable; (ii) management control; (iii) skills development; (iv) enterprise and supplier development; (v) socio-economic development; and (vi) any other sector specific element. The following tables contain the required information applicable to Swartland Municipality:

(a) Management Control

Categories	Number for each category	Race classification (indicate number in terms of Africans, Coloureds & Indians)	Gender (indicate number in terms of Female & Male)	Age (provide number in chronological order)	Location (indicate number in each Province)	Disability (indicate number in terms of Female & Male)
Municipal Manager and Directors	3	A=0, C=3, I=0	CF=1, CM=2	55, 54, 54	Western Cape	0
Senior Management	9	A=0, C=9, I=0	CF=2, CM=7	56, 51, 49, 47, 47, 44, 41, 41, 36	Western Cape	0

(b) Skills Development

Total Leviabe Amount:							
Categories	Number for each category	Race classification (indicate number in terms of Africans, Coloureds & Indians)	Gender (indicate number in terms of Female & Male)	Age (provide number in chronological order)	Location (indicate number in each Province)	Disability (indicate number in terms of Female & Male)	Total Amount Spent
Black employees	304	A=37 C=267	AF=9, AM=28 CF=81, CM=186	<35=80 35-55=213 >55=11	Western Cape	F=7, M=37	R1 169 572
Black non-employees	0						
Black People on - Internships	7	A=2, C=5	AF=1, AM=1 CF=3, CM=2	<35=7 35-55=0	Western Cape	0	Included in the figure above
Apprenticeship	4	A=0, C=4	CM=4	<35=1 35-55=3	Western Cape	0	
Learnership	14	A=1, C=13	AM=1, CM=13	<35=5 35-55=9	Western Cape	0	
Adult Education and Training (AET)	44	A=7, C=37	AF=1, AM=6 CF=2, CM=35	<35=20 35-55=29	Western Cape	F=0, M=2	
Unemployed black people on any programme under the learning programme matrix	30	A=4, C=26	AF=4, AM=0 CF=24, CM=2	35=25 35-55=5	Western Cape	0	R32 872
Black people absorbed at end of learnership, internship and apprenticeship	0						

(c) Enterprise and Supplier Development

Total Procurement Spent:				
Supplier	Total Number	Total Value Spend		
TOTAL			% Black Ownership	% Black women ownership
EME				
QSE				
Large Suppliers				

Total Value of 2% NPAT or 0.2% of allocated Budget:						
Supplier	Total Number	Total Value Spend	% Black Ownership	% Black women ownership	Location	Sector
EMEs						
QSEs						

Total Value of 1% NPAT or 0.1% of allocated Budget:						
Supplier	Total Number	Total Value Spend	% Black Ownership	% Black women ownership	Location	Sector
EMEs						
QSEs						

(d) Socio-Economic Development

Total Value of 1% NPAT or 0.1% of allocated Budget:			
Number of participants	Race classification (indicate number in terms of Africans, Coloureds & Indians)	Gender (indicate number in terms of Female & Male)	Geographical indication (indicate nr in each Province)
0			
Total Value Spend: R0			

3.2 BASIC SERVICES

3.2.1 WATER SERVICES

(a) Introduction

Swartland Municipality is the Water Services Authority for its service area. Water is abstracted from two bulk sources, i.e. Voëlvlei Dam and the Misverstand Dam. The West Coast District Municipality provides bulk water as well as water purification and treatment services to Swartland Municipality through the Withoogte and Swartland bulk supply schemes. The West Coast DM was also appointed by Swartland Municipality as a Water Services Provider in terms of the Water Services Act.

All residents in urban areas in the service area of Swartland Municipality have access to water services and free basic water is provided to all.

Ageing infrastructure remains one of the key focus areas for the Municipality and therefore a pipe replacement programme was developed and implemented.

Water restrictions remained at level 1 and total water usage did not exceed the restricted target.

The section 78 investigation into an appropriate delivery model for the provision of bulk water services was concluded during 2018/2019. A final conclusion between the involved Authorities on the way forward is still to be reached and therefore an interim extension of the existing service delivery mechanism was again applied for a further year.

(b) Total Use of Water by Sector (cubic meters)

Agriculture	Forestry	Industrial	Domestic	Unaccountable Water Losses
	0	7 193 040	30 545 890	533 494

(c) Comment on water use by sector

Water restrictions remained at level 1 and total water usage did not exceed the restricted target.

Swartland Municipality continues to implement its Water Conservation and Water Demand Management strategy through the continued implementation of, amongst others, pressure control in distribution networks, leak detection and repairs

(d) Households - Water Service Delivery Levels**Above minimum level**

Description	Non-Urban (2011 Census)	Urban (2011 Census)	Total (2011 Census)	Current Year Non-Urban	Current Year Urban	Current Year Total
Piped (tap) water inside dwelling/institution	5 221	18 405	23 626	2 995	29 876	32 871
Piped (tap) water inside yard	1 518	3 438	4 956	325	2 906	3 231
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	335	132	467	0	213	213
TOTAL	7 074	21 975	29 049	3 320	32 995	36 315

Below minimum level

Description	Non-Urban (2011 Census)	Urban (2011 Census)	Total (2011 Census)	Current Year Non-Urban	Current Year Urban	Current Year Total
No access to piped (tap) water	75	72	147	0	0	0
Piped (tap) water more than 200m from dwelling	82	44	126	297	4	301
Unspecified - Not applicable	0	0	0	2 396	127	2 523
TOTAL	157	116	273	2 693	131	2 824

(e) Households - Water Service Delivery Levels below the minimum service level

Service	Criteria	Census 2011				Current Year			
		Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level		Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Water Services	Available within 200 m from dwelling	244	0.62%	29	0.00%	513	1.31%	0	0.00%

(f) Water Service performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Improved quality of water services	4/19-0058-1	% of new water connections completed within 10 working days			0	100%	100%	3	100%	
Improved quality of water services	4/19-0058-2	Number of burst water mains not repaired within 10 hours after the incident has been reported			0	1 maximum per month	0	3	1 maximum per month	
Improved quality of water services	4/19-0058-3	Number of interruptions in continuous service to consumers, where interruptions for a single incident was greater than 48 hrs (KPI 17 - DWA)			0	0 maximum	0	3	0 maximum	
Improved quality of water	4/19-0059	Number of failures i.r.o. SANS 241			0	4 maximum per quarter	0	3	4 maximum per quarter	

(g) Employees: Water Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	15	15	15	0	0.00%
04 - 06	13	12	13	1	7.69%
07 - 09	5	5	5	0	0.00%
10 - 12	6	6	6	0	0.00%
13 - 15	2	2	2	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	41	40	41	1	

(h) Financial Performance: Water Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R14 368 935	R14 909 651	R15 145 645	R16 172 697	7.81%
2 Contracted Services	R2 903 884	R3 879 420	R3 531 195	R2 923 292	-32.71%
3 Other	R35 089 688	R45 469 597	R47 148 395	R40 535 274	-12.17%
TOTAL	R52 362 507	R64 258 668	R65 825 235	R59 631 263	

(i) Capital Expenditure: Water Services

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 11-0062 Equipment Water	R57 550	R57 550	R57 496	-0.09%
19/20 12-0013 Water: Upgrading/Replacement water reticulation network	R8 183 800	R8 183 800	R8 183 800	0.00%
19/20 16-0018 Water: New Reservoir: MBY (Wesbank) De Hoop Development	R464 113	R464 113	R348 985	-32.99%
19/20 17-0030 Vehicles Water: CEA10760 Trailer Roller	R391 000	R227 535	R227 535	-71.84%
19/20 17-0082 Water: Upgrading of water reticulation network: PRV's, flow control, zone metering	R500 000	R500 000	R294 089	-70.02%

19/20 18-0054 Vehicles Water: CK26588 Trailer	R63 000	R43 100	R43 100	-46.17%
19/20 18-0072 Water: New Connections: Water Meters	R0	R1 321 007	R313 717	100.00%
19/20 19-0011 Water: Bulk water infrastructure	R500 000	R500 000	R190 005	-163.15%
19/20 19-0014 Water: Riebeek Wes Square: New Borehole, Pumps and Irrigation	R250 000	R250 000	R	0.00%
TOTAL	R10 409 463	R11 547 105	R9 658 726	

(j) Comment on water services performance overall

The IDP has five strategic goals and water provision are aligned to the following strategic goals:

Two: Inclusive Economic growth

Three: Quality and Sustainable Living Environment

Five: Sufficient, Affordable and Well-Run Services

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the minimisation of distribution losses, the increase on maintenance spending and the implementation of water conservation and demand management measures.

A project to address the problems associated with ageing water pipes such as frequent pipe bursts, high water losses and service interruptions continued. This entails the implementation of a water pipe replacement programme which directs the spending of capital. The sixth construction phase of this multi-year project was implemented. The value of the construction work amounted to R8 794 799 and was funded from the municipalities MIG allocation.

3.2.2 SEWERAGE SERVICES

(a) Introduction

Swartland Municipality operates four activated sludge waste water treatment works and three oxidation pond systems. Sewer is conveyed to the treatment works and oxidation pond systems either by a water borne collector system or a vacuum tanker service.

All residents in urban areas in the service area of Swartland Municipality have access to sewerage services above minimum level. It must be noted that recipients of below minimum level sewerage services, do exist. However, these consumers reside outside urban areas on farms. According to the statistics provided by STATSA, the number of households count 1 471.

Ensuring that sufficient treatment capacity is available for present and future demand is a key focus area for the municipality. Detail design and tender document for the upgrading of the Darling and Moorreesburg Works have been completed. The procurement process will be followed during the first half of 2019-2020 and the construction phase will follow thereafter.

Wet industries are monitored continuously to ensure that industrial effluent charges can be raised according to the loading of the effluent.

(b) Households - Sewerage services delivery levels**Above minimum level**

Description	Non-Urban (2011 Census)	Urban (2011 Census)	Total (2011 Census)	Current Year Non-Urban	Current Year Urban	Current Year Total
Flush toilet (connected to sewerage system)	2 581	20 096	22 677	2 360	31 384	33 744
Other - Not applicable	380	243	623	0	0	0
Chemical toilet	54	12	66	29	0	29
Pit toilet with ventilation (VIP)	211	19	230	0	0	0
Flush toilet (with septic tank)	2 794	1 142	3 936	3 237	650	3 887
TOTAL	6 020	21 512	27 532	5 626	32 034	37 660

Below minimum level

Description	Non-Urban (2011 Census)	Urban (2011 Census)	Total (2011 Census)	Current Year Non-Urban	Current Year Urban	Current Year Total
Pit toilet without ventilation	401	52	453	16	26	42
Other - Not applicable	0	0	0	25	74	99
None	507	224	731	173	137	310
Pit toilet with ventilation (VIP)	0	0	0	20	17	37
Bucket toilet	303	303	606	153	838	991
TOTAL	1 211	579	1 790	387	1 092	1 479

(c) Households - Sewerage services delivery levels below the minimum

Service	Criteria	Census 2011				Current Year			
		Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level		Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Sewerage Services	Households with at least VIP service	2 059	5.26%	354	0.00%	1 416	3.62%	0	0.00%

(d) Sewerage Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Improved quality of waste water	4/19-0055	% compliance with DWA general limits for the discharge of treated waste water			0	80.0% pm	83.8% pm average for the year	3.1	80.0% pm	

(e) Employees: Sewerage Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies as Percentage
00 - 03	8	7	8	1	12.50%
04 - 06	11	11	11	0	0.00%
07 - 09	9	9	9	0	0.00%
10 - 12	1	1	1	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	30	29	30	1	

(f) Financial Performance: Sewerage Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R8 656 479	R9 354 195	R9 493 562	R9 421 291	0.71%
2 Contracted Services	R4 382 036	R4 664 912	R5 542 578	R4 519 728	-3.21%
3 Other	R29 960 657	R37 948 604	R33 430 200	R38 750 698	2.07%
TOTAL	R42 999 172	R51 967 711	R48 466 340	R52 691 717	

(g) Capital Expenditure: Sewerage Services

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 09-0003 Equipment Sewerage: Telemetry	R16 512	R4 987	R0	0.00%
19/20 10-0114 Equipment Sewerage	R34 827	R41 582	R41 582	16.24%
19/20 13-0008 Sewerage: Moorreesburg	R26 950 420	R12 668 919	R9 784 243	-175.45%
19/20 18-0004 Sewerage: Darling	R8 697 989	R4 669 778	R4 669 778	-86.26%
TOTAL	R35 699 748	R17 385 266	R14 495 603	

(h) Comment on sewerage services performance overall

The IDP has five strategic goals and sewer services is aligned to the following strategic goals:

Two: Inclusive Economic growth

Three: Quality and Sustainable Living Environment

Five: Sufficient, Affordable and Well-Run Services

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

Swartland Municipality does not operate a bucket system. The 606 households that make use of a bucket system according to the 2011 Census are either rural dwellers on farms (303) or backyard dwellers (303).

3.2.3 ELECTRICITY DISTRIBUTION

(a) Introduction

All formal and informal households within the licensed area of electricity supply of Swartland Municipality occupying a proclaimed plot has access to electricity and no service backlogs exist in this respect.

Top three service delivery priorities

(1) Upgrading of obsolete electrical networks

The annual upgrading project for the renewal, upgrading and refurbishment of obsolete electrical networks and associated infrastructure remained in place and for the 2019/20 financial year R8.0m was allocated in the capital budget. Major improvement of the electricity networks enhancing safety and reliability was effected including the upgrading of obsolete and operationally hazardous minisubstations and switchgear. Upgrading of the obsolete low voltage networks in Malmesbury, Moorreesburg and Darling was undertaken.

(2) Completion of capital projects

For the 2019/20 financial year 93.3% expenditure of the capital budget was achieved with one scheduled project not completed on time as a result of the lockdown period.

(3) Compliance with service delivery performance indicators and targets

All performance targets re service delivery with respect to availability and reliability of electricity supply were complied with and in certain instances the required targets were exceeded. Whilst in terms of the NERSA license conditions Quality of Service (QoS) specification, 30% of all power failure complaints must be attended to within 1.5 hours, the municipality set the target at 80% and for 2019/20 the actual achievement was 84.3%.

Improvement of performance and efficiencies

As a result of the allocation of experienced, technically skilled personnel and resources towards revenue protection incorporating data analysis skills, engineering and technical expertise, law enforcement certification as well as negotiation and mediation capabilities, the total of technical and non-technical electrical energy losses was maintained at a low nominal level of 6.01% for 2019/20.

Grant funding of R4m was obtained from the Department of Mineral Resources and Energy and obsolete flood lighting was replaced with energy efficiency technology in order to reduce energy consumption by 50%.

Major successes achieved and challenges

The decrease in annual total technical and non-technical energy losses since inception of the departmental revenue protection initiatives in 2010 from 9.7% to 6.01%, represents a major improvement in efficiency.

Despite the lack of economic growth and reduced consumption in certain consumer categories as well as the detrimental effect of the lockdown period from April to June 2020, an increase of 2.1% in total energy purchased was achieved in 2019/20. This can inter alia be attributed to the upgrading of electrical networks creating capacity to allow for the increased consumption.

Despite the lockdown period 93% expenditure of the capital budget was achieved.

In 2019/20 for an average 84.3% of unplanned electricity disruptions which were attended to, the supply was reinstated within 1.5 hours. The NERSA electricity distribution license requirement in this regard is that 30% of reported electricity disruptions shall be attended to within 1.5 hours.

Electronic surveillance equipment for the new Security Operational Centre was successfully implemented departmentally.

Service provision by municipal entities

None

(b) Households - Electricity Distribution Delivery Levels (2011 Census)

Description	Non-Urban (2011 Census)	Urban (2011 Census)	Total (2011 Census)	Current Year Non-Urban	Current Year Urban	Current Year Total
Electricity	6 950	21 723	28 673	5 551	32 698	38 249

Other	280	368	648	462	429	891

(c) Households - Electricity Distribution Delivery Levels below the minimum

Service	Criteria	Census 2011				Current Year			
		Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level		Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Electricity Distribution	Service connections	519	1.33%	130	0.00%	890	2.27%	0	0.00%

(d) Electricity Distribution performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Continuously do master planning (MJ)	4/09-0167	Master plans reviewed	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Properly set and operate electrical protection systems (MJ)	4/09-0168	% of MV trip incidents investigated with report	100%	100%	3	100%	100%	3	100%	
Meet reporting requirements (MJ)	4/09-0174	NERSA Quality of Supply Report submitted	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	
Properly maintain the electricity network	4/09-0180	% of maintenance budget spent			0	95% for the year	96.1% for the year	3	95% for the year	
Ensure that disruptions are in line with standards	4/09-0190	% average compliance of planned disruptions (monthly) (<8 hrs per incident)	100%	100%	3	100%	100%	3	100%	
Properly manage departmental	4/09-0191	% of total actual completion and	90%	100%	3	90%	96.4%	3.2	90%	

construction projects		quality control of departmental construction projects according to schedule								
Appropriately monitor and maintain network infrastructure	4/09-0193	% of main substations inspected	100% for the year	100% for the year	3	100% for the year	100% for the year	3	100% for the year	
Ensure sound safety practices in the provision of electrical service	4/09-0196	Number of reportable safety incidents in terms of legislation	2 maximum for the year	0 for the year	3	2 maximum for the year	0 for the year	3	2 maximum for the year	
Ensure proper monitoring of the Client Service Charter	4/10-0008	% of unforeseen power outages (electrical faults, malfunctioning equipment, etc.) repaired within 1,5 hours	80%	92.5% pm average for the year	3.3	80%	89.3% pm average for the year	3.4	80%	
Update risk assessment (Tom)	4/17-0132	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Update risk assessment (MJ)	4/17-0151	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Assessment of infrastructure (MJ)	4/17-0152	Electrical infrastructure needs for budgeting purposes prepared	Yes (annually by February)	Yes	3	Yes (annually by Oct)	Yes	3	Yes (annually by Oct)	
Comply with distribution license (MJ)	4/17-0154	Number of months that compliance of bulk and net metering was evaluated and procedures to ensure compliance were set up	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Productive workforce (MJ)	4/17-0184	% of person days lost per month due to sick leave	4% pm maximum	0.4% pm average for the	3.6	4% pm maximum	0% pm average for the	4	4% pm maximum	

				year			year			
Productive workforce (Tom)	4/17-0191	% of person days lost per month due to sick leave	4% pm maximum	2.4% pm average for the year	3.4	4% pm maximum	2.7% pm average for the year	3.3	4% pm maximum	
Inform staff (MJ)	4/19-0048	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(e) Employees: Electricity Distribution

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	12	12	12	0	0.00%
04 - 06	8	8	8	0	0.00%
07 - 09	5	5	5	0	0.00%
10 - 12	10	9	10	1	10.00%
13 - 15	5	4	5	1	20.00%
16 - 18	2	2	2	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	43	41	43	2	

(f) Financial Performance: Electricity Distribution

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R15 578 831	R16 663 178	R16 918 221	R17 250 214	3.40%
2 Contracted Services	R1 355 328	R1 812 540	R753 614	R1 799 762	-0.71%
3 Other	R212 507 532	R246 772 643	R248 364 489	R250 977 358	1.68%
TOTAL	229 441 691	R265 248 361	R266 036 324	R270 027 334	

(g) Capital Expenditure: Electricity Distribution

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 16-0028 Vehicles Electricity: CK18712 Flatbed trailer	R36 750	R36 750	R35 966	-2.18%

19/20 17-0044 Electricity: Saamstaan/De Hoop project	R5 000 000	R5 000 000	R5 000 000	0.00%
19/20 18-0030 Electricity: Yzerfontein kiosk replacement (10 + meters)	R100 000	R102 100	R102 073	2.03%
19/20 18-0031 Electricity: Upgrading of streetlights, floodlighting and building installations	R4 000 000	R4 000 000	R4 000 000	0.00%
19/20 18-0033 Electricity: Riebeek West Low cost housing development- 244 erven	R350 000	R270 000	R269 096	-30.06%
19/20 18-0034 Vehicles Electricity: CK51884 Mobile Toilet	R11 900	R10 023	R10 022	-18.74%
19/20 19-0019 Electricity: Morreesburg Sibanye - Infrastructure and connections	R400 000	R2 200 000	R955 127	58.12%
19/20 19-0023 Electricity: Malmesbury Security Operational Centre	R1 000 000	R975 000	R965 742	-3.55%
19/20 19-0024 Electricity: Footings & Containers for Safeguarding of Electrical Cables	R100 000	R94 000	R94 000	-6.38%
19/20 19-0029 Electricity: Minisubstations Swartland	R4 900 000	R4 930 000	R4 929 995	0.61%
19/20 19-0030 Electricity: Swartland LV Upgrading	R1 400 000	R1 514 150	R1 514 495	7.56%
19/20 19-0031 Electricity: Substation fencing	R550 000	R347 900	R322 756	-70.41%
19/20 19-0032 Electricity: Malmesbury meter and polebox replacement	R200 000	R250 000	R105 673	-89.26%
19/20 19-0033 Electricity: Malmesbury replace MV cable between De Bron SS and Hugenate MS	R100 000	R100 000	R99 887	-0.11%
19/20 19-0034 Electricity: Darling South streetlight network upgrade	R550 000	R550 000	R550 168	0.03%
19/20 19-0035 Electricity: Yzerfontein replace MV cable between C5 and C4 minisubstation	R200 000	R300 000	R298 289	32.95%
19/20 19-0043 Electricity: Malmesbury Municipal Stores: Solar PV	R	R140 000	R139 973	100.00%
19/20 19-0044 Electricity: New Connections: Electricity Meters	R	R1 300 000	R355 009	100.00%
TOTAL	R18 898 650	R22 119 923	R19 748 271	

(h) Comment on electricity distribution performance overall

PRIORITY OF 4 LARGEST CAPITAL PROJECTS

Upgrading of electrical infrastructure

One of the largest capital projects is the on-going annual replacement, upgrading and refurbishment of obsolete electrical network components and infrastructure. Sections of the electrical networks have exceeded their design lifespan of 40-50 years and in terms of NERSA license conditions all municipalities are required to allocate at least 6% of electricity revenue towards this end. The priority is to first replace network components such as obsolete switchgear where operator safety is at risk and subsequently medium voltage and low voltage networks.

The following largest projects in this regard were completed in 2019/20:

(1) Upgrading of cable networks to increase capacity to the Phola Park and De Hoop developments as well as proposed new housing developments in Westbank Malmesbury.

- (2) Commissioning of the Darling Road substation extension in order to provide additional capacity for planned housing developments.
- (3) Replacement of obsolete technology flood lighting by means of energy efficiency and demand side management grant funding allocated by the Department of Mineral Resources and Energy.
- (4) Replacement of obsolete miniature substations.

VARIANCES BETWEEN BUDGET AND ACTUAL

The variances between capital budget and actual achieved is 7%. The year 5 targets as set out in the IDP can be attained provided that the projected budget provisions be maintained.

PERFORMANCE RELATED TO ESKOM AGREEMENTS

In order to provide additional electricity capacity to make provision for proposed new developments in the southern/western areas of Malmesbury, an application was lodged with Eskom for a new bulk supply point in the area. Technical discussions with Eskom took place during 2019/20 and it is expected that Eskom will provide quotations for different options during 2020/2021 for budgeting purposes.

3.2.4 REFUSE REMOVAL

(a) Introduction

A weekly household refuse removal service is available for all urban households in the Swartland and a limited service is provided outside urban areas. Households outside urban areas have access to various landfill sites in the Swartland as well as several waste transfer stations.

Illegal dumping remains a concern for Swartland Municipality. The clearing of illegal dumping captures valuable resources and it has been noted that the volumes of illegal dumping removed nearly equates 50% of the volumes removed by refuse compactors from businesses and households. An illegal dumping campaign was rolled out during 2019/2020 and will continue during 2020/2021.

The recycling at the Highlands landfill remains successful and a saving of 25% air space was achieved. The site is well managed and continues with its compliance track record of more than 95%.

(b) Households - Refuse Removal Delivery Levels (2011 Census)

Above minimum level

Description	Non-Urban (2011 Census)	Urban (2011 Census)	Total (2011 Census)	Current Year Non-Urban	Current Year Urban	Current Year Total
Removed by local authority/private company at least once a week	750	21 578	22 328	406	32 268	32 674

Below minimum level

Description	Non-Urban (2011 Census)	Urban (2011 Census)	Total (2011 Census)	Current Year Non-Urban	Current Year Urban	Current Year Total
Communal container/central collection point	0	0	0	0	303	303
No rubbish disposal	248	60	308	0	20	20
Other	250	30	280	171	34	205
Own refuse dump	4 656	210	4 866	4 712	151	4 863
Removed by local authority/private company less often	258	63	321	266	213	479
Communal refuse dump	1 068	151	1 219	458	136	594
TOTAL	6 480	514	6 994	5 607	857	6 464

(c) Households - Refuse Removal Delivery Levels below the minimum

Service	Criteria	Census 2011				Current Year			
		Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level		Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Refuse Removal	Kerbside collection once a week	6 796	17.36%	198	0.00%	6 465	16.52%	0	0.00%

(d) Refuse Removal performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Manage waste sites in an environmentally sensitive manner	4/19-0062-1	All sites monitored by external auditors (Highlands excluded - see 19-0063)			0	Yes (annually by Oct)	N/a	0	Yes (annually by Oct)	REASON: Target changed in Jan 2020 to "annually by Oct" INTERVENTION: Will be measured in Oct 2020

Manage waste sites in an environmentally sensitive manner	4/19-0062-2	Proposed actions for implementation and budgeting reported to Budget Office			0	Yes (annually by Nov)	N/a	0	Yes (annually by Nov)	REASON: Target changed in Jan 2020 to "annually by Nov" INTERVENTION: Will be measured in Nov 2020
Continuously monitor the Highlands site	4/19-0063	Number of monitoring done by external auditors (Highlands)			0	1 per quarter	4 for the year	3	1 per quarter	
Minimised solid waste	4/19-0064-1	% of collected municipal solid waste diverted and recycled (weight)			0	5.0% of weight (measured quarterly)	6.4% pm average for the year	3.6	5.0% of weight (measured quarterly)	
Minimised solid waste	4/19-0064-2	% of collected municipal solid waste diverted and recycled (volume)			0	20% of volume (measured quarterly)	24.5% pm average for the year	3.3	20% of volume (measured quarterly)	
Report to Province	4/19-0065	Reporting submitted to Provincial Government in accordance with waste management license and regulatory requirements			0	2 per quarter	13 for the year	3	2 per quarter	
Productive workforce	4/19-0066	% of person days lost per month due to sick leave			0	4% pm maximum	1.7% pm average for the year	3.6	4% pm maximum	

(e) Employees: Refuse Removal

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	44	49	49	0	0.00%
04 - 06	10	10	10	0	0.00%
07 - 09	10	14	14	0	0.00%
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	67	76	76	0	

(f) Financial Performance: Refuse Removal

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R14 179 987	R16 586 762	R16 775 786	R15 952 730	-3.97%
2 Contracted Services	R12 166 862	R11 067 915	R13 434 314	R13 395 892	17.38%
3 Other	R6 243 354	R8 859 903	R10 765 696	R15 504 985	42.86%
TOTAL	R32 590 203	R36 514 580	R40 975 796	R44 853 607	

(g) Capital Expenditure: Refuse Removal

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 09-0027 Refuse bins, traps, skips	R500 000	R500 000	R500 000	0.00%
19/20 11-0059 Equipment Refuse Removal	R11 865	R16 353	R16 334	27.36%
19/20 17-0087 Refuse: Upgrading of Riebeeck West transfer station	R4 000 000	R4 000 000	R3 986 125	-0.35%
19/20 17-0094 Refuse: Upgrading Yzerfontein Transfer Station	R500 000	R500 000	R355 896	-40.49%
19/20 19-0015 Refuse: Wheely Bins: Pilot Project	R1 500 000	R250 000	R95 551	-1469.84%
TOTAL	R6 511 865	R5 266 353	R4 953 907	

(h) Comment on refuse removal performance overall

A new waste transfer station was completed and commissioned in Riebeeck West.

A study was conducted to investigate the feasibility of a wheelie bin system for the whole Swartland. A pilot project for the roll-out of wheelie bins in a specific area is planned for 2020/2021.

All refuse landfill sites of Swartland Municipality licensed and externally audited annually except for Highlands landfill site which is audited quarterly.

3.2.5 HOUSING

(a) Introduction

Swartland Municipality's strategy is to promote, facilitate and develop integrated and sustainable human settlements. The Human Settlement Housing Pipeline of the Municipality is of great importance as it allows the Municipality to clearly and concretely present their municipal housing strategy in terms of specific housing projects with accompanying budgets for the short, medium and long term.

The successful completion of some projects is however subject to funding, suitable land and some bulk infrastructure upgrades.

(b) Percentage of households with access to basic housing (2011 Census)

Census Year	Households In Formal Settlements	Households In Informal Settlements	Total Number Of Households
2017	39 139	0	39 139

(c) Housing performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Inform staff		Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	
Effectively administer Council resources	4/09-0122	% of flats allocated within one month after being vacated	100%	100%	3	100%	100%	3	100%	
Provide an effective and client orientated housing service	4/09-0123-1	% of available housing funds spent	100%	80.6%	2.4	100% (R46 132 530 p.a)	87.1% for the year	2.6	100%	REASON: Construction phase closed due to Covid regulations INTERVENTION: No intervention required
Provide an effective and client orientated housing service	4/09-0123-2	% of contractors paid within 30 days from receiving a certified invoice	100%	100%	3	100%	100%	3	100%	
Ensure that housing access is	4/09-0124-1	Number of top structures in	244 for	63	1	166 for the	164 for	3	166 for	REASON: Covid 19

provided in line with planning		Riebeek West completed	the year			year	the year		the year	Level 3 Restrictions INTERVENTION: None required
Ensure that housing access is provided in line with planning	4/09-0124-2	Number of serviced sites completed			0	683 sites	48 sites	1	683	REASON: Construction phase closed due to Covid regulations INTERVENTION: No intervention required
Support disaster victims in cases where houses were totally destroyed	4/09-0125-1	Application for funds submitted	Yes	N/a	0	Yes	N/a (No disaster victim support)	0	Yes	
Support disaster victims in cases where houses were totally destroyed	4/09-0125-2	If funds were provided, % of disaster victims supported	100%	N/a	0	100%	N/a (No disaster victims supporte d)	0	100%	
Maintain functional structures to address housing issues	4/09-0127	Number of housing committee and technical meetings held	20 for the year	20 for the year	3	20 for the year	32 for the year	4.8	20 for the year	
Ensure that all new home owners are informed and aware of responsibilities and rights	4/09-0129	Number of training sessions held	10 for the year	17 for the year	4	10 for the year	21 for the year	5	10 for the year	
Development of a human settlement plan	4/09-0130	Housing pipeline reviewed and submitted to Council	Yes (annually by May)	No	0	Yes (annually by May)	Yes	3	Yes (annually by May)	
Ensure up to date policies	4/17-0001-1	Human Settlement Plan reviewed	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	
Ensure up to date policies	4/17-0001-2	Housing allocation policy reviewed	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	
Update risk assessment	4/17-0003	Risk register updated	Yes (bi- annually	Yes	3	Yes (bi- annually by	Yes	3	Yes (bi- annually	

			by November and May)			November and May)			by November and May)	
Respond to complaints in respect of rental stock	4/17-0004	% of complaints responded to within 7 days	100%	100%	3	100%	100%	3	100%	
Housing Programmes in the Swartland area	4/17-0005-1	Number of engagements with DHS with regards to implementation and evaluation of housing development projects	8 for the year	17 for the year	5	8 for the year	9 for the year	3.4	8 for the year	
Housing Programmes in the Swartland area	4/17-0005-2	Number of transfers of ownership (title deeds) completed	80% (=395) of houses/ serviced sites handed over to beneficiaries - transfer of ownership completed	40.0% (158 transfers for the year)	1.2	250 (Riebeek West: 150 and Kalbaskraal: 100)	150	3	250 (Riebeek West: 150 and Kalbaskraal: 100)	REASON: Due to the National lockdown regulations of Covid-19 the transfers of Kalbaskraal beneficiaries could not be completed and are still. INTERVENTIONS: The title deeds of the beneficiaries of Kalbaskraal will be delivered in the next financial year
Productive workforce	4/17-0173	% of person days lost per month due to sick leave	4% pm maximum	2.4% pm average for the year	3.3	4% pm maximum	1% pm average	3.7	4% pm maximum	

(d) Employees: Housing Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	1	1	1	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	2	2	0	

(e) Financial Performance: Housing Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 433 747	R1 471 895	R1 712 539	R1 664 676	11.58%
2 Contracted Services	R27 663 150	R140 000	R5 216 942	R10 456 316	98.66%
3 Other	R1 248 063	R924 375	R1 000 631	R1 271 610	27.31%
TOTAL	R30 344 960	R2 536 270	R7 930 112	R13 392 602	

(f) Capital Expenditure: Housing Services

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 18-0066a Dev Services: Sibanye-Moorreesburg Serviced Sites (prof fees)	R10 000 000	R1 744 822	R1 476 769	-577.15%
19/20 18-0065d Dev Services: Kalbaskraal Serviced Sites (Streets & Stormwater)	R0	R2 861 770	R1 793 623	100.00%
19/20 18-0064d Dev Services: Riebeek Kasteel Serviced Sites Project (Streets and Stormwater)	R0	R6 131 210	R4 382 173	100.00%
19/20 18-0018 Dev Services: Malmesbury De Hoop Project (Professional Fees)	R2 800 000	R6 687 000	R2 984 088	6.17%
19/20 18-0064c Dev Services: Riebeek Kasteel Serviced Sites Project (Water)	R0	R3 222 885	R2 307 267	100.00%

19/20 18-0064a Dev Services: Riebeek Kasteel Service Sites Project	R13 980 000	R1 269 514	R854 748	-1535.57%
19/20 19-0018 Dev Services: Erf 755 Chatsworth - Basic Services	R1 000 000	R1 000 000	R0	0.00%
19/20 18-0065c Dev Services: Kalbaskraal Serviced Sites (Water)	R0	R1 136 465	R793 557	100.00%
19/20 19-0042 Dev Services: Phola Park (A,B & C) Rudimentary Services	R0	R500 000	R0	0.00%
19/20 19-0048 Purchase of land: Kalbaskraal (Transnet)	R0	R2 100 000	R0	0.00%
19/20 18-0065b Dev Services: Kalbaskraal Serviced Sites (Sewerage)	R0	R3 037 577	R2 161 571	100.00%
19/20 18-0065a Dev Services: Kalbaskraal Serviced Sites Project	R5 000 000	R1 004 188	R304 245	-1543.41%
19/20 18-0066b Dev Services: Sibanye-Moorreesburg Serviced Sites (Sewerage)	R0	R3 086 482	R2 775 813	100.00%
19/20 18-0064b Dev Services: Riebeek Kasteel Serviced Sites Project (Sewerage)	R0	R3 743 391	R2 681 256	100.00%
19/20 18-0066d Dev Services: Sibanye-Moorreesburg Serviced Sites (Streets & Stormwater)	R0	R3 795 301	R3 425 327	100.00%
19/20 18-0066c Dev Services: Sibanye-Moorreesburg Serviced Sites (Water)	R0	R1 273 395	R748 553	100.00%
TOTAL	R32 780 000	R42 594 000	R26 688 990	

(g) Comment on Housing performance overall

During the financial year under review the Municipality manage to completed 244 Serviced Sites in Riebeek Wes Housing Project, under the Integrated Residential Development Programme (IRDP) and completed 228 houses.

Ward 6 : in terms of the housing pipeline the project was moved to the 2020/21 financial year.

Ward 7 : the completion of Kalbaskraal service sites projects was delayed due to Covid-10 regulations and was 95% completed end of June 2020.

Ward 11 : the De Hoop catalytic housing project was only approved in May 2020 by the Department of Human Settlements and the installation of services for phase 1 (389 serviced sites) will only be completed by end of June 2021.

Ward 12: the completion of Riebeek Kasteel service sites (435) was delayed due to Covid-19 regulations and was 71% completed end of June 2020.

3.2.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

(a) Introduction

The criteria for assistance to indigent households, in terms of the 2019 Indigent Policy of Swartland Municipality, entail the following:

- where the property occupied by such owner is valued at R100 000 or less, or as determined by council annually, provided that the R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the R100 000 and the combined income of all the persons residing on the property does not exceed R4 515;
- where the property that is occupied by the owner is valued at more than R100 000, but the combined income of all the persons residing on the property does not exceed R4 515;
- where the occupier is not the owner of the property and the combined income of all the persons residing on the property does not exceed R4 515.

None of the persons residing on a property, mentioned above, may own any other immovable property.

Subject to sustainability and affordability, financial assistance to an indigent owner or tenant will be appropriated as follows:

- 50 kWh electricity per month plus the basic charge for electricity for the month where a conventional meter is still applicable;
- sanitation fees or the fees payable in respect of the pumping of a suction tank to an amount equal to the tariff determined;
- fees for waste removal;
- 6 kl water per month; which shall include the water network charge for the month;
- rates payable to a maximum amount calculated at the tariff multiplied by R100 000;
- Sewerage blockages for indigent households will be subject to a reduced sewerage service fee as determined by the director of finance and subject to the municipality's rates and tariff policies in compliance with the System's Act.

(b) Free Basic Services To Low Income Households (current year)

Total Number Of Households	Number Of PoorHouseholds	
39 139	8 836	
Service Name	Households	Percentage
Electricity Distribution	5 957	67.42%
Rates Services	8 062	91.24%
Refuse Removal	8 836	100.00%
Sewerage Services	8 525	96.48%
Water Services	8 836	100.00%

(c) Financial Performance: Cost to Municipality of Free Basic Services Delivered (current year)

Service	Original Budget	Adjustment Budget	Actual
Electricity Distribution	R4 782 032	R4 782 032	R3 505 492
Rates Services	R2 849 943	R2 849 943	R1 924 426
Refuse Removal	R13 841 754	R13 841 754	R9 589 397
Sewerage Services	R23 454 400	R23 454 400	R16 501 771
Water Services	R14 874 317	R14 874 317	R9 853 699

(d) Comment on free basic services and indigent support

The following services are subsidised to indigent households:

- 50 kWh electricity per month plus the basic charge for electricity for the month where a conventional meter is still applicable;
- sanitation fees or the fees payable in respect of the pumping of a suction tank to an amount equal to the tariff determined;
- fees for waste removal;
- 6 kl water per month; which shall include the water network charge for the month;
- rates payable to a maximum amount calculated at the tariff multiplied by R100 000;
- Sewerage blockages for indigent households will be subject to a reduced sewerage service fee as determined by the director of finance and subject to the municipality's rates and tariff policies in compliance with the System's Act.

All the new low-cost housing schemes have immediate access to free basic services. Swartland Municipality also assist indigent households situated in areas where Eskom is the service provider for electricity with free basic electricity in terms of a service agreement entered into between Swartland Municipality and Eskom.

Free Basic Services to indigent households have increased from 8 923 on 30 June 2019 to 8836 on 30 June 2020.

3.3 ROAD TRANSPORT

3.3.1 PROCLAIMED ROADS, STREETS AND STORM WATER

(a) Introduction

ROADS

The urban road network in Swartland Municipality comprises 73km of gravel roads and 318km of permanently surfaced roads.

Securing sufficient funding for the maintenance of roads remain a challenge and therefore the municipality has taken a strategic decision to increase the spending on infrastructure maintenance. To this end, R15 000 000 was spent on the resurfacing of roads.

The roads Master Plan for Malmesbury has been updated and new bulk services charges has been calculated.

STORM WATER

The storm water drainage network in urban areas in the Swartland municipal area comprises a piped system and open drainage channels with a length of approximately 200 km. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during winter. The upgrading of roads however contributes to the addressing of this backlog as storm water drainage is installed together with the construction of roads.

The misuse of the storm water system remains a matter of concern. Blockages that cause flooding frequently occur due to foreign matter entering drainage pipes. Maintaining and cleaning the system is an ever increasing expense and effort.

(b) Kilometres Gravel Road Infrastructure

Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded To Tar	Gravel Roads Graded / Maintained
73	0	0	73

(c) Kilometres Tarred Road Infrastructure

Total Tarred Roads	New Tar Roads	Existing Tar Roads Retarred	Existing Tar Roads Resheeted	Tar Roads Maintained
320	1	0	16	320

(d) Kilometres Storm water Infrastructure

Total Stormwater Measures	New Stormwater Measures	Stormwater Measures Upgraded	Stormwater Measures Maintained
202	1	0	202

(e) Cost of Construction/Maintenance - Roads

Gravel New	Gravel - Tar	Gravel Maintained	Tar New	Tar Re-Worked	Tar Maintained
0	0	R6 680 941	R3 111 356	R14 992 388	R31 839 242

(f) Cost of Construction/Maintenance – Storm water

New Stormwater Measures	Upgraded Stormwater Measures	Maintained Stormwater Measures
1	0	R15 783 381

(g) Streets and Storm Water performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Implementation of planned road maintenance activities	4/19-0056	% of the operating budget allocated for maintenance spent			0	90% for the year	98% for the year	3.3	90% for the year	
Ensure client orientated service provision	4/19-0057-1	% of new street accesses completed within 10 working days			0	100%	100%	3	100%	
Ensure client orientated service provision	4/19-0057-2	% of flood incidents reacted on within 3 hours after the incident has been reported			0	100%	100%	3	100%	

(h) Employees: Streets and Storm Water

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	26	25	26	1	3.85%
04 - 06	21	20	21	1	4.76%
07 - 09	18	15	18	3	16.67%
10 - 12	4	4	4	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	70	65	70	5	

(i) Financial Performance: Streets and Storm Water

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R14 999 739	R16 378 537	R16 610 496	R15 977 569	-2.51%
2 Contracted Services	R18 253 447	R6 107 328	R6 580 649	R6 462 043	5.49%
3 Other	R31 405 558	R31 339 481	R31 528 717	R30 477 346	-2.83%
TOTAL	R64 658 744	R53 825 346	R54 719 862	R52 916 958	

(j) Capital Expenditure: Streets and Storm Water

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 11-0060 Equipment Streets and Storm Water	R57 885	R57 885	R57 884	0.00%
19/2017-0016 Roads: Upgrading and Diversion: Kalbaskraal Riverlands Pipeline (N7 construction works)	R2 664 000	R1 664 000	R1 253 073	-112.60%
19/20 17-0080 Roads: Ward Committee projects	R700 000	R661 319	R641 479	-9.12%
19/20 17-0028 Vehicles Roads: CK24633 Case Digger	R1 413 706	R1 413 706	R1 413 705	0.00%
19/20 09-0004 Roads: Resealing of roads - Swartland	R15 000 000	R15 000 000	R15 000 000	0.00%
19/20 18-0013 Storm water: Upgrading Stormwater - Riebeek Kasteel East	R800 000	R800 000	R800 000	0.00%

19/20 09-0009 Storm water network (Swartland)	R1 020 000	R1 020 000	R1 019 999	0.00%
19/20 16-0015 Roads: New Roads	R1 000 000	R1 000 000	R997 910	-0.21%
19/20 19-0007 Vehicles Roads: Mechanical Broom	R750 000	R1 100 000	R0	0.00%
TOTAL	R23 405 591	R22 716 910	R21 184 051	

(k) Comment on the performance of proclaimed roads and streets overall

The amount of R21 619 585 was spent on the resealing and the rehabilitation of roads.

Construction of new roads to the value of R15 000 000 is planned for the 2020/2021 financial year. The detail design and preparation of tender documentation for this project was completed in year 2019/2020 financial year to enable an early start of construction in 2020/2021.

The anticipated upgrade of the Bokomo and Voortrekker upgrade has again been delayed. All design drawings and cost estimates have been submitted to the Department of Transport. At this time there is no indication from the Department by when the project will be implemented. There have been several engagements with the Department but unfortunately approval is still awaited. A matter of concern is the escalation in construction costs due to the delays in approval.

The IDP has five strategic goals and proclaimed roads, streets and stormwater are aligned to the following strategic goals:

Two: Inclusive Economic growth

Three: Quality and Sustainable Living Environment

Five: Sufficient, Affordable and Well-Run Services

(l) Comment on the performance of storm water overall

The IDP has five strategic goals and proclaimed roads, streets and stormwater are aligned to the following strategic goals:

Two: Inclusive Economic growth

Three: Quality and Sustainable Living Environment

Five: Sufficient, Affordable and Well-Run Services

Various actions have been developed to ensure that the strategic goals are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

3.4 PLANNING AND DEVELOPMENT

3.4.1 INTRODUCTION

This municipality has amended their Land Use Planning By-Law and implemented the new document as from 25 March 2020.

Swartland Municipality has adopted the 2017-2022 Spatial Development Framework in terms of above by-law in May 2017.

The need arised to amend the SDF for specific focus areas including housing, institutional and cemeteries needs. The amendment of the Municipal Spatial Development Framework is in alignment with national, provincial and local legislation and policy, including the regulations as provided in the Spatial Planning Land Use Management Act (SPLUMA), the Land Use Planning Act (LUPA), the Swartland Municipality: Land Use Planning By-Law, the Municipal Systems Act (MSA) and to follow the next cycle of the Swartland Integrated Development Plan.

A public participation process following during February/March 2019 and public open days were held to share more in depth information regarding the focus areas of the amendment of the SDF.

The amended SDF was approved by Council on 30 May 2019.

3.4.2 BUILT ENVIRONMENT

(a) Introduction

Swartland Municipality has adopted their new Spatial Development Framework in terms of the Swartland Municipality: Municipal Land Use Planning By-law. This SDF is in alignment with our IDP, SPLUMA and LUPA.

All land use applications whereby no objections have been received within the public participation are finalised by the authorised employee within 90 days. All other land use applications with comments/objections are been dealt with by the Municipal Planning Tribunal.

Since January 2020 all new building plan applications need be uploaded to our electronic building control Portal on our web site. Many challenges have been dealt with and progress has been made. A building control a performance indicator of 20 days has been set to finalise and/or approved building plans. The actual result is 14 days. The Town Planning Division assists the Building Control Division to such an extent that all town planning matters are clarified before building plans are officially submitted to the Portal..

Our new General Valuation Roll has been implemented on 1 July 2020 - date of valuation is 1 July 2019. Two Supplementary Valuations Rolls per year to follow.

(b) Applications for Built Environment

Application Category	Subdivision		Rezoning		Building Plans	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Determination made in following year	8	2	10	2	4	93
Applications outstanding at year end	8	16	10	7	4	93
Planning application received	62	56	39	30	1126	724
Determination made in year of receipt	54	40	29	23	1122	631
Applications withdrawn	0	0	0	0	0	0

(c) Planning, Valuation and Building Control performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure implementation of the Spatial Development Framework	4/09-0139-1	SDF reviewed	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	
Ensure implementation of the Spatial Development Framework	4/09-0139-2	Report to Director on action plans prioritised and linked to budget (subject to availability of funds)	Yes (annually by November)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
Ensure that properties are valued correctly	4/09-0143	Supplementary valuation role updated	Yes (bi-annually by December and June)	Yes	3	Yes (bi-annually by December and June)	Yes (both quarters)	3	Yes (bi-annually by December and June)	
Continue the process of data cleansing and to reconcile properties on the financial system (Promun) to that of the Deeds Office, Surveyor-General's	4/13-0007	Number of reports on process of data cleansing	1 per quarter	4 for the year	3	1 per quarter	3 for the year	3	1 per quarter	REASONS: The information is normally summarized at the end of the month,

office as well as the Valuation Roll										but we were prevented by the lockdown to perform the reconciliation. INTERVENTIONS: The work will be resumed in the next quarter
Ensure up to date policies	4/17-0167-1	Filming by-law updated	Yes (annually by May)	Yes	3	Yes (annually by May)	Yes	3		
Ensure up to date policies	4/17-0167-2	Land use Planning By-law updated			0	Yes (by end of June 2020)	Yes	3		
Update risk assessment	4/17-0169	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Ensure proper management of RSEP	4/17-0170	Number of RSEP management reports submitted to Provincial Department	1 per quarter	8 for the year	3	1 per quarter	7 for the year	3	1 per quarter	
Productive workforce	4/17-0174	% of person days lost per month due to sick leave	4% pm maximum	2.7% pm average for the year	3.4	4% pm maximum	0.8 pm average for the year	3.9	4% pm maximum	
Decisions and appeals in terms of MSA and municipal planning by-law	4/17-0199	If a valid appeal (in terms of section 90(1) of the Municipal Land Use Planning By-law) was received, has the authorised employee drafted a report assessing the appeal and submitted it to the municipal manager within the time period in section 90(12)?	10 for the year	4 for the year	3	Yes	Yes	3	Yes	
Finalise stewardship programme	4/18-0004	Develop management plan for conservation and biodiversity			0	By June 2020	N/a	0		REASONS: No funding, no Service

		areas								Provider
Inform staff	4/19-0052	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(d) Employees: Planning, Valuation

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	3	3	3	0	0.00%
16 - 18	2	2	2	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	6	6	6	0	

(e) Employees: Building Control

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	1	1	1	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	3	3	3	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	6	6	6	0	

(f) Financial Performance: Planning, Valuation

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R4 162 662	R4 594 407	R4 642 674	R4 904 227	6.32%
2 Contracted Services	R1 903 991	R2 226 786	R2 372 186	R1 738 487	-28.09%
3 Other	R849 469	R813 518	R1 357 205	R992 743	18.05%
TOTAL	R6 916 122	R7 634 711	R8 372 065	R7 635 457	

(g) Financial Performance: Building Control

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 555 941	R2 890 950	R2 924 237	R2 715 152	-6.47%
2 Contracted Services	R0	R0	R0	R0	0.00%
3 Other	R54 666	R75 012	R75 012	R43 855	-71.05%
TOTAL	R2 610 607	R2 965 962	R2 999 249	R2 759 007	

(h) Capital Expenditure: Planning, Valuation and Building Control

Projec Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 19-0028 RSEP - Neighbourhood Watch point: Alfa Street	R100 000	R100 000	R0	0.00%
19/20 19-0054 RSEP - Inter-cultural Space	R0	R3 000 000	R752 852	100.00%
19/20 17-0101 RSEP - Darling Project	R5 000 000	R1 000 000	R0	0.00%
19/20 19-0041 RSEP - Recreational Nodes	R0	R200 000	R1 011	100.00%
19/20 17-0088 RSEP - Indoor outdoor sport centre	R0	R2 950 000	R1 918 807	100.00%
19/20 17-0100 RSEP - Entrepreneurial Hub	R0	R600 000	R0	0.00%
TOTAL	R5 100 000	R7 850 000	R2 672 670	

(i) Comment on Planning, Valuations and Building Control overall

These three sections understand their role towards economic development in the Swartland to enhance jobs creation as part of the value chain..

The administration processes have been streamlined in order to enhance decisionmaking to promote economic development and job creation in our area.

3.4.3 LOCAL ECONOMIC DEVELOPMENT

(a) Introduction

The LED Strategy approved in May 2018 contains the following **strategic goals for economic growth and inclusion**:

- 1. Strengthen the competitive advantages of Swartland.** Make it increasingly attractive as a good place for business to operate from, for their employees to work, live and play. Build on the current advantages including: Easy access to metro markets, good work ethic, lower costs structures, country lifestyle, good government, quicker decisions and social cohesion.
- 2. Attract business to locate and grow here.** Make it quick and easy to invest and expand. The consequence will be growth in employment and more money circulating in the local economy. This money will benefit local businesses in the retail and services sectors.
- 3. Make local markets work better to increase opportunity for small business.** Improve small business access to new market opportunities, access to business development support services and to finance. The municipality cannot provide these services but can assist to facilitate easier access to these services. Market access can be improved by systematic linking of local suppliers to the large public - and private sector buyers. Linking these local firms also to networks of expertise will further enhance their ability to meet the requirements of the large buyers. Businesses linked to lucrative value chains grow faster.
- 4. Attract more rate paying citizens to live here.** Target families who are cost aware and who seek a safer, country lifestyle with good schools. Also tap into the ongoing exodus of retirees from all over the country - escaping specifically from government failure, increasing crime levels and rising cost of living. Besides contributing to municipal financial sustainability, their investment spent in the local economy will provide further increase in money circulating in the local economy.
- 5. Make it easier for local citizens to access economic opportunity.** Support citizens to access new job opportunities and skills development that will qualify them for new job opportunities.

7 new LED initiatives selected to achieve maximum impact, quickly and efficiently:

1. Gain commitment from key stakeholders to collaborate systematically to strengthen local competitive advantages
2. Ensure adequate supply of land and services for commercial and industrial premises
3. Establish an investment promotion and facilitation system
4. Establish a local business opportunity network incl. a local business directory
5. New (more enabling) Spatial Development Framework

6. Establish an information portal pointing to best information sources including local support services
7. Develop a more effective tourism destination marketing and development business model.

(b) Jobs Created by LED Initiatives (Excluding EPWP projects)

Description	Tender Number	Jobs Created	Jobs Lost	Net Total Jobs	Method
Maintenance: Darling Municipal Buildings	T38/18/19	13	0	13	
Electrification of Sibanye Square, Moorreesburg (Phase 1)	T26/19/20	30	0	30	
Waste Water Treatment Works: Moorreesburg and Darling (civil works)	T22/19/20	51	0	51	
Construction of Civil Engineering Services for services low cost erven, Malmesbury	T25/19/20	22	0	22	
Maintenance of Gene Louw Pavillion	T35/18/19	20	0	20	
Waste Water Treatment Works: Moorreesburg and Darling (mechanical works)	T23/19/20	15	0	15	
Roof and Maintenance: Moorreesburg Traffic Station	T38/18/19	13	0	13	
Construction of Riebeek Kasteel New Community Hall	T51/18/19	19	0	19	

(c) Job creation through EPWP projects

Number Of Projects	Number Of Jobs	Notes
28	236	

(d) Local Economic Development performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
General KPI: Jobs created through municipality's LED initiatives including capital projects	1/14-0026	Number of jobs created through Municipality's capital projects (contracts > R200 000)	150 for the year	183 for the year	3.7	100 for the year	183 for the year	4	150 for the year	

3 Indicators Directors										
Liaison with business role-players	3/09-0001	Annual event with local business held	Yes (before end of June)	Yes	3	Yes (before end of June)	Yes (7 initiatives for the year)	3	Yes (before end of June)	
LED fund management	3/09-0012	% of the LED funds actually spent	90% for the year	100% for the year	3.3	90% for the year	80.7% for the year	3	90% for the year	REASON: The appointment of the Tourism facilitator was to be extended but the transaction could not be finalised due to Covid-19 lockdown INTERVENTION: None required

(e) Comment on Local Economic Development overall

Monitoring and evaluation of LED progress will be enhanced to speed up learning and skills in LED. A new online monitoring system has been introduced for all local development stakeholders. Whereas the main objective is to learn, it is important to also utilise the opportunity to recognise the champions of success stories.

The purpose of evaluation is to measure progress, reflect on what worked as planned and what did not. And then to learn from the new insights gained. Working smarter increases the scale of future results. Without evaluation, mistakes are repeated. Evaluation will be integrated with the monitoring system and will focus on the measurement of actual output, outcomes and impact resulting from economic development Initiatives. To make the evaluation process easier, the LED performance framework provides a default set of performance indicators.

3.5 COMMUNITY AND SOCIAL SERVICES

3.5.1 COMMUNITY DEVELOPMENT AND THUSONG SERVICE CENTRES

(a) Introduction

The Community Development division consists of a manager, a principal clerk, a community development officer (Youth Focus) who are supported by an administrative assistant, community development officer (ECD) and one Thusong Service Centre Officer who are supported by one administrative assistant, a caretaker. The team worked hard to achieve goals and to work more integrated despite the Covid-19 lockdown regulations that hampered the Division to have certain events/workshops/training. This was demonstrated with collaborative projects like the Thusong outreaches and 16 days of activism campaigns. The Division reached out to the communities together with NGO's and government partners to provide integrated service delivery in the social sector. The division also made a shift towards outcome based programmes and not once off projects. Furthermore, programmes were implemented together with the beneficiaries and were focussed on establishing structures that will make it easier for communities to work in collaboration with service

providers. This approach stems from the vision of the Swartland Municipal Social Development Policy and Strategy 2017 to strengthen the social fabric of the community.

(b) Community Development performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Promote the development of child facilities	4/09-0114-1	Number of capacity building sessions with ECD organisations in the Swartland municipal area	10 for the year	17 for the year	5	10 for the year	7 for the year	3	10 for the year	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Promote the development of child facilities	4/09-0114-2	Number of quarterly reports submitted on the implementation of capacity building interventions / sessions submitted to the Director	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Promote the development of child facilities	4/09-0114-3	Number of unregistered facilities assisted to register their facilities	20 for the year	37 for the year	5	20 for the year	40 for the year	5	20 for the year	
Promote the development of child facilities	4/09-0114-4	Number of M&E done at Childcare facilities in collaboration with DSD	12 for the year	14 for the year	3.5	20 for the year	27 for the year	4	20 for the year	
Promote the development of child facilities	4/09-0114-5	Number of ECD forum and committee planning meetings	1 per quarter	5 for the year	3	1 per quarter	3 for the year	3	1 per quarter	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Promote the capacity of young adults	4/09-0115-1	Number of people (including youths) assisted with career guidance and information about economic opportunities.	3 520 by June 2019 with a 10% increase annually	4576 for the year	3.9	4200 by end of June 2020	3833 for the year	3	4200 by end of June 2021	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Promote the capacity of young adults	4/09-0115-2	Number of youths from the Swartland community who	30 for the year	40 for the year	4	45 for the year	45 for the year	3	30 for the year	

		entered into job opportunities with assistance from the Youth Office								
Promote the capacity of young adults	4/09-0115-3	Number of training, internships and learnerships opportunities in collaboration with other Departments with assistance from the Youth Office	10 for the year	11 for the year	3.3	10 for the year	28 for the year	5	10 for the year	
Promote access to social development services for vulnerable people	4/09-0116-1	Government services available at the Ilinge Lethu Thusong centre	700 per month	515 pm average for the year	3	Yes	Yes	3	700 per month	
Promote access to social development services for vulnerable people	4/09-0116-2	Number of Thusong Mobile Outreaches implemented in the Swartland municipal area	5 for the year	8 for the year	4.8	8 for the year	7 for the year	3	5 for the year	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Promote access to social development services for vulnerable people	4/09-0116-3	Report to the Director Development Services on the number of referrals from the Community Services Division	Yes (monthly)	Yes	3	Yes (monthly)	Yes	3	Yes (monthly)	
Promote access to social development services for vulnerable people	4/09-0116-4	Number of life skills programmes	30 for the year	50 for the year	5	30 for the year	38 for the year	3.8	30 for the year	
Promote access to social development services for vulnerable people	4/09-0116-5	Progress reports and financial statements from organisations benefiting from the municipality's subsidy allocation submitted to the Director	Yes (annually by May)	Yes	3	Yes (annually by May)	Yes	3	Yes (annually by May)	
Support local economic development through skills development	4/09-0118-1	Number of entrepreneurship training workshops held by referring existing businesses to SEDA and NYDA	2 for the year	4 for the year	5	2 for the year	1 for the year	3	2 for the year	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Support local economic development through skills development	4/09-0118-2	Report on the impact of training workshops which caused an increase in income and quality of	Yes (annually by August)	Yes	3	Yes (annually by August)	Yes	3	Yes (annually by	

		life of participants submitted							August)	
Promote the coordination of social development	4/13-0004-1	Number of meetings with Social Development Forum	4 for the year	4 for the year	3	4 for the year	3 for the year	3	4 for the year	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Promote the coordination of social development	4/13-0004-2	Report on the implementation and/or progress of goals set by the Swartland Social Development Forum submitted to the Director	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	No	0	Yes (annually by end of June)	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Promote the coordination of social development	4/13-0004-3	Number of meetings held with Executive Council of Stakeholders (RSEP) to implement community projects in collaboration with sector representatives	8 for the year	9 for the year	3.4	8 for the year	7 for the year	3	8 for the year	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Support the coordination of disaster management	4/16-0001	Number of reports submitted on socio-economic assessments done in the Swartland Municipal area	3 per quarter	16 for the year	3	3 per quarter	10 for the year	3	3 per quarter	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Ensure up to date policies	4/17-0007	Social development policies and strategies reviewed	Yes (annually by May)	Yes	3	Yes (annually by May)	Yes	3	Yes (annually by May)	
Update risk assessment	4/17-0009	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Inform staff	4/17-0010	Number of invocoms held	10 for the year	10 for the year	3	1 per quarter	5 for the year	3	1 per quarter	
Partnerships and agreements	4/17-0011	Formal agreements set up with partners for social development, namely Department of Social Development	Yes (annually by June)	Yes	3	Yes (annually by June)	Yes	3	Yes (annually by June)	
Provide community and social	4/17-0012	Number of meetings held i.r.o.	1 per	4 for the	3	1 per	3 for the	3	1 per	REASON: Covid-19

development specialist knowledge		the coordination of the municipality's internal social development committee	quarter	year		quarter	year		quarter	lockdown and restrictions INTERVENTION: None required
Productive workforce	4/17-0175	% of person days lost per month due to sick leave	4% pm maximum	1.3% average pm for the year	3.8	4% pm maximum	0.5% average pm for the year	3.9	4% pm maximum	
Implementing educational programmes	4/18-0002	Number of educational programmes implemented			0	2 per annum	2 for the year	3	2 per annum	

(c) Thusong Service Centres performance results

There are no separate indicators and targets for Thusong Service Centres.

(d) Employees: Community Development

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	1	1	0	0.00%
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	4	4	0	

(e) Employees: Thusong Service Centres

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	1	1	1	0	0.00%
07 - 09	2	2	2	0	0.00%
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	4	4	4	0	

(f) Financial Performance: Community Development

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
2 Contracted Services	R314 726	R406 700	R406 700	R167 943	-142.17%
1 Employees	R2 160 846	R2 388 867	R2 414 308	R2 234 180	-6.92%
3 Other	R70 698	R592 726	R629 726	R47 086	-1158.82%
TOTAL	R2 546 270	R3 388 293	R3 450 734	R2 449 209	

(g) Financial Performance: Thusong Service Centres

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
3 Other	R150 505	R221 448	R223 682	R117 196	-88.96%
2 Contracted Services	R135 249	R37 682	R38 931	R2 935	-1183.88%
1 Employees	R924 393	R1 165 120	R1 177 008	R1 056 945	-10.23%
TOTAL	R1 210 147	R1 424 250	R1 439 621	R1 177 076	

(h) Capital Expenditure: Community Development

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 16-0005 Buildings: Community Hall/New Clubhouse - Riebeeck Kasteel	R3 050 000	R3 050 000	R2 994 253	-1.86%
19/20 16-0009 Buildings: Pigeon Club: Malmesbury	R50 000	R50 000	R46 550	-7.41%
19/20 19-0001 Buildings: Social Economic Facility - Chatsworth	R500 000	R150 000	R148 297	-237.16%
19/20 19-0017 Social Economic Facility: Kalbaskraal	R700 000	R0	R0	0.00%
TOTAL	R4 300 000	R3 250 000	R3 189 100	

(i) Comment on the performance of Community Development and Thusong service centres overall

An extensive range of programmes and projects was carried out in the field of social development in 2019/2020. Programmes were implemented according to the six focus areas of the Swartland Social Development Policy and Strategy 2017 focussing on Early Childhood Development and the legalisation of child facilities, child development, youth development, co-ordination and collaboration, access to economy, vulnerable groups.

Promote the legalisation of Early Childhood facilities and Early Childhood Development;

A total of seven capacity building sessions were organised for the Early Childhood Development Sector. The ECD forum also has been capacitated to the level where they now organise their own functions and implement their own yearly programme. Assistance to 40 ECD facilities was rendered in order to legalise and register facilities. In total 5 facilities obtained registration at the Department of Social Development.

Promote Child Development:

Two holiday programmes were implemented during September and December 2019. The September school holiday theme was "Our heritage - my story" where 114 unemployed youth volunteered and 2045 children participated. The December school holiday theme was "Safety - it starts with me" where 84 unemployed youth volunteered and 1259 children participated. The total for the two school holiday programmes was 3304 children reached.

Youth development

The number of youth and people from the whole of the Swartland community assisted with career guidance and information about economic opportunities was 3882 for the year. In terms of youth development a total of 678 youth received assistance with job applications and 46 were placed in job opportunities. 222 youth were placed in learnership, internship and apprenticeships programmes with a stipend for a period of time. They are learning a new skill which makes them equipped for possible job opportunities and earn an income on a monthly basis.

Collaboration and coordination

In terms of collaboration and co-ordination the Swartland Social Development Forum organised the 16 days of activism, disability awareness and parent training. This was done in partnership with DSD, Uhambo Shonaquip Foundation, SSDE, NGO's and government departments to focus on gender violence, persons with disabilities and responsible parenting. The Local Drug Action Committee implemented various programmes, from substance abuse training, awareness sessions and the strategic sessions held by the Western Cape

Department of Social Development to draw up an action plan to address substance abuse. The draft LDAC action plan was submitted and approved by the Mayoral Committee and the public participation process will commence in the 2020/21 financial year.

Access to economy

To provide access to the economy 44 people attended the Western Cape Government Tourism roadshow which included SEDA. The people are now aware of the local content production procedures and regulations that are relevant to enhance and sustain their businesses.

Vulnerable groups

The Thusong programme, by means of the Thusong Mobile Outreaches reached 2271 people by assisting them to access essential government services. A total of seven mobile outreaches were held for all towns in the Swartland except Yzerfontein. This made essential government services accessible to the rural communities.

3.5.2 LIBRARIES

(a) Introduction

Swartland has 9 libraries in its area. All libraries' opening hours are from Monday to Friday from 09:00 until 17:00. The libraries have 32 permanent library personnel. Libraries are financed through the conditional grant from the Department of Cultural Affairs and Sport.

(b) Libraries performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Render a quality library service	4/09-0074	Monthly circulation figures	30 000 per month	35 096.5 pm average for the year	3.5	30 000 per month	24 287 pm average for the year	3.1	30 000 per month	
Protect library material through consumer training	4/09-0076	Number of annual consumer training programmes	4 pq for 2 qtrs and 5 pq for 2 qtrs	46 for the year	5	4 pq for 2 qtrs and 5 pq for 2 qtrs	39 for the year	4	4 pq for 2 qtrs and 5 pq for 2 qtrs	
Report to PGWC on a monthly basis	4/12-0011	Number of reports on expenditure in terms of municipal replacement fund and grant submitted to PGWC	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	

Ensure up to date policies	4/17-0084	Policies reviewed in terms of pre-determined schedule	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	N/a	0	Yes (annually by end of June)	Loaning of books policy will be renewed after new guidelines from province is received after lockdown
Update risk assessment	4/17-0088	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Library services	4/17-0089	Business plans compiled and submitted to provincial authorities	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	
Proper Communication	4/17-0090	Consult with directorates and compile integrated communication action plans			0	Yes (annually by May)	No (done in June)	3	Yes (annually by May)	REASON: Due to lockdown consultattion could not take place during April to finalise plans in May INTERVENTION: Done in June
Inform staff	4/17-0092	Number of invocoms	1 per quarter	7 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Youth Camp	4/17-0093	Evaluation report submitted to Mayoral Committee	Yes (annually by May)	Yes	3	Yes (annually by May)	Yes	3	Yes (annually by May)	
Correspondence addressed in a timely manner	4/17-0094	% of all correspondence recorded by Collaborator less than 60 days old	90% per month average	97.5% pm average for the year	3.2	90.0% pm average	98.4% pm average for the year	3.3	90.0% pm average	
Productive workforce	4/17-0195	% of person days lost per month due to sick leave	4% pm maximum	2.8% pm average for the year	3.3	4% pm maximum	2.0% pm average for the year	3.5	4% pm maximum	

(c) Employees: Libraries

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	1	1	0	0.00%
04 - 06	8	21	21	0	0.00%
07 - 09	8	8	8	0	0.00%
10 - 12	2	2	2	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	18	32	32	0	

(d) Financial Performance: Libraries

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R7 455 887	R7 791 043	R7 878 779	R8 094 624	3.75%
2 Contracted Services	R115 545	R130 572	R132 122	R105 776	-23.44%
3 Other	R902 588	R1 229 669	R1 228 152	R889 973	-38.17%
TOTAL	R8 474 020	R9 151 284	R9 239 053	R9 090 373	

(e) Capital Expenditure: Libraries

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 17-0069 Equipment Libraries	R50 000	R50 000	R46 122	-8.41%
19/20 18-0077 Year-end transaction: Equipment Libraries (donated)	R0	R0	R7 462	100.00%
TOTAL	R50 000	R50 000	R53 584	

(f) Comment on the performance of libraries overall

All nine libraries have free internet access available to the public through the ICT project funded by the Department of Cultural Affairs and Sport. The average monthly circulation of books between the libraries are +- 25 000 and all libraries do two or more outreach programmes throughout the year. Riebeeck Kasteel library offers audio books available for the visually impaired. Moorreesburg library offers educational games sponsored by the Bill and Melinda Gates foundation.

3.5.3 CEMETERIES

(a) Introduction

Swartland Municipality operates and maintains ten cemeteries. The services provided include the timely and correct preparation of graves for use, maintaining a register of graves and the maintenance of cemeteries to an acceptable level of tidiness. EPWP projects were also implemented for the maintenance of cemeteries. Vandalism of cemeteries and the theft of fences remain a problem throughout the Swartland and the Municipality do not have the resources to effectively deal with this problem. The extension of existing cemeteries and the development of new cemeteries are also problematic due to the tedious public consultation processes and environmental authorisation processes that must be followed.

(b) Service statistics for cemeteries

No employees with respect to cemeteries and crematoriums. Employees are included under Parks and Recreation.

(c) Cemeteries performance results

No Policy Objectives.

(d) Financial Performance: Cemeteries

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R156 412	R143 889	R143 889	R218 345	34.10%
2 Contracted Services	R96 431	R233 586	R134 275	R131 754	-77.29%
3 Other	R228 094	R247 843	R247 843	R351 577	29.51%
TOTAL	R480 937	R625 318	R526 007	R701 676	

(e) Capital Expenditure: Cemeteries

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance

(f) Comment on the performance of cemeteries overall

The IDP has five strategic goals and the provision of cemeteries is aligned to strategic goal five: sufficient, affordable and well-run services.

3.6 ENVIRONMENTAL PROTECTION

3.6.1 OCCUPATIONAL HEALTH AND SAFETY (INCLUDING POLLUTION CONTROL)

(a) Introduction

Air Quality

The National Environmental Management: Air Quality Act 39 of 2004 (AQA) requires municipalities to introduce the new revised Air Quality Management Plans (AQMP) that set out what will be done to achieve the prescribed air quality standards. Municipalities are required to include an AQMP as part of its Integrated Development Plan.

Swartland Municipality's AQMP was approved by Council and forms part of the IDP, as well as that of the West Coast District Municipality.

Dust and odour control form part of the AQMP.

One appointed Noise Control Officer for Swartland Municipal area.

One designated Environmental Management Inspector (Grade 2)

One Air Quality Officers for Swartland Municipality appointed.

A public participation process took place to inform all people in the Swartland municipal area about the plan.

A Database of Fuel burning processes has been established.

Promote a clean and healthy environment

To address all health complaints and applying the By-Law relating to the prevention and suppression of Nuisances – and ensure that all identified erven in urban areas are compliant.

Pest control – only on municipal premises as well as a Annual Pest Control programme where we deal with crawling insects as well as rodents in the municipal sewerage / storm water drain system.

Application for Authorisation for the Installation of Fuel Burning Equipment relating to Swartland Municipal Air Quality By-Law.

(b) Occupational Health and safety performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure that all the required safety representatives are in place	4/09-0150	Identified workstation safety rep's in place (minimum of 25)	Yes (quarterly reported)	Yes	3	Yes (quarterly reported)	Yes	3	Yes (quarterly reported)	
Manage injuries on duty	4/09-0151-1	Report on the number and details of serious injuries on duty	Yes	Yes	3	Yes	N/a	0	Yes	

		(e.g. death or loss of limbs) on the SMS system								
Manage injuries on duty	4/09-0151-2	Were serious incidents in the workplace e.g. death or loss of limbs reported to Department of Labour	Yes	N/a	0	Yes	N/a	0	Yes	
Ensure the effective administration of claims	4/09-0152	% claims within 14 days from final report from doctor submitted	100%	100%	3	100%	100%	3	100%	
Ensure that health and safety committees are functional	4/09-0153	Number of meetings of Health and Safety committees held	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Ensure that all capital projects comply with safety regulations	4/09-0155	% of projects with safety specifications	100%	100%	3	100%	100%	3	100%	
Ensure that all identified erven in urban areas are compliant with standards	4/09-0161	Notifications for all erven that have to be cleaned issued	Yes (annually by end of November)	Yes	3	Yes (annually by end of November)	Yes	3	Yes (annually by end of November)	
Monitor air pollution in the area	4/09-0162	Database of fuel burning processes updated	Yes (annually by end of March)	Yes	3	Yes (annually by end of March)	Yes	3	Yes (annually by end of March)	
Provide an effective pest control service for municipal buildings and infrastructure	4/09-0163-1	% requests for pest control responded to within 14 days	100%	100%	3	100%	100%	3	100%	
Provide an effective pest control service for municipal buildings and infrastructure	4/09-0163-2	Pest control programme completed	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	
Ensure up to date policies	4/17-0095	Occupational Health and Safety and Environmental policies reviewed	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	
Update risk assessment	4/17-0097	Risk register updated	Yes (bi-annually)	Yes	3	Yes (bi-annually by	Yes	3	Yes (bi-annually	

			by Novembe r and May)			Nov and May)			by Nov and May)	
Noise control	4/17-0098	Was all noise complaints monitored and evaluated and the necessary action taken	Yes	Yes	3	Yes	Yes	3	Yes	
Air pollution	4/17-0099	Number of interactions with Provincial Department regarding air pollution	1 per quarter	6 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Proper business licence management	4/17-0101	Were all Business Licenses considered for all applications recieved	Yes	Yes	3	Yes	Yes	3	Yes	
Health and safety awareness campagnes	4/17-0103-1	Awareness campaign on Health and Safety designed and implemented	Yes annually	Yes	3	Yes annually	Yes (achieved in July 2019)	3	Yes annually	
Health and safety awareness campagnes	4/17-0103-2	Duties i.t.o. Section 16 (1) and Section 16 (2) of the Occupational Health and Safety Act 85 of 1993, assigned	Yes	Yes	3	Yes	N/a	0	Yes	All Directors appointed
Productive workforce	4/17-0197	% of person days lost per month due to sick leave	4% pm maximum	3.5% pm average for the year	3	4% pm maximum	0.9% pm average for the year	3.9	4% pm maximum	
Inform staff	4/19-0040	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(c) Employees: Occupational Health and safety

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	1	1	1	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	2	2	2	0	

(d) Financial Performance: Occupational Health and safety

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 470 979	R1 415 559	R1 431 965	R1 487 773	4.85%
2 Contracted Services	R40 166	R108 096	R116 096	R45 010	-140.16%
3 Other	R45 319	R69 333	R61 406	R35 406	-95.82%
TOTAL	R1 556 464	R1 592 988	R1 609 467	R1 568 189	

(e) Comment on the performance of occupational health and safety overall

Measures taken to improve performance and achievements: Performance objectives – key performance indicators and targets are set. Monthly monitoring is done by the Strategic Manager.

Support is given to those communities that are living in poverty through:

- Properly address all environmental complaints
- Ensuring that all identified erven in urban areas are complaint with standards
- Monitoring air pollution in the area
- Annual pest control programme
- Handling of noise control complaints to adhere to the Noise Control Regulations of June 2013
- Handling of dust control regulations, referring to Air Quality By-law (Swartland Municipality)
- Newly appointed Environmental Management Inspector

3.7 SECURITY AND SAFETY

3.7.1 TRAFFIC AND LAW ENFORCEMENT SERVICES (INCLUDING LICENCING AND REGISTRATION SERVICES)

(a) Introduction

On 13 December 2012 the Council decided to restructure the Municipal Police to become a Traffic and Law Enforcement service from 1 July 2013. Ever since 1 July 2013 Swartland Municipality have a functional Traffic & Law Enforcement service. The core functions of the Swartland Traffic and Law Enforcement Service (STLES) are to proactively police the Municipal by-laws and to enforce the National Road Traffic Act and to reduce road accident fatalities within the Swartland. During the financial year 2019/2020 STLES rendered successful services in traffic and by-law enforcement. Performance within the STLES is subject to resources which includes human resources and vehicles. The Swartland Municipality is divided into 12 wards and the STLES service all these wards. Traffic and by-law campaigns were given at schools and to NGO's.

Road safety programs assist motorists and pedestrians to act proactively and to change negative behaviour towards road safety. The risk of accidents was reduced through visibility and road safety educational programs.

(b) Traffic Policing and By-law Enforcement

Category	Previous Year Actual Number	Actual Number
Number of road traffic accidents during the year	1328	946
Number of law enforcement officers in the field on an average day	33	42
Number of law enforcement officers on duty on an average day	33	42
Number of by-law infringements attended	1412	692

(c) Traffic Policing and By-law Enforcement performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Inform staff		Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	
Provide an effective traffic and law enforcement service	4/09-0292-1	Minimum number of K78 roadblocks held	8 pq for 2 qtrs and 12 pq for 2 qtrs	47 for the year	3.6	10 per quarter	47 for the year	4	10 per quarter	
Provide an effective traffic and law enforcement service	4/09-0292-2	Minimum number of scheduled foot patrols worked	90 pq for 2 qtrs and 120 pq for 2	566 for the year	4	90 per quarter	319 for the year	3.4	90 per quarter	

			qtrs							
Provide an effective traffic and law enforcement service	4/09-0292-3	Number of vehicle check points held	Minimum 55 per quarter	73.5 pq average	3.8	minimum 70 per quarter	198.3 pq average	4.2	minimum 70 per quarter	
Provide an effective traffic and law enforcement service	4/09-0292-4	Number of by-law operations held	Minimum 8 per quarter	19.3 pq average	4.4	12 per quarter	18.8 pq average	4.5	12 per quarter	
Effectively manage speeding fines	4/09-0293-1	% of first notifications issued by service providers within 30 days	100%	100%	3	100%	100%	3	100%	
Effectively manage speeding fines	4/09-0293-2	Minimum number of mobile speed camera operational hours	600 hrs per quarter	615.77 hrs average pq for the year	3.1	600 hrs per quarter	635.3 hrs average pq for the year	3.8	600 hrs per quarter	
Ensure that legal registers are compliant	4/09-0294	Number of months that the maintenance of court and AG registers was done by service provider	3 per quarter	12 for the year	3	3 per quarter	10 for the year	2.5	3 per quarter	REASON: Lockdown and Covid-19 restrictions in Qtr 4 INTERVENTION: No intervention required
Report to council regularly	4/09-0295	Number of monthly reports submitted	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Undertake pro-active programmes and projects	4/09-0297-1	Number of awareness campaigns held	20 per annum	36 for the year	5	20 per annum	26 for the year	3.9	20 per annum	
Proper execution of reconciliations	4/09-0301	Number of months that all daily reconciliations regarding vehicle registrations and licencing were done timeously	3 per quarter	12 for the year	3	3 per quarter	9 for the year	3	3 per quarter	REASON: Lockdown and Covid-19 restrictions in Qtr 4 INTERVENTIONS: No intervention required
Increase in law compliance	4/12-0002	Number of interactions with public prosecutors in respect of withdrawal of traffic fines and court sentences held	2 for the year	5 for the year	5	2 for the year	4 for the year	5	2 for the year	
Update risk assessment	4/17-0147	Risk register updated	Yes (bi-annually by	Yes	3	Yes (bi-annually	Yes	3	Yes (bi-annually	

			November and May)			by Nov and May)			by Nov and May)	
Manage the Traffic and Law Enforcement function	4/17-0148	Were inspections of departmental firearms and ammunition done	90%	100%	3	Yes (bi-annually by Nov and May)	No	1.5	Yes (bi-annually by Nov and May)	REASON QTR2: Due to protest actions in Swartland Towns. INTERVENTION QTR 2: Was done on 12 December 2019 REASON QTR 4: National Lockdown and Covid-19 restrictions INTERVENTION QTR 4: No intervention required
Productive workforce	4/17-0187	% of person days lost per month due to sick leave	4% pm maximum	3.9 pm average for the year	2.9	4% pm maximum	2.7 pm average for the year	3.3	4% pm maximum	

(d) Employees: Traffic Policing and By-law Enforcement

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	12	12	0	0.00%
10 - 12	33	42	42	0	0.00%
13 - 15	2	2	2	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	37	57	57	0	

(e) Financial Performance: Traffic Policing and By-law Enforcement

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R18 828 386	R24 300 486	R28 058 937	R29 518 710	17.68%
2 Contracted Services	R2 088 780	R3 347 691	R3 327 745	R2 071 093	-61.64%
3 Other	R31 401 891	R29 608 588	R30 393 257	R22 217 001	-33.27%
TOTAL	R52 319 057	R57 256 765	R61 779 939	R53 806 804	

(f) Capital Expenditure: Traffic Policing and By-law Enforcement

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 18-0076 Year-end transaction: Traffic and Law Enforcement: Equipment (donated)	R0	R0	R1 358 402	100.00%
19/20 16-0037 Vehicles Traffic and Law Enforcement: CK22540 Nissan bakkie	R332 850	R489 060	R489 060	31.94%
TOTAL	R332 850	R489 060	R1 847 462	

(g) Comment on the performance of Traffic Policing and By-law Enforcement overall

The Swartland Traffic & Law Enforcement Service (STLES) **key performance areas** are traffic policing and by-law enforcement and has the following key performance indicators which is measured monthly and quarterly:

- Foot patrols
- Roadblocks
- Bicycle patrols
- By-law enforcement
- Vehicle check points (VCP)
- Issuing of driving and learners licenses and roadworthiness of vehicles

3.7.2 FIRE FIGHTING SERVICES

(a) Introduction

Swartland Municipality has a Fire Fighting Service consisting of 2 full-time fire officers and 27 voluntary trained municipal workers. The top service delivery priorities for the year under review were:

- Preventing the outbreak or spread of fires
- The saving of lives and property
- To react rapidly with the available resources to extinguish reported fires.

During the year under review (2019/2020) the Swartland Fire Service reacted to 407 fires and 123 other incidents within the average turnout time especially within urban areas. The service delivery within the rural areas is still challenging due to the lack of resources. People living in informal settlements were given fire prevention tips to help them as a first line of response to the fires. 215 smoke detectors were installed in shacks at Sibanye Informal Settlement, Moorreesburg. Fire prevention campaigns were also aimed at the poor and a close relationship exists with schools and crèches in the municipal area.

The Fire Fighting Service is also responsible for the disaster management function.

(b) Municipal Fire Service Data

Category	Previous Year Actual Number	Actual Number
Average turnout time - urban areas	15	15
Total fire appliances at year end	9	9
Total of other incidents attended in the year	33	123
Total fires attended in the year	445	407
Average number of appliance off the road during the year	2	2
Fire fighters in post at year end	29	29
Average turnout time - rural areas	25	25

(c) Fire Service Policy performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Provide a quality fire fighting service	4/09-0285-1	Number of vehicles non-operational for more than 5 days during the month	0 maximum	1.9 pm average for the year	1.9	0 maximum	0.7 pm average for the year	2.3	0 maximum	REASON: GMC in for repairs INTERVENTION: Weekly checks are being done to reduce major damages. Replacement plan in place to replace vehicles
Provide a quality fire fighting service	4/09-0285-2	Number of written complaints regarding firefighting services received	0 maximum	N/a	0	5 maximum per annum	1 for the year	3	5 maximum per annum	
Provide a quality fire fighting service	4/09-0285-3	Number of monthly inspection of vehicles and equipment done	3 per quarter	12 for the year	3	3 per quarter	10 for the year	3	3 per quarter	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Reduce fire risks through continuous public awareness	4/09-0286	Number of educational / awareness campaigns	10 for the year	10 for the year	3	10 for the year	8 for the year	3	10 for the year	REASON: Covid-19 lockdown INTERVENTION: None required
Properly maintain all supporting infrastructure	4/09-0287	Total no of hydrants monitored and repaired	500 for the year	506 for the year	3	500 for the year	69 for the year	3	500 for the year	REASON: Covid-19 lockdown INTERVENTION: None required
Strengthening of the fire fighting service	4/12-0001	Standard fire fighting by-law reviewed	Yes (annually by June)	Yes	3	Yes (annually by June)	Yes	3	Yes (annually by June)	
Update risk assessment	4/17-0135	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Fire prevention	4/17-0136-1	Number of pre-planning inspections and recommendations on issues related to the bylaws and other	3 per quarter	33 for the year	5	3 per quarter	11 for the year	3.5	3 per quarter	REASON QTR 4: Covid-19 lockdown INTERVENTION QTR 4: None required

		applicable codes, standards and regulations done								
Fire prevention	4/17-0136-2	Scrutinize and make recommendations for approval of buildings plans	Yes	Yes	3	Yes	Yes	3	Yes	
Communication and liaison	4/17-0137-1	Liaise with other authorities, emergency services, organisations and service providers to ensure well coordinated fire service	Yes	Yes	3	Yes	Yes	3	Yes	
Communication and liaison	4/17-0137-2	Number of times the Swartland Municipality was represented at disaster management forum meetings, both local and district	1 per quarter	4 for the year	3	1 per quarter	3 for the year	3	1 per quarter	REASON QTR 4: Covid-19 lockdown INTERVENTION QTR 4: None required
Productive workforce	4/17-0192	% of person days lost per month due to sick leave	4% pm maximum	2.2% pm average for the year	3.3	4% pm maximum	0.8% pm average for the year	3.8	4% pm maximum	
Inform staff	4/19-0038	Number of invocoms held			0	1 per quarter	3 for the year	3	1 per quarter	REASON QTR 4: Covid-19 lockdown INTERVENTION QTR 4: None required

(d) Employees: Fire Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	1	1	1	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	2	2	2	0	

(e) Financial Performance: Fire Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 960 279	R3 107 580	R3 200 972	R3 772 728	17.63%
2 Contracted Services	R383 158	R154 223	R651 980	R333 131	53.70%
3 Other	R777 099	R1 134 926	R1 604 583	R1 357 433	16.39%
TOTAL	R4 120 536	R4 396 729	R5 457 535	R5 463 292	

(f) Capital Expenditure: Fire Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 10-0139 Equipment Fire and Emergency Services	R115 000	R115 000	R113 712	-1.13%
TOTAL	R115 000	R115 000	R113 712	

(g) Comment on the performance of fire services overall

The available resources are used to do the best we can to safeguard the community and to respond rapidly to any fire. We are privileged to have the support of **West Coast District Municipal Fire Fighting Service** who are keen to help where they can.

3.7.3 CIVIL PROTECTION (INCLUDING DISASTER MANAGEMENT)

(a) Introduction

Disaster management within the municipality is still a big challenge. There is no dedicated staff responsible for disaster management. The Fire Chief is taking the responsibility of disaster management. The top service delivery priorities for the Municipality are: to proactively prevent, mitigate, respond and recover from the effects of all disasters. The municipality depends heavily on the support of the West Coast Disaster Management Centre for any back-up to a disaster.

(b) Civil protection (including disaster management) performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Disaster Management	4/13-0010-1	Exercise of evacuation plans conducted	Yes (bi-annually in the first and second half of the financial year)	Yes	3	Yes (bi-annually in the first and second half of the financial year)	Yes (only in the first half)	3	Yes (bi-annually in the first and second half of the financial year)	REASON QTR 3 AND 4: Covid-19 lockdown INTERVENTION: None required
Disaster Management	4/13-0010-2	Disaster Management actions coordinated during a disaster	Yes (when disaster occurs)	N/a	0	Yes (when disaster occurs)	Yes (Covid-19)	3	Yes (when disaster occurs)	
Disaster Management	4/13-0010-3	Disaster Management Plan and Disaster Recovery and Business Continuity Plan reviewed	Yes (annually by June)	Yes	3	Yes (annually by June)	Yes	3	Yes (annually by June)	

(c) Financial Performance: Civil protection (including disaster management)

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R0	R0	R0	R0	0.00%
2 Contracted Services	R220 984	R300 000	R300 000	R227 546	-31.84%
3 Other	R0	R0	R3 519 000	R1 835 302	100.00%
TOTAL	R220 984	R300 000	R3 819 000	R2 062 848	

(d) Comment on the performance of Civil protection (including disaster management) overall:

No capital allocations are made in the budget for disaster management per se. In the operational budget an amount of R300 000 are set aside to help community members who have losses through fires destroying their living places.

Disaster Management is also taken seriously by the Civil and Development Departments as they recognise the linkage between disasters and development. The allocation of funds to address any disaster is still a great challenge.

3.8. SPORT AND RECREATION

3.8.1 SPORT, PARKS AND RECREATIONAL AREAS AND SWIMMING POOLS

(a) Introduction

The following projects were implemented in 2019/20 financial year:

1. The amount of R300 000 was funded by the Department of Cultural Affairs and Sport for the reseal of Netball/Tennis courts in Kalbaskraal and Darling, as well as a section of fencing at Wesbank Sportsground, Field C, Malmesbury.
2. The amount of R125 000 was spent on topsoiling Chatsworth Sportsfield.
3. The amount of R125 000 was spent on the supply and delivery of Polytimber play park equipment in Moorreesburg and Riebeek West.

New Sportsfield lighting in Darling and Chatsworth is planned for the 2020/21 Financial year to the value of R2 575 000.

Upgrades to the Buildings of Gabriel Pharoah Sportsground, Darling, are planned for the 2020/21-2021/22 Financial year to the value of R 2 050 000

(b) Sport, Parks and Recreational Areas and Swimming Pools performance results

Sport

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes

Parks and recreational areas

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Implementation of planned park maintenance activities	4/09-0043-2	% of the operating budget allocated for maintenance spent	90% for the year	95% for the year	3.2	90% for the year	94% for the year	3	90% for the year	

Swimming pools

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes

(c) Employees: Sport, Parks and Recreational Areas and Swimming Pools

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	1	1	1	0	0.00%
07 - 09	4	4	4	0	0.00%
10 - 12	0	0	0	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	5	5	5	0	

(d) Financial Performance: Sport, Parks and Recreational Areas and Swimming Pools

Sport

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 866 032	R1 993 874	R2 012 420	R2 161 231	7.74%
2 Contracted Services	R518 610	R533 653	R531 031	R455 900	-17.05%
3 Other	R1 991 853	R2 196 161	R2 022 328	R2 074 819	-5.85%
TOTAL	R4 376 495	R4 723 688	R4 565 779	R4 691 950	

Parks and Recreational Areas

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R10 994 100	R12 544 717	R12 680 719	R11 520 849	-8.89%
2 Contracted Services	R847 718	R1 335 677	R1 056 522	R959 658	-39.18%
3 Other	R1 508 814	R2 094 222	R2 133 464	R1 557 673	-34.45%
TOTAL	R13 350 632	R15 974 616	R15 870 705	R14 038 180	

Swimming Pools

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
3 Other	R227 370	R291 700	R293 600	R244 213	-19.44%
2 Contracted Services	R269 975	R225 901	R231 101	R230 925	2.18%
1 Employees	R1 416 610	R1 715 666	R1 730 170	R1 632 426	-5.10%
TOTAL	R1 913 955	R2 233 267	R2 254 871	R2 107 564	

(e) Capital Expenditure: Sport, Parks and Recreational Areas and Swimming Pools**Sport**

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 19-0038 Sport: Fencing: Wesbank Sport Grounds C-Field	R21 000	R21 000	R21 000	0.00%
19/20 19-0008 Sport: Resealing of Netball & Tennis Courts: Gabriel Pharoah Sports Ground, Darling	R239 000	R239 000	R239 000	0.00%
19/20 19-0040 Sport: Security and upgrading: Kalbaskraal irrigation	R0	R200 000	R168 828	100.00%
19/20 17-0074 Sport: Upgrading of Sports Grounds: Chatsworth	R100 000	R37 126	R37 126	-169.35%
19/20 19-0037 Sport: Resealing of Netball Court - Kalbaskraal	R60 000	R60 000	R60 000	0.00%
19/20 19-0009 Vehicles Sport: Tractor	R430 100	R430 100	R429 904	-0.05%
19/20 19-0010 Sport: Blower mower	R30 000	R60 000	R46 831	35.94%
TOTAL	R880 100	R1 047 226	R1 002 689	

Parks and Recreational Areas

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 17-0079 Parks: Ward Committee projects	R700 000	R738 681	R21 625	-3136.99%
19/20 16-0013 Vehicles Parks: CK34808 Trailer	R92 000	R82 140	R82 140	-12.00%
19/20 11-0058 Equipment Parks	R56 000	R55 390	R55 060	-1.71%
TOTAL	R848 000	R876 211	R158 825	

Swimming Pools

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
TOTAL				

(f) Comment on the performance of sport, parks and recreational areas and swimming pools overall

The IDP has five strategic goals and the provision of sport facilities, parks and swimming pools are aligned to the following strategic goals:

Three: Quality and Sustainable Living Environment

Five: Sufficient, Affordable and Well-Run Services

Various actions have been developed to ensure that the strategic goals are achieved.

3.8.2 CARAVAN PARK YZERFONTEIN

(a) Introduction

The caravan park is situated near the beach and has 121 camping sites which all have braai places and are provided with water and 10 amp electricity supply points. There are 5 ablution blocks, each with bath and shower with hot and cold running water. One of these blocks has a dedicated physically disabled ablution facility. Shops, the post office and restaurants are all within walking distance from the park. There are 4 holiday house units situated in a quiet part of the park and are all six-sleepers. They are fully equipped but bedding, towels and braai grid are not supplied.

The following amenities are available in or near the park:

1. Children's play park for up to 14 year olds.
2. Laundry with washing machines and a dryer.
3. A large community hall, tennis courts and a bowling green.

(b) Caravan park Yzerfontein performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Manage caravan parks effectively	4/09-0156-1	% of the operating budget for maintenance of caravan parks spent	100% for the year	82.4% for the year	2.5	100% for the year	58.7% for the year	3	100% for the year	REASON: Caravan park closed due to Covid regulations and budget could not be fully spent INTERVENTION: No intervention required
Manage caravan parks effectively	4/09-0156-2	Customer survey undertaken	Yes (annually)	Yes	3	Yes (annually)	Yes	3	Yes (annually)	

			during December)			during December)			during December)	
Manage caravan parks effectively	4/09-0156-3	% "good" and "fair" ratings out of the total ratings done by guests	75% minimum	96.7%	3.5	90% minimum	95.7%	3.2	90% minimum	

(c) Employees: Caravan Parks

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	4	4	4	0	0.00%
07 - 09	1	1	1	0	0.00%
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	6	6	6	0	

(d) Financial Performance: Caravan Parks

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 601 235	R1 771 537	R1 791 509	R1 522 718	-16.34%
2 Contracted Services	R175 085	R191 895	R191 895	R170 983	-12.23%
3 Other	R81 734	R170 462	R170 462	R101 054	-68.68%
TOTAL	R1 858 054	R2 133 894	R2 153 866	R1 794 755	

(e) Capital Expenditure: Caravan Parks

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 17-0041 Caravan Park Yzerfontein: Expansion	R1 200 000	R354 500	R347 287	-245.54%
19/20 16-0044 Equipment: YZF Caravan Park	R30 000	R28 200	R23 778	-26.17%
TOTAL	R1 230 000	R382 700	R371 065	

(f) Comment on the performance of Caravan Parks overall

The Yzerfontein Caravan Park is a very popular caravan park in the West Coast and is fully booked during December holidays as well as Easter Weekend.

It has a 90% and higher booking rate for weekends of February and March as well as long weekends during the summer.

The caravan park also has a good annual customer rating.

Newly build ablution facility at the Yzerfontein Caravan Park which is a wheelchair friendly facility.

New comment : Due to COVID 19 the caravan park is operating at 50 % until further notice.

3.8.3 HARBOUR YZERFONTEIN

(a) Introduction

The management of the Harbour has been outsourced since 1 September 2013.

(b) Financial Performance: Harbour Yzerfontein

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R0	R0	R0	R0	0.00%
2 Contracted Services	R58 361	R70 013	R70 013	R59 537	-17.60%
3 Other	R2 746	R10 048	R10 048	R754	-1232.63%
TOTAL	R61 107	R80 061	R80 061	R60 291	

3.9. CORPORATE MANAGEMENT

3.9.1 MANAGEMENT CIVIL ENGINEERING SERVICES

(a) Civil Engineering Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Improved access to water, sanitation and refuse removal	1/14-0023-1	% of urban households with access to at least piped (tap) water within 200 meters from dwelling	100%	100%	3	100%	100%	3	100%	
Improved access to water, sanitation and refuse removal	1/14-0023-2	% of urban households with access to at least a flush toilet, chemical toilet or pit toilet with ventilation (VIP)	100%	100%	3	100%	100%	3	100%	
Improved access to water, sanitation and refuse removal	1/14-0023-3	% households registered for refuse removal service which receive a service once a week	100%	100%	3	100%	100%	3	100%	
2 Indicators from IDP										
5.1 Work with relevant role-players to commit to an agreed service delivery model.	2/17-0019	An agreed service delivery model			0	Yes (by end of June 2020)	Yes	3		
5.2 Investigate and report to council annually on the status quo condition of surfaced roads	2/17-0020	Report submitted to the Portfolio Committee	Yes (by end of Sep annually)	Yes	3	Yes (by end of Sep annually)	Yes	3	Yes (by end of Sep annually)	
5.2 Inform budgetary processes of funding requirement for	2/17-0021	Budget requirements calculated and budget informed	Yes (by end of November)	Yes	3	Yes (by end of November)	Yes	3	Yes (by end of November)	

maintenance and upgrading of surfaced roads.			annually)			annually)			annually)	
5.3 Review and maintain master plans in accordance with the most recent growth model information	2/17-0022	Master plans reviewed and maintained	Yes (annually by end of March)	Yes	3	Yes (annually by end of March)	Yes	3	Yes (annually by end of March)	
5.4 Inform budgetary processes of funding requirement for maintenance, renewal, upgrading, extension and refurbishment of civil infrastructure	2/17-0023	Budget requirements calculated and budget informed	Yes (by end of November annually)	Yes	3	Yes (by end of November annually)	Yes	3	Yes (by end of November annually)	
5.1 Develop a water conservation and water demand management strategy (WCWDM Strategy)	2/18-0006	Policy document completed and submitted to Portfolio Committee			0	Yes (by end of October 2019)	Yes	3		
5.1 Conduct an alternative water source study	2/18-0007	Study completed and report submitted to Portfolio Committee			0	Yes (by end of June 2020)	N/a	0		The study could not be done because of Lockdown. The target in the IDP was therefore changed with the revision of the IDP in May 2020 to "Yes (by end of June 2021)".
3 Indicators Directors										
Capital expenditure in line with budget and time frames	3/09-0013	% of capital budget spent	Between 90% and 105%	97.3% for the year	3	Between 90% and 105%	88.1% for the year	3	Between 90% and 105%	Reason: Implementation of some projects delayed due to lockdown
Capital project implementation	3/09-0014	Average % completion of capital projects	90% for the year	100% for the year	3	90% for the year	90% for the year	3	90% for the year	
Operating expenditure in line with budget and time	3/09-0015	% of operating budget spent	Between 90% and	93.6% for the year	2	Between 90% and	99.0% for the	3	Between 90% and	

frames			100%			100%	year		100%	
Workforce training roll-out	3/09-0016	% of planned training sessions according to the Workplace Skills Plan realised	100%	100%	3	100%	100%	3	100%	
Council decision implementation	3/09-0017	% of due council decisions initiated	100%	100%	3	100%	100% (160/160 resolutions initiated)	3	100%	
Performance and financial monitoring	3/09-0018	Number of monthly performance assessments and reconciliation of departmental records of expenditure with finance records done	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	
Annual Report inputs provided by departments	3/09-0019	Departmental input to the annual report submitted by due date	Yes	Yes	3	Yes	Yes	3	Yes	
Budget inputs provided by departments	3/09-0020	Budget requests provided to financial department in accordance with the budget time schedule	Yes	Yes	3	Yes	Yes	3	Yes	
Assignments from the municipal manager completed	3/09-0021	Number of written warnings received from municipal manager	0 maximum	0	3	0 maximum	0	3	0 maximum	
Correspondence addressed in a timely manner	3/09-0022	% of all correspondence recorded by Collaborator less than 60 days old	90.0%	91.5% pm average for the year	3	90.0%	94.3% pm average for the year	3.1	90.0%	
Equal employment opportunity management	3/09-0023	% of employment opportunities applied for appropriate equity	100%	78.6% (11/14 employees)	2.3	100%	66.7% (10/15 employees)	3	100%	REASON: There were no other candidates from the designated groups who met

		appointments					es)			the requirements for appointment INTERVENTION: Director will comply with EE targets wherever possible
Procurement in line with legal process	3/09-0024	% compliance with SCM policy with the exception of approved deviations	100%	100%	3	100%	100% (Total Requisitions= 2888)	3	100%	
Audit issues resolved	3/09-0025-1	% internal audit queries for which an action plan was submitted within 10 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0025-2	% internal actions implemented within agreed time frame	100%	100% by year end	3	100%	N/a	0	100%	
Audit issues resolved	3/09-0025-3	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0025-4	% of Auditor General's findings implemented within agreed time frame	100%	100% at the end of qtr 4	3	100%	98.0% by the end of Qtr 4	2.9	100%	REASON: Negotiations had to be completed with contractor prior to amendment of the contract. There was not sufficient time since the finding and year end to complete all due processes. INTERVENTION: No intervention required, following legal process to ammend contract.
Risk identification and control implementation	3/09-0026-1	Confirmations of risk assessment done	Yes (bi-annually by November	Yes	3	Yes (bi-annually by	Yes	3	Yes (bi-annually by November	

			and May)			November and May)			and May)	
Risk identification and control implementation	3/09-0026-2	% of Risk Action Plans implemented in accordance with the agreed time frame	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0026-3	Chief Risk Officer / Internal Audit informed of any newly identified risks	Yes	Yes	3	Yes	Yes	3	Yes	
Risk identification and control implementation	3/09-0026-4	Chief Risk Officer / Internal Audit informed of any changes in work procedures	Yes	Yes	3	Yes	N/a	0	Yes	
Risk identification and control implementation	3/09-0026-5	Chief Risk Officer / Internal Audit informed of any incidents where controls have failed (loss control register update)	Yes	Yes	3	Yes	Yes	3	Yes	
Invocoms held	3/09-0028	Number of invocoms held	3 pq for 3 qtrs and 2 pq for 1 qtr	22 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	15 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	
Average duration of vacancies reduced	3/10-0017	Average duration of vacancies after decision was taken by management to fill the post	3 months maximum	2.3 months at the end of Qtr 4	3	3 months maximum	3.6 months at the end of Qtr 4	3	3 months maximum	REASON: Vacancy of Bricklayer (Moorreesburg) to be advertised as soon as internal candidates completed their Bricklaying Trade Test. Trade Test postponed due to Lockdown. INTERVENTION: Awaiting new date
Productive workforce	3/10-0018	% of person days lost per month due to sick leave	4% pm maximum	2.8% pm average for the year	3.3	4% pm maximum	2.3% pm average for the	3.4	4% pm maximum	

							year			
EPWP monitoring	3/11-0001-1	Number of Full Time Equivalents (FTE's) for the financial year	103 for the whole organisation	146.2 for organisation; 87.7 for dept	4.3	103 for the whole organisation	111.9 for the organisation	3.3	103 for the whole organisation	
EPWP monitoring	3/11-0001-2	Number of work opportunities created during the financial year	296 for the whole organisation	334 for organisation; 234 for dept	3.4	296 for the whole organisation	223 for the organisation	3	296 for the whole organisation	REASON: EPWP hampered by the Covid-19 pandemic INTERVENTION: None required
Improved water sustainability	3/12-0086	% total water losses	Maintain the annual average below 17%	16.65% for the rolling year	3	Maintain the annual average below 17%	17.95% for the rolling year	4	Maintain the annual average below 17%	
Asset safeguarding	3/14-0001-1	All moveable assets that became unusable or that were lost or stolen reported immediately in the prescribed manner to the Head: Asset Management	Yes	Yes	3	Yes	N/a	0	Yes	
Asset safeguarding	3/14-0001-2	A condition assessment and a review of the remaining useful life of all assets in the department done and a certification in this regard provided to the Head Asset Management.	Yes (by June annually)	Yes	3	Yes (by June annually)	Yes	3	Yes (by June annually)	
Communication Strategy implementation	3/14-0014-1	Number of reports on all communication activities undertaken by the department submitted to the Director Corporate Services	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Communication Strategy implementation	3/14-0014-2	All planned communication activities for the next financial year	Yes (annually by end of June)	Yes	3	Yes (annually by end of	Yes	3	Yes (annually by end of	

		in terms of the Communication Strategy submitted to the Director Corporate Services				June)			June)	
Issuing of safety clothing	3/17-0003	All safety clothing issued	Yes (by end of March)	Yes	3	Yes (by end of March)	Yes	3	Yes (by end of March)	
Spending of grants	3/17-0008	% spending of grants	100% by end of June	100% for the year	3	100% by end of June	99.1% for the year	3	100% by end of June	Reason: Spending hampered by Covid-19 lockdown
Ensure that accurate revenue estimates are prepared in relation to operating requirements	3/17-0084	Projected tariff increases determined for the budget of the new financial year	Yes (annually by November)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
Ensure timeous submission of capital payment invoices and payment certificates to the finance department	3/18-0013	Due date for last capital payment invoices and payment certificates to be submitted to the Finance Department	Annually by 9 July	N/a	0	Annually by 9 July	Yes	3	Annually by 9 July	
Training needs of staff	3/19-0014	Training needs of staff identified and provided to HR at meetings held with all departments during November annually			0	Yes (annually by November)	Yes	3	Yes (annually by November)	
Monitor the performance of contractors in terms of section 116(2)(b) of the MFMA	3/19-007	Performance of contractors under supply chain contracts or agreements monitored on a monthly basis at the performance assessment meetings			0	Yes	Yes	3	Yes	
4 Indicators Division Heads										
Update of Risk assessment (Esmari Steenkamp)	4/18-0011	Risk register updated			0	Yes (bi-annually	Yes	3	Yes (bi-annually by	

						by Nov and May)			Nov and May)	
Continuously do master planning (Esmari Steenkamp)	4/18-0013	Master plans reviewed			0	Yes (annually by March)	Yes	3	Yes (annually by March)	
Assessment of Infrastructure (Esmari Steenkamp)	4/18-0014	Priority projects for upgrading, refurbishment and renewal of infrastructure prepared			0	Yes (annually by April)	Yes	3	Yes (annually by April)	
Capital Project Implementation (Esmari Steenkamp)	4/18-0015-1	Capital project implementation prepared			0	Yes (annually by April)	Yes	3	Yes (annually by April)	
Capital Project Implementation (Esmari Steenkamp)	4/18-0015-2	Capital project implementation schedule updated			0	Yes	Yes	3	Yes	
Assessment of Equipment and Vehicle Fleet (Esmari Steenkamp)	4/18-0016	Vehicle and Equipment replacement budget prepared			0	Yes (by end of October)	Yes	3	Yes (by end of October)	
Ensure up to date policies (Johan Venter)	4/18-0017-1	Maintenance projects for provincial main roads submitted to Mayoral Committee			0	Yes (annually by end of December)	Yes	3	Yes (annually by end of December)	
Ensure up to date policies (Johan Venter)	4/18-0017-2	Maintenance report submitted to Department of Transport			0	Yes (annually by end of March)	Yes	3	Yes (annually by end of March)	
Continuously do master planning (Johan Venter)	4/18-0018	Master plan reviewed			0	Yes (annually by March)	Yes	3	Yes (annually by March)	
Assessment of Infrastructure (Johan Venter)	4/18-0019	Priority projects for upgrading, refurbishment and renewal of infrastructure prepared			0	Yes (annually by April)	Yes	3	Yes (annually by April)	
Capital Project Implementation (Johan Venter)	4/18-0020-1	Capital project implementation schedule			0	Yes (annually)	Yes	3	Yes (annually)	

Venter)		prepared				by April)			by April)	
Capital Project Implementation (Johan Venter)	4/18-0020-2	Capital project implementation schedule updated			0	Yes	Yes	3	Yes	
Capital Project Implementation (Johan Venter)	4/18-0020-3	MTREF MIG project list prepared			0	Yes (by end of October)	Yes	3	Yes (by end of October)	
Update of Risk assessment (John Barlow)	4/19-0002	Risk register updated			0	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Assessment of Equipment and Vehicle Fleet (John Barlow)	4/19-0004	Vehicle and Equipment replacement budget prepared			0	Yes (by end of Oct)	Yes	3	Yes (by end of Oct)	
Inform staff (John Barlow)	4/19-0032	Number of invocoms held			0	1 per quarter	7 for the year	3	1 per quarter	
Inform staff (Esmari Steenkamp)	4/19-0046	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	
Inform staff (Johan Venter)	4/19-0051	Number of invocoms held			0	1 per quarter	8 for the year	3	1 per quarter	
Productive workforce (John Barlow)	4/19-0053	% of person days lost per month due to sick leave			0	4% pm maximum	2.6% average for the year	3.3	4% pm maximum	
Ensure up to date policies (Esmari Steenkamp)	4/19-0060-1	Water Services Audit report reviewed			0	Yes (annually by Nov)	Yes	3	Yes (annually by Nov)	
Ensure up to date policies (Esmari Steenkamp)	4/19-0060-2	Integrated Waste Management Plan reviewed			0	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	
Reporting (Johan Venter)	4/19-0067-1	Monthly reports on the MIG programme submitted			0	3 per quarter	12 for the year	3	3 per quarter	

Reporting (Johan Venter)	4/19-0067-2	Annual report on the MIG programme submitted			0	Yes (by end of October)	Yes	3	Yes (by end of October)	
Reporting (Johan Venter)	4/19-0067-3	DPIP submitted			0	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Update of Risk assessment (Johan Venter)	4/19-0068	Risk register updated			0	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Productive workforce (Johan Venter)	4/19-0069	% of person days lost per month due to sick leave			0	4% pm maximum	0.75 pm average for the year	3.8	4% pm maximum	

(b) Employees: Civil Engineering Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	2	2	2	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	4	3	4	1	25.00%
19 - 20	1	1	1	0	0.00%
TOTAL	7	6	7	1	

(c) Financial Performance: Civil Engineering Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 414 625	R3 042 097	R3 062 545	R2 655 249	-14.57%
2 Contracted Services	R29	R1 590	R3 690	R3 551	55.22%
3 Other	R523 857	R684 334	R689 986	R567 666	-20.55%
TOTAL	R2 938 511	R3 728 021	R3 756 221	R3 226 466	20.10%

(d) Capital Expenditure: Civil Engineering Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 09-0021ac Equipment Civil Services	R12 923	R12 923	R12 396	-4.25%
TOTAL	R12 923	R12 923	R12 396	

3.9.2 MANAGEMENT CORPORATE SERVICES**(a) Corporate Services performance results**

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
General KPI: People from employment equity target groups employed	1/14-0027	% of previously disadvantaged individuals appointed for the month in terms of the Municipality's approved Employment Equity plan	100% (report bi-annually to Mayoral Committee)	83.3% (25/30 employees)	3	70% (report bi-annually to Mayoral Committee)	48.3% (14/29 employees for the year)	3	70% (report bi-annually to Mayoral Committee)	REASON: There were no other candidates from the designated groups who met the requirements for appointment INTERVENTION: The Municipality complies with EE targets wherever possible
General KPI: Budget spent on implementing the workplace skills plan	1/14-0028	% of the municipality's salary budget actually spent on implementing its workplace skills plan	At least 90%	99.7% for the year	3	0.83% (R1 805 366)	63.8% of 0.83% of the	3	0.5% (R1 196 912)	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required

							year			
2 Indicators from IDP										
4.1 Implement the redesigned organisation structure	2/17-0070	Redesigned organisation structure implemented			0	During the 2019/2020 financial year	Yes	3		
4.3 Develop a programme of innovative interventions, e.g. diversity management and awareness, climate creation to ensure sound employee relations and practices	2/17-0072	Programme developed for implementation during the 2019/2020 financial year	By June 2019	N/a	0	By July 2019	Yes	3		
4.4 Compile, implement and monitor communication plans for individual ward councillors to enhance public participation	2/17-0073-1	Communication activities for ward councillors monitored	Quarterly	Yes	3	Yes (quarterly)	N/a	0	Yes (quarterly)	REASON: KPI not implementable INTERVENTION: This KPI and target have been deleted with the May 2020 amendment of the IDP
3 Indicators Directors										
Capital expenditure in line with budget and time frames	3/09-0032	% of capital budget spent	Between 90% and 105%	82.4% for the year	2.8	Between 90% and 105%	5.2% for the year (excluding year-end transactions)	3	Between 90% and 105%	Reason: Change in accounting policy: Transaction (R2.1 m-purchase of land Kalbaskraal) moved to Land inventory (balance sheet)
Capital project implementation	3/09-0033	Average % completion of capital projects	90.0% for the year	100% for the year	3.3	90.0% for the year	97.0% for the year	3.2	90.0% for the year	
Operating expenditure in line with budget and time frames	3/09-0034	% of operating budget spent	Between 90% and 100%	104.6% for the year	3	Between 90% and 100%	101.2% for the year	3	Between 90% and 100%	

Workforce training roll-out	3/09-0035	% of planned training sessions according to the Workplace Skills Plan realised	100%	100%	3	100%	100%	3	100%	
Council decision implementation	3/09-0036	% of due council decisions initiated	100%	100%	3	100%	100% (361/361 resolutions initiated)	3	100%	
Performance and financial monitoring	3/09-0037	Number of monthly performance assessments and reconciliation of departmental records of expenditure with finance records done	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	
Annual Report inputs provided by departments	3/09-0038	Departmental input to the annual report submitted by due date	Yes	Yes	3	Yes	Yes	3	Yes	
Budget inputs provided by departments	3/09-0039	Budget requests provided to financial department in accordance with the budget time schedule	Yes	Yes	3	Yes	Yes	3	Yes	
Assignments from the municipal manager completed	3/09-0040	Number of written warnings received from municipal manager	0 maximum	0	3	0 maximum	0	3	0 maximum	
Correspondence addressed in a timely manner	3/09-0041	% of all correspondence recorded by Collaborator less than 60 days old	90.0%	97.0 pm average for the year	3.2	90.0%	96.8 pm average for the year	3.2	90.0%	
Equal employment opportunity management	3/09-0042	% of employment opportunities applied for appropriate equity appointments	100%	100% (3/3 employees)	3	100%	25.0% (1/4 employees) for	3	100%	REASON: There were no other candidates from the designated groups who met the requirements for

							the year			appointment INTERVENTION: Director will comply with EE targets wherever possible
Procurement in line with legal process	3/09-0043	% compliance with SCM policy with the exception of approved deviations	100%	100%	3	100%	100% (Total Requisitions= 473)	3	100%	
Audit issues resolved	3/09-0044-1	% internal audit queries for which an action plan was submitted within 10 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0044-2	% internal actions implemented within agreed time frame	100%	100% by year end	3	100%	N/a	0	100%	
Audit issues resolved	3/09-0044-3	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0044-4	% of Auditor General's actions implemented within agreed time frame	100%	100% at the end of qtr 4	3	100%	100%	3	100%	
Risk identification and control implementation	3/09-0045-1	Confirmations of risk assessment done	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0045-2	% of Risk Action Plans implemented in accordance with the agreed time frame	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0045-3	Chief Risk Officer / Internal Audit informed of any	Yes	Yes	3	Yes	Yes	3	Yes	

		newly identified risks								
Risk identification and control implementation	3/09-0045-4	Chief Risk Officer / Internal Audit informed of any changes in work procedures	Yes	Yes	3	Yes	N/a	0	Yes	
Risk identification and control implementation	3/09-0045-5	Chief Risk Officer / Internal Audit informed of any incidents where controls have failed (loss control register update)	Yes	Yes	3	Yes	Yes	3	Yes	
Invocoms held	3/09-0047	Number of invocoms held	3 pq for 3 qtrs and 2 pq for 1 qtr	11 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	10 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	REASON QTR 4: Covid-19 lockdown INTERVENTION: None required
Average duration of vacancies reduced	3/10-0038	Average duration of vacancies after decision was taken by management team to fill the post	3 months maximum	1 month at the end of Qtr 4	3	3 months maximum	0 months at the end of Qtr 4	3	3 months maximum	
Productive workforce	3/10-0039	% of person days lost per month due to sick leave	4% pm maximum	3.2% pm average for the year	3.2	4% pm maximum	2.1% pm average for the year	3.5	4% pm maximum	
EPWP monitoring	3/12-0012-1	Number of Full Time Equivalents (FTE's) for the financial year	103 for the whole organisation	146.2 for organisation; 26.3 for dept	4.3	103 for the whole organisation	111.9 for the organisation	3.3	103 for the whole organisation	
EPWP monitoring	3/12-0012-2	Number of work opportunities created during the financial year	296 for the whole organisation	334 for organisation; 44 for dept	3.4	296 for the whole organisation	223 for the organisation	3	296 for the whole organisation	REASON: EPWP hampered by the Covid-19 pandemic INTERVENTION: None required
Assets safeguarding	3/14-0005-1	A condition assessment and a review of the remaining useful life of all assets in the department	Yes (by June annually)	Yes	3	Yes (by June annually)	Yes	3	Yes (by June annually)	

		done and a certification in this regard provided to the Head Asset Management.								
Assets safeguarding	3/14-0005-2	All moveable assets that became unusable or that were lost or stolen reported immediately in the prescribed manner to the Head: Asset Management	Yes	Yes	3	Yes	N/a	3	Yes	
Promote employment equity through continuous planning	3/16-0009	Compilation/review of Employment Equity plan completed	Yes (by end of November)	Yes	3	Yes (by end of November)	N/a	0	Yes (by end of November)	REASON: Employment Equity Plan implemented with effect from 1 July 2018 for the period 1 July 2018 to 30 June 2023 INTERVENTION: None required
Issuing of safety clothing	3/17-0007	All safety clothing issued	Yes (by end of March)	Yes	3	Yes (by end of March)	Yes	3	Yes (by end of March)	
Spending of grants	3/17-0012	% spending of grants	100% by end of June	96.7% for the year	2.9	100% by end of June	97.6% for the year	3	100% by end of June	REASON: Spending hampered by Covid-19 lockdown
Ensure that accurate revenue estimates are prepared in relation to operating requirements	3/17-0083	Projected tariff increases determined for the budget of the new financial year	Yes (annually by November)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
Ensure timeous submission of capital payment invoices and payment certificates to the finance department	3/18-0011	Due date for last capital payment invoices and payment certificates to be submitted to the Finance Department	Annually by 9 July	N/a	0	Annually by 9 July	Yes	3	Annually by 9 July	
Monitor the performance of contractors in terms of section 116(2)(b) of the MFMA	3/19-0006	Performance of contractors under supply chain contracts or agreements monitored on a monthly basis at the			0	Yes	Yes	3	Yes	

		performance assessment meetings								
Training needs of staff	3/19-0013	Training needs of staff identified and provided to HR at meetings held with all departments during November annually			0	Yes (annually by November)	Yes	3	Yes (annually by November)	

(b) Employees: Corporate Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	2	2	2	0	0.00%
07 - 09	3	3	3	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	7	7	7	0	

(c) Financial Performance: Corporate Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R6 435 629	R6 809 371	R6 917 225	R6 811 782	0.04%
2 Contracted Services	R3 497 291	R2 442 218	R3 971 911	R2 881 502	15.24%
3 Other	R4 297 270	R2 027 739	R1 883 991	R5 042 686	59.79%
TOTAL	R14 230 190	R11 279 328	R12 773 127	R14 735 970	

(d) Capital Expenditure: Corporate Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 09-0021ad Equipment Corporate	R18 000	R17 803	R16 645	-8.14%

TOTAL	R18 000	R17 803	R16 645	

3.9.3 MANAGEMENT DEVELOPMENT SERVICES

(a) Development Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
1.2 Develop ECD information guidelines in respect of childcare facilities	2/17-0042	ECD information guidelines approved	Yes (by June 2019)	No	0	Yes (by June 2020)	Yes	3	Yes (by June 2020)	
1.6 Promote the coordination of social development through partnerships: Internally: Internal Social Development Committee to identify additional action plans in each department that contributes to social development	2/17-0046-1	Agreement reached on additional action plans in each department			0	Yes (by June annually)	Yes	3	Yes (by June annually)	
1.6 Promote the coordination of social development through partnerships: Externally: Local Drug Action Committee to compile a Local Drug Action Plan that must be reviewed every two years	2/17-0046-2	Local Drug Action Plan compiled			0	Yes (by June 2020)	Yes	3		
1.7 Develop guidelines for assistance to persons with disabilities	2/17-0048	Guidelines approved			0	Yes (by June 2020)	Yes	3		
3.1 Spatially strengthen	2/17-0049	An economic mobility	Yes (by	Yes	3	By June	Yes	3		

mobility and economic links		spatial plan developed and integrated into LED and EGM (subject to availability of funds)	December 2018)			2020				
3.3 Finalise stewardship programme	2/17-0053	Registration of stewardship programme with Cape Nature on municipal land	By June 2019	No	0	Yes (by June 2020)	No	0	Yes (by June 2020)	REASON: The Stewardship Programme is subject to the finalization of the Management plans for these areas. No funds, no Service Provider INTERVENTION: No intervention necessary
3.8 Do new housing developments in terms of the Social economic Facility Policy and the Spatial Development Framework (SDF)	2/17-0059	Council approval of budget and implementation for social facilities in terms of the project approval by DHS	Annually	N/a	0	Annually	N/a	0	Annually	REASON: According to DHS no funding is available for SCF in this financial year. INTERVENTION: No intervention necessary
3.8 Secure funding for the social facilities	2/17-0060	Council approval of budget and implementation for social facilities in terms of the project approval by DHS	Annually	N/a	0	Annually	N/a	0	Annually	REASON: According to DHS no funding is available for SCF in this financial year. Written confirmation has been received that no funding is available for this financial year. INTERVENTION: No intervention required
3.9 Appoint credible housing institution to build and manage social housing	2/17-0062	Appointment finalised	By December 2018	No	0	By December 2019	N/a	0	By June 2021	REASON: Before a credible housing institution can be appointed, a social housing policy must be drafted. INTERVENTION: Target changed with the revision of the IDP in May 2020 to "By June 2021"
3.9 Obtain land use rights and secure funding for	2/17-0063-1	Funding secured	By June 2019	No	0	Yes (by June 2020)	No	3	Yes (by June 2020)	REASON: Funding for Flisp is base on funding allocations

(FLISP) housing, Gap housing and social housing										from DHS. The municipality didn't received funding for FLISP in 19/20 but applied for Flisp/GAP 36 opportunities in Darling for 20/21 financial year. INTERVENTION: The Municipality applied for Flisp/GAP 36 opportunities in Darling for 20/21 financial year.
3 Indicators Directors										
Capital expenditure in line with budget and time frames	3/09-0048	% of capital budget spent	Between 90% and 105%	48.5% for the year	2	Between 90% and 105%	61% for the year	3	Between 90% and 105%	
Capital project implementation	3/09-0049	Average % completion of capital projects	90.0% for the year	58% for the year	1.9	90.0% for the year	80.0% for the year	2.7	90.0% for the year	REASON: Construction phase stopped due to Covid regulations INTERVENTION: None required
Operating expenditure in line with budget and time frames	3/09-0050	% of operating budget spent	Between 90% and 100%	185.6% for the year	3	Between 90% and 100%	106.0% for the year	3	Between 90% and 100%	
Workforce training roll-out	3/09-0051	% of planned training sessions realised	100%	100%	3	100%	100%	3	100%	
Council decision implementation	3/09-0052	% of due council decisions initiated	100%	100%	3	100%	100% (273/273 resolutions initiated)	3	100%	
Performance and financial monitoring	3/09-0053	Number of monthly performance assessments and reconciliation of	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	

		departmental records of expenditure with finance records done								
Annual Report inputs provided by departments	3/09-0054	Departmental input to the annual report submitted by due date	Yes	Yes	3	Yes	Yes	3	Yes	
Budget inputs provided by departments	3/09-0055	Budget requests provided to financial department in accordance with the budget time schedule	Yes	Yes	3	Yes	Yes	3	Yes	
Assignments from the municipal manager completed	3/09-0056	Number of written warnings received from municipal manager	0 maximum	0	3	0 maximum	0	3	0 maximum	
Correspondence addressed in a timely manner	3/09-0057	% of all correspondence recorded by Collaborator less than 60 days old	90.0%	95.1% pm average for the year	3.2	90.0%	96.1% pm average for the year	3.2	90.0%	
Equal employment opportunity management	3/09-0058	% of employment opportunities applied for appropriate equity appointments	100%	75% (3/4 employees)	3	100%	N/a	0	100%	No employment equity opportunities
Procurement in line with legal process	3/09-0059	% compliance with SCM policy with the exception of approved deviations	100%	100%	3	100%	100% (Total Requisitions= 501)	3	100%	
Audit issues resolved	3/09-0060-1	% internal audit queries for which an action plan was submitted within 10 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0060-2	% internal actions implemented within agreed time frame	100%	100% by year end	3	100%	N/a	0	100%	
Audit issues resolved	3/09-0060-3	% of Auditor General's	100%	100%	3	100%	100%	3	100%	

		queries (comafs) for which an action plan was submitted within 5 working days								
Audit issues resolved	3/09-0060-4	% of Auditor General's actions implemented within agreed time frame	100%	100%	3	100%	100%	3	100%	
Risk identification and control implementation	3/09-0061-1	Confirmations of risk assessment done	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0061-2	% of Risk Action Plans implemented in accordance with the agreed time frame	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0061-3	Chief Risk Officer / Internal Audit informed of any newly identified risks	Yes	Yes	3	Yes	Yes	3	Yes	
Risk identification and control implementation	3/09-0061-4	Chief Risk Officer / Internal Audit informed of any changes in work procedures	Yes	Yes	3	Yes	N/a	0	Yes	
Risk identification and control implementation	3/09-0061-5	Chief Risk Officer / Internal Audit informed of any incidents where controls have failed (loss control register update)	Yes	Yes	3	Yes	Yes	3	Yes	
Invocoms held	3/09-0063	Number of invocoms held	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	11 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	
Provide for Integrated Housing projects	3/10-0024	If bulk services are not available for any one of the projects on the housing pipeline, has the	Yes (annually by October)	Yes	3	Yes (annually by October)	Yes	3	Yes (annually by October)	

		planning and budget process for the provision of bulk services commenced?								
Average duration of vacancies reduced	3/10-0035	Average duration of vacancies after decision was taken by management team to fill the post	3 months maximum	0 months at the end of Qtr 4	3	3 months maximum	N/a - No vacancies	0	3 months maximum	
Productive workforce	3/10-0036	% of person days lost per month due to sick leave	4% pm maximum	2.3% pm average for the year	3.4	4% pm maximum	0.8% pm average for the year	3.9	4% pm maximum	
EPWP monitoring	3/12-0011-1	Number of Full Time Equivalents (FTE's) for the financial year	103 for the whole organisation	146.2 for organisation; 2.2 for dept	4.3	103 for the whole organisation	111.9 for the organisation	3.3	103 for the whole organisation	
EPWP monitoring	3/12-0011-2	Number of work opportunities created during the financial year	296 for the whole organisation	334 for organisation; 17 for dept	3.4	296 for the whole organisation	223 for the organisation	3	296 for the whole organisation	REASON: EPWP hampered by the Covid-19 pandemic INTERVENTION: None required
Assets safeguarding	3/14-0004-1	A condition assessment and a review of the remaining useful life of all assets in the department done and a certification in this regard provided to the Head Asset Management.	Yes (by June annually)	Yes	3	Yes (by June annually)	Yes	3	Yes (by June annually)	
Assets safeguarding	3/14-0004-2	All moveable assets that became unusable or that were lost or stolen reported immediately in the prescribed manner to the Head: Asset Management	Yes	Yes	3	Yes	N/a	0	Yes	

Communication Strategy implementation	3/14-0018-1	All planned communication activities for the next financial year in terms of the Communication Strategy submitted to the Director Corporate Services	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Communication Strategy implementation	3/14-0018-2	Number of reports on all communication activities undertaken by the department submitted to the Director Corporate Services	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Issuing of safety clothing	3/17-0006	All safety clothing issued	Yes (by end of March)	Yes	3	Yes (by end of March)	Yes	3	Yes (by end of March)	
Spending of grants	3/17-0011	% spending of grants	100% by end of June	80.3% for the year	2.4	100% by end of June	76.0% for the year	3	100% by end of June	Reason: Spending of grant hampered by Covid-19 lockdown
Ensure that accurate revenue estimates are prepared in relation to operating requirements	3/17-0082	Projected tariff increases determined for the budget of the new financial year	Yes (annually by November)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
Ensure timeous submission of capital payment invoices and payment certificates to the finance department	3/18-0012	Due date for last capital payment invoices and payment certificates to be submitted to the Finance Department	Annually by 9 July	N/a	0	Annually by 9 July	Yes	3	Annually by 9 July	
Monitor the performance of contractors in terms of section 116(2)(b) of the MFMA	3/19-0005	Performance of contractors under supply chain contracts or agreements monitored on a monthly basis at the performance assessment meetings			0	Yes	Yes	3	Yes	
Training needs of staff	3/19-0012	Training needs of staff identified and provided to			0	Yes (annually)	Yes	3	Yes (annually)	

		HR at meetings held with all departments during November annually				by November)			by November)	

(b) Employees: Development Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	2	2	2	0	

(c) Financial Performance: Development Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 304 625	R1 939 855	R1 954 597	R1 790 660	-8.33%
2 Contracted Services	R746	R1 590	R1 590	R0	0.00%
3 Other	R128 967	R164 557	R164 669	R118 939	-38.35%
TOTAL	R1 434 338	R2 106 002	R2 120 856	R1 909 599	

(d) Capital Expenditure: Development Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 11-0097 Equipment Development Services	R36 000	R38 390	R37 814	4.80%
TOTAL	R36 000	R38 390	R37 814	

3.9.4 MANAGEMENT ELECTRICAL ENGINEERING SERVICES

(a) Electrical Engineering Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Improved access to electricity	1/14-0024	% of urban households with access to electricity	100%	100%	3	100%	100%	3	100%	
2 Indicators from IDP										
5.5 Review and maintain master plans	2/17-0025	Master plans reviewed and maintained	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
5.6 Inform budgetary processes of funding requirement for maintenance, renewal, upgrading, extension and refurbishment of electrical infrastructure	2/17-0028	Budget and motivation submitted to budget office (minimum 6% of annual electricity revenue allocation is a Nersa license condition)	Yes (by end of November annually)	Yes	3	Yes (by end of November annually)	Yes	3	Yes (by end of November annually)	
5.7 Provide competitive tariffs for industrial consumers in support of economic growth	2/17-0029	Approval of tariffs by Nersa	Annually before end of June	Yes	3	Annually before end of June	Yes	3	Annually before end of June	
5.7 Maintain energy losses at an acceptable level	2/17-0064	% total energy losses (technical + non-technical)	Maintain the annual average below 8%	5.64% for rolling 12 months	3.6	Maintain the annual average below 8%	6.01% for rolling 12 months	4	Maintain the annual average below 8%	
3 Indicators Directors										
Capital expenditure in line with budget and time	3/09-0064	% of capital budget spent	Between 90% and	99.2% for the year	3	Between 90% and	89.7% for the	3	Between 90% and	Reason: Expenditure target not achieved due to lockdown

frames			105%			105%	year		105%	period
Capital project implementation	3/09-0065	Average % completion of capital projects	90.0% for the year	100% for the year	3.3	90.0% for the year	96.4% for the year	3	90.0% for the year	
Operating expenditure in line with budget and time frames	3/09-0066	% of operating budget spent	Between 90% and 100%	99.6% for the year	3	Between 90% and 100%	100.2% for the year	3	Between 90% and 100%	
Workforce training roll-out	3/09-0067	% of planned training sessions according to the Workplace Skills Plan realised	100%	100%	3	100%	100%	3	100%	
Council decision implementation	3/09-0068	% of due council decisions initiated	100%	100%	3	100%	100%	3	100%	
Performance and financial monitoring	3/09-0069	Number of monthly performance assessments and reconciliation of departmental records of expenditure with finance records done	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Annual Report inputs provided by departments	3/09-0070	Departmental input to the annual report submitted by due date	Yes	Yes	3	Yes	Yes	3	Yes	
Budget inputs provided by departments	3/09-0071	Budget requests provided to financial department in accordance with the budget time schedule	Yes	Yes	3	Yes	Yes	3	Yes	
Assignments from the municipal manager completed	3/09-0072	Number of written warnings received from municipal manager	0 maximum	0	3	0 maximum	0	3	0 maximum	
Correspondence addressed in a timely manner	3/09-0073	% of all correspondence recorded by Collaborator less than 60 days old	90.0%	93.5% pm average for the year	3.1	90.0%	94.9% pm average for the year	3.2	90.0%	
Equal employment	3/09-0074	% of employment	100%	100%	3	100%	N/a	0	100%	

opportunity management		opportunities applied for appropriate equity appointments								
Procurement in line with legal process	3/09-0075	% compliance with SCM policy with the exception of approved deviations	100%	100%	3	100%	100% (Total Requisitions= 773)	3	100%	
Audit issues resolved	3/09-0076-1	% internal audit queries for which an action plan was submitted within 10 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0076-2	% internal actions implemented within agreed time frame	100%	100% by year end	3	100%	N/a	0	100%	
Audit issues resolved	3/09-0076-3	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0076-4	% of Auditor General's actions implemented within agreed time frame	100%	100% at the end of qtr 4	3	100%	100% at the end of qtr 4	3	100%	
Risk identification and control implementation	3/09-0077-1	Confirmation of risk assessment done	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0077-2	% of Risk Action Plans implemented in accordance with the agreed time frame	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0077-3	Chief Risk Officer / Internal Audit informed of any newly identified risks	Yes	Yes	3	Yes	Yes	3	Yes	

Risk identification and control implementation	3/09-0077-4	Chief Risk Officer / Internal Audit informed of any changes in work procedures	Yes	Yes	3	Yes	N/a	0	Yes	
Risk identification and control implementation	3/09-0077-5	Chief Risk Officer / Internal Audit informed of any incidents where controls have failed (loss control register update)	Yes	Yes	3	Yes	Yes	3	Yes	
Invocoms held	3/09-0079	Number of invocoms held	3 pq for 3 qtrs and 2 pq for 1 qtr	11 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	9 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	REASON: Lockdown period INTERVENTION: No interventions required
Average duration of vacancies reduced	3/10-0029	Average duration of vacancies after decision was taken by management team to fill the post	3 months maximum	0 months at the end of Qtr 4	3	3 months maximum	3 months by the end of Qtr 4	3	3 months maximum	
Productive workforce	3/10-0030	% of person days lost per month due to sick leave	4% pm maximum	2.4% pm average for the year	3.4	4% pm maximum	2.6% pm average for the year	3.3	4% pm maximum	
EPWP monitoring	3/12-0009-1	Number of Full Time Equivalents (FTE's) for the financial year	103 for the whole organisation	146.2 for organisation; 5.8 for dept	4.3	103 for the whole organisation	111.9 for the organisation	3.3	103 for the whole organisation	
EPWP monitoring	3/12-0009-2	Number of work opportunities created during the financial year	296 for the whole organisation	334 for organisation; 12 for dept	3.4	296 for the whole organisation	223 for the organisation	3	296 for the whole organisation	REASON: EPWP hampered by the Covid-19 pandemic INTERVENTION: None required
Assets safeguarding	3/14-0002-1	A condition assessment and a review of the remaining useful life of all assets in the department done and a certification in	Yes (by June annually)	Yes	3	Yes (by June annually)	Yes	3	Yes (by June annually)	

		this regard provided to the Head Asset Management.								
Assets safeguarding	3/14-0002-2	All moveable assets that became unusable or that were lost or stolen reported immediately in the prescribed manner to the Head: Asset Management	Yes	N/a	0	Yes	N/a	0	Yes	
Communication Strategy implementation	3/14-0016-1	All planned communication activities for the next financial year in terms of the Communication Strategy submitted to the Director Corporate Services	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Communication Strategy implementation	3/14-0016-2	Number of reports on all communication activities undertaken by the department submitted to the Director Corporate Services	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Issuing of safety clothing	3/17-0004	All safety clothing issued	Yes (by end of March)	Yes	3	Yes (by end of March)	Yes	3	Yes (by end of March)	
Spending of grants	3/17-0009	% spending of grants	100% by end of June	100% for the year	3	100% by end of June	100% for the year	3	100% by end of June	
Ensure that accurate revenue estimates are prepared in relation to operating requirements	3/17-0080	Projected tariff increases determined for the budget of the new financial year	Yes (annually by November)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
Ensure timeous submission of capital payment invoices and payment certificates to	3/18-0009	Due date for last capital payment invoices and payment certificates to be	Annually by 9 July	N/a	0	Annually by 9 July	Yes	3	Annually by 9 July	

the finance department		submitted to the Finance Department								
Monitor the performance of contractors in terms of section 116(2)(b) of the MFMA	3/19-0003	Performance of contractors under supply chain contracts or agreements monitored on a monthly basis at the performance assessment meetings			0	Yes	Yes	3	Yes	
Training needs of staff	3/19-0010	Training needs of staff identified and provided to HR at meetings held with all departments during November annually			0	Yes (annually by November)	Yes	3	Yes (annually by November)	

(b) Employees: Electrical Engineering Services

The employees of the Electrical Engineering Services Department are incorporated under paragraph 3.2.3(e) Employees: Electricity Distribution.

(c) Financial Performance: Electrical Engineering Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 489 651	R1 569 965	R1 569 965	R1 582 053	0.76%
2 Contracted Services	R0	R0	R0	R0	0.00%
3 Other	R94 246	R78 455	R90 855	R65 346	-20.06%
TOTAL	R1 583 897	R1 648 420	R1 660 820	R1 647 399	

(d) Capital Expenditure: Electrical Engineering Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 11-0096 Equipment Electricity	R345 000	338727.0000	R333 898	-3.32%

3.9.5 MANAGEMENT FINANCIAL SERVICES

(a) Financial Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
General KPI: Ensure general financial viability	1/09-0096-1	% outstanding service debtors to revenue = B/C Where - B - represents total outstanding service debtors C - represents annual revenue actually received for services	Norm = 20%	15.43%	3	Norm = 20%	8.1%	5	Norm = 20%	
General KPI: Ensure general financial viability	1/09-0096-2	Cost coverage = (B+C) / D Where - B - represents all available cash at a particular time C - represents investments D - represents monthly fixed operating expenditure	Norm = 1-3 months	7 Months	3	Norm = 1-3 months	9 Months	5	Norm = 1-3 months	
General KPI: Ensure general financial viability	1/09-0096-3	% debt coverage = (B-C) / D Where - B - represents total operating revenue received C - represents operating grants D - represents debt service payments (i.e. interest + redemption) due within financial year	Norm = 45%	20.38%	3	Norm = 45%	17.45%	5	Norm = 45%	

General KPI: Households earning less than 4 X old age pension (R5 400) subsidy per month with access to free basic services	1/14-0025	% of indigent households with access to free basic services	100%	100%	3	100%	100%	3	100%	
2 Indicators from IDP										
4.7 Review the Long Term Financial Plan	2/17-0013	Review completed	Annually by March	Yes	3	Annually by March	Yes	3	Annually by March	
4.7 Review budget related policies in line with the LTFP	2/17-0014	Review completed	Annually by February	Yes	3	Annually by February	Yes	3	Annually by February	
3 Indicators Directors										
Capital expenditure in line with budget and time frames	3/09-0080	% of capital budget spent	Between 90% and 105%	1050.6% for the year	3	Between 90% and 105%	100% for the year (excluding year-end transactions)	3	Between 90% and 105%	
Capital project implementation	3/09-0081	Average % completion of capital projects	90% for the year	100% for the year	3.3	90% for the year	100%	3.3	90% for the year	
Operating expenditure in line with budget and time frames	3/09-0082	% of operating budget spent	Between 90% and 100%	76.5% for the year	2.6	Between 90% and 100%	97.3% for the year	3	Between 90% and 100%	
Workforce training roll-out	3/09-0083	% of planned training sessions according to the Workplace Skills Plan realised	100%	100%	3	100%	100%	3	100%	
Council decision implementation	3/09-0084	% of due council decisions initiated	100%	99.5 pm average for the year	3	100%	100%	3	100%	
Performance and financial monitoring	3/09-0085	Number of monthly performance assessments	3 pq for 3 qtrs and 2	12 for the year	3	3 pq for 3 qtrs and 2	12 for the year	3	3 pq for 3 qtrs and 2	

		and reconciliation of departmental records of expenditure with finance records done	pq for 1 qtr			pq for 1 qtr			pq for 1 qtr	
Annual Report inputs provided by departments	3/09-0086	Departmental input to the annual report submitted by due date	Yes	Yes	3	Yes	Yes	3	Yes	
Budget inputs provided by departments	3/09-0087	Budget requests provided to financial department in accordance with the budget time schedule	Yes	Yes	3	Yes	Yes	3	Yes	
Assignments from the municipal manager completed	3/09-0088	Number of written warnings received from municipal manager	0 maximum	0	3	0 maximum	0	3	0 maximum	
Correspondence addressed in a timely manner	3/09-0089	% of all correspondence recorded by Collaborator less than 60 days old	90.0%	97.3 average for the year	3.2	90.0%	96% average for the year	3.2	90.0%	
Equal employment opportunity management	3/09-0090	% of employment opportunities applied for appropriate equity appointments	100.0%	100.0%	3	100.0%	16.7% (1/6 employees) for the year	3	100.0%	REASON: There were no other candidates from the designated groups who met the requirements for appointment. INTERVENTION: Director will comply with EE targets wherever possible
Procurement in line with legal process	3/09-0091	% compliance with SCM policy with the exception of approved deviations	100%	100%	3	100%	100% (Total Requisitions= 737)	3	100%	
Audit issues resolved	3/09-0092-1	% internal audit queries for which an action plan was submitted within 10 working days	100.0%	100%	3	100.0%	87.5% pm average for the year	2.6	100.0%	REASON: Awaiting management response INTERVENTION: IA will follow up

Audit issues resolved	3/09-0092-2	% internal actions implemented within agreed time frame	100%	100% by year end	3	100%	85.3% pm average for the year	2.6	100%	REASON QTR 2: SOP for refunds to be documented for officials to be aware of their responsibilities. Duplicate refund to De Vries not fully recovered. INTERVENTION QTR 2: SOP's for refunds at Debtors and Creditors to be finalised before 28 February 2020 and duplicate refund to be recovered. REASON QTR 3: Duplicate refund to De Vries not yet fully recovered. Partially payment received in November 2019. No further payments were received and reminders have been forwarded to De Vries on 7 and 27 Jan'20 as well as 13 Feb'20. INTERVENTION QTR 3: Should outstanding amount not be recovered by the end of May, it should either be recovered from the official responsible or submitted to Council to be written off.
Audit issues resolved	3/09-0092-3	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0092-4	% of Auditor General's findings implemented within agreed time frame	100%	100%	3	100%	92% by the end of Qtr 4	3	100%	REASON: 1. The indigent household inspections could not continue due to the national lockdown. 2. The documentation of the

										reasons for late payments of Creditors could not be finalised due to the inaccuracy of information in the exception report. INTERVENTION: 1. The indigent households inspections to continue after the lockdown. 2. The documentation of the reasons for late payments of Creditors are available on each record..
Risk identification and control implementation	3/09-0093-1	Confirmation of risk assessment done	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Qtr 2 Yes; Qtr 4 Yes	1.5	Yes (bi-annually by November and May)	REASON QTR 2: By November only 20% of operational risk assessments were performed due to AG audit still in process, namely Credit Control & Debt Collection, Budget & costing and Financial System Administration. The percentage however went up to 40% by December. INTERVENTION QTR 2: Risk assessments to be performed for the SCM, Expenditure, Income, Financial Statements and Asset & Fleet Management before 15 February 2020.
Risk identification and control implementation	3/09-0093-2	% of Risk Action Plans implemented in accordance with the agreed time frame	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Qtr 2 No; Qtr 4 Yes	1.5	Yes (bi-annually by November and May)	REASON QTR 2: Risk Assessments to be performed to identify areas of improvement. Action plans have been documented for Credit Control, Budget and Financial System Administration INTERVENTION QTR 2: Outstanding risk action plan for

										Financial System Administration to be performed before 15 February 2020. Action plan due dates to be determined.
Risk identification and control implementation	3/09-0093-3	Chief Risk Officer / Internal Audit informed of any newly identified risks	Yes	Yes	3	Yes	Yes	3	Yes	
Risk identification and control implementation	3/09-0093-4	Chief Risk Officer / Internal Audit informed of any changes in work procedures	Yes	Yes	3	Yes	N/a	0	Yes	
Risk identification and control implementation	3/09-0093-5	Chief Risk Officer / Internal Audit informed of any incidents where controls have failed (loss control register update)	Yes	Yes	3	Yes	Yes	3	Yes	
Invocoms held	3/09-0095	Number of invocoms held	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	11 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	No invocom due to lockdown.
Average duration of vacancies reduced	3/10-0027	Average duration of vacancies after decision was taken by management team to fill the post	3 months maximum	4.5 months at the end of Qtr 4	3	3 months maximum	20 months at the end of Qtr 4	3	3 months maximum	REASON: Management noted that there is no immediate need to fill the vacancy of Executive Secretary: Financial Services. INTERVENTION: No intervention required
Productive workforce	3/10-0028	% of person days lost per month due to sick leave	4% pm maximum	2.6% pm average for the year	3.3	4% pm maximum	2.5% pm average for the year	3.3	4% pm maximum	
Asset safeguarding	3/13-0004-1	A condition assessment and a review of the remaining useful life of all assets in the department	Yes (by June annually)	Yes	3	Yes (by June annually)	Yes	3	Yes (by June annually)	

		done and a certification in this regard provided to the Head Asset Management.								
Asset safeguarding	3/13-0004-2	All moveable assets that became unusable or that were lost or stolen reported immediately in the prescribed manner to the Head: Asset Management	Yes	N/a	0	Yes	Yes	3	Yes	
Communication Strategy implementation	3/14-0015-1	All planned communication activities for the next financial year in terms of the Communication Strategy submitted to the Director Corporate Services	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Communication Strategy implementation	3/14-0015-2	Number of reports on all communication activities undertaken by the department submitted to the Director Corporate Services	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Issuing of safety clothing	3/17-0001	All safety clothing issued	Yes (by end of March)	Yes	3	Yes (by end of March)	Yes	3	Yes (by end of March)	
Spending of grants	3/17-0002	% spending of grants	100% by end of June	100% for the year	3	100% by end of June	100% for the year	3	100% by end of June	
Ensure that accurate revenue estimates are prepared in relation to operating requirements	3/17-0079	Projected tariff increases determined for the budget of the new financial year	Yes (annually by November)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
Ensure timeous submission of capital payment invoices and payment certificates to	3/18-0008	Due date for last capital payment invoices and payment certificates to	Annually by 9 July	N/a	0	Annually by 9 July	Yes	3	Annually by 9 July	

the finance department		be submitted to the Finance Department								
Ensure that the development of the financial system (Promun), especially the fixed assets module, complies with mSCOA requirements by the continuous influencing of R-Data.	3/18-0014	Report submitted to management team	Yes (by March 2019)	Yes	3	Yes (by March 2020)	Yes	3	Yes (by March 2021)	
Monitor the performance of contractors in terms of section 116(2)(b) of the MFMA	3/19-0002	Performance of contractors under supply chain contracts or agreements monitored on a monthly basis at the performance assessment meetings			0	Yes	Yes	3	Yes	
Training needs of staff	3/19-0009	Training needs of staff identified and provided to HR at meetings held with all departments during November annually			0	Yes (annually by November)	Yes	3	Yes (annually by November)	

(b) Employees: Financial Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	0	1	1	100.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	2	1	2	1	

Other employees of Financial Services are incorporated under the separate Financial Services functions.

(c) Financial Performance: Financial Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R22 970 745	R24 202 069	R22 043 388	R20 241 912	-19.56%
2 Contracted Services	R2 510 101	R3 774 014	R1 572 996	R1 467 605	-157.15%
3 Other	R7 352 753	R10 631 508	R10 946 064	R9 172 625	-15.90%
TOTAL	R32 833 599	R38 607 591	R34 562 448	R30 882 142	

(d) Capital Expenditure: Financial Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 09-0021af Equipment Finance	R62 934	R63 041	R63 041	0.17%
19/20 18-0074 Year-end transaction: Equipment Insurance	R0	R0	R116 935	100.00%
19/20 18-0073 Year-end transaction: Deeds	R0	R0	R10 292 085	100.00%
TOTAL	R62 934	R63 041	R10 472 061	

(e) Debt Recovery

Details	Previous Year Actual Billed	Previous Year Percentage	Billed In Year	Actual Billed	Percentage	Estimate Billed In Year	Estimate Actual Billed	Estimate Percentage
Electricity	R0	0.00%	R0	R0	0.00%	R0	R0	0.00%
Other	R0	0.00%	R0	R0	0.00%	R0	R0	0.00%
Property Rates	R0	0.00%	R0	R0	0.00%	R0	R0	0.00%
Refuse	R0	0.00%	R0	R0	0.00%	R0	R0	0.00%
Sanitation	R0	0.00%	R0	R0	0.00%	R0	R0	0.00%
Water	R0	0.00%	R0	R0	0.00%	R0	R0	0.00%

3.9.6 MANAGEMENT OFFICE OF THE MUNICIPAL MANAGER

(a) Office of the Municipal Manager performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
General KPI: % of capital budget spent on IDP projects	1/14-0029	% of capital budget spent	Between 90% and 105%	90.4% for the year	3	Between 90% and 105%	85.9% for the year	3	Between 90% and 105%	Reason: Expenditure target not achieved due to lockdown period
2 Indicators from IDP										
4.6 Compile a Handover procedure to newly appointed Manager, Internal Audit	2/17-0066	Complete handover procedure	By March 2019	No	0	By March 2020	No	0	By March 2020	REASON: The employment of the Manager, Internal Audit has been extended to 31 May 2021 INTERVENTION: The handover procedures to be finalised before the end of the second quarter of 2020/21. Amended IDP to reflect this change.
4.6 Maintain an effective independent Performance, Risk and Financial Audit Committee as per legislation (Appoint for three years, but can extend for six years)	2/17-0068	Appointment of new members for the PRF Committee over a period of three years for continuity	Annually by June	Yes	3	Annually by June	Yes	3	Annually by June	
4.4 Compile, implement and monitor communication plans for individual ward councillors to enhance public participation	2/19-0008	Councillors' performance monitored by the Executive Mayor as part of the PMS for councillors.			0	Quarterly	N/a	0		REASON: KPI not implementable INTERVENTION: This KPI and target have been deleted with the May 2020 amendment of the IDP
3 Indicators Directors										

Sound management	3/09-0003	Number of monthly management meetings held	At least 10 p.a.	11 for the year	3	At least 10 p.a.	9 for the year	3	At least 10 p.a.	REASON: Covid-19 lockdown INTERVENTION: None required
Legally compliant procurement	3/09-0004	Number of appeals against the municipality regarding the awarding of tenders that were upheld	0 maximum	0	3	0 maximum	0	3	0 maximum	
Performance and financial monitoring	3/09-0005	Number of monthly performance and financial assessments done	3 pq for 2 qrts and 2 pq for 1 qrt	12 for the year	3	3 pq for 2 qrts and 2 pq for 1 qrt	12 for the year	3	3 pq for 2 qrts and 2 pq for 1 qrt	
Annual report compilation and approval	3/09-0006-1	Annual Report as required by MFMA (121) tabled	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Annual report compilation and approval	3/09-0006-2	Annual Report as required by MFMA (121) approved	Yes (annually by end of March)	Yes	3	Yes (annually by end of March)	Yes	3	Yes (annually by end of March)	
Council decision implementation	3/09-0007	% of due council decisions initiated	100%	100%	3	100%	97% pm average for the year	2.9	100%	REASON: 3/192 resolutions not initiated/implemented INTERVENTION: Municipal Manager followed up
Monitoring the IDP/Budget process	3/09-0008	Number of months that the IDP / Budget process schedule were checked	At least 10 p.a.	12 for the year	3.6	At least 10 p.a.	9 for the year	3	At least 10 p.a.	REASON: Covid-19 lockdown INTERVENTION: None required
Functional macrostructure maintained	3/09-0009	Annual review of the macro structure completed	Yes (before end of June)	Yes	3	Yes (before end of June)	Yes	3	Yes (before end of June)	
MFMA Section 131(1): Ensure that any issues raised by the Auditor-General in an audit report are addressed	3/10-0040	% of issues raised by the Auditor-General in an audit report addressed	100%	100%	3	100%	85.0%	3	100%	REASON: The Wastegro contract is a Public-Private partnership agreement and therefore a public participation process must be

										followed before the amendments can finally be ratified by the Council. The five yearly quality review of the Internal Audit unit and the indigent household inspections could not continue due to the national lockdown. The documentation of the reasons for late payments of Creditors could not be finalised due to the inaccuracy of information in the exception report. INTERVENTION: The public participation process must be completed and the contract submitted to council for final ratification. The five yearly quality review and indigent households inspections to continue after the lockdown. The documentation of the reasons for late payments of Creditors must be finalised before the commence of the AG audit in August 2020.
Training needs of staff	3/19-0015	Training needs of staff identified and provided to HR at meetings held with all departments during November annually			0	Yes (annually by Nov)	Yes	3	Yes (annually by Nov)	

(b) Employees: Office of the Municipal Manager

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	2	2	2	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	4	4	4	0	

(c) Financial Performance: Office of the Municipal Manager

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R4 719 721	R2 922 290	R2 947 493	R3 202 337	8.75%
2 Contracted Services	R120 000	R1 590	R12 340	R9 565	83.38%
3 Other	R248 018	R115 121	R112 371	R73 025	-57.65%
TOTAL	R5 087 739	R3 039 001	R3 072 204	R3 284 927	

(d) Capital Expenditure: Office of the Municipal Manager

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
TOTAL				

3.9.7 MANAGEMENT PROTECTION SERVICES

(a) Protection Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
1.8 Effective traffic and law enforcement execution by using an Automated Number Plate Recognition (ANPR) Bus	2/17-0030	Report on progress submitted to the portfolio committee	Yes (monthly - 10 per annum)	Yes (11 for the year)	3	Yes (monthly - 10 per annum)	Yes (9 for the year)	3	Yes (monthly - 10 per annum)	REASON: No reports during Qtr 4 because of lockdown INTERVENTION: No interventions required
1.9 Effective safety partnerships in terms of the Integrated Safety Strategy through an MOU with all role-players, especially SAPS	2/17-0031	Report on progress submitted to the Mayoral Committee	Yes (annually by June)	Yes	3	Yes (annually by June)	No	3	Yes (annually by June)	REASON: Covid-19 lockdown and restrictions. INTERVENTION: Will be submitted in August.
1.10 Effective operation and monitoring by Traffic and Law Enforcement Division	2/17-0032	Report on progress submitted to the Portfolio Committee	Yes (monthly - 10 per annum)	Yes (10 for the year)	3	Yes (monthly - 10 per annum)	Yes (9 for the year)	3	Yes (monthly - 10 per annum)	REASON: No reports during Qtr 4 because of lockdown INTERVENTION: No interventions required
1.11 An effective operational Protection Service	2/18-0001-1	Secure budget to expand the current firefighting and emergency resources	Yes (annually by November)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
1.13 An effective Swartland Community Safety Forum	2/18-0003	Report on progress submitted to the Portfolio Committee	Yes (Bi-annually)	Yes	3	Yes (Bi-annually)	Yes	3	Yes (Bi-annually)	
1.13 Facilitate the establishment of four neighbourhood watches (one per CPF)	2/18-0005	Neighbourhood watches accredited, registered and trained	Yes (4 by June 2019)	Yes (4 for the year)	3	Yes (4 by June 2020)	No (1 for the year)	3	N/a	REASON: Due to the Lock down -Covid-19, NHW could not be supported and established. INTERVENTION: No intervention needed.

3 Indicators Directors										
Capital expenditure in line with budget and time frames	3/09-0100	% of capital budget spent	Between 90% and 105%	101.3% for the year	3	Between 90% and 105%	70.8% for the year (excluding year-end transactions)	3	Between 90% and 105%	Reason: Expenditure target not achieved due to lockdown
Capital project implementation	3/09-0101	Average % completion of capital projects	90.0% for the year	97.0% for the year	3.2	90.0% for the year	90.0% for the year	3	90.0% for the year	
Operating expenditure in line with budget and time frames	3/09-0102	% of operating budget spent	Between 90% and 100%	97.6% for the year	3	Between 90% and 100%	87.7% for the year	2.9	Between 90% and 100%	
Workforce training roll-out	3/09-0103	% of planned training sessions according to the Workplace Skills Plan realised	100%	100%	3	100%	100%	3	100%	
Council decision implementation	3/09-0104	% of due council decisions initiated	100%	100%	3	100%	98.6% (108/110 resolutions initiated)	3	100%	Covid-19 lockdown and restrictions
Performance and financial monitoring	3/09-0105	Number of monthly performance assessments and reconciliation of departmental records of expenditure with finance records done	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	12 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	
Annual Report inputs provided by departments	3/09-0106	Departmental input to the annual report submitted	Yes	Yes	3	Yes	Yes	3	Yes	

		by due date								
Budget inputs provided by departments	3/09-0107	Budget requests provided to financial department in accordance with the budget time schedule	Yes	Yes	3	Yes	Yes	3	Yes	
Assignments from the municipal manager completed	3/09-0108	Number of written warnings received from municipal manager	0 maximum	0	3	0 maximum	0	3	0 maximum	
Correspondence addressed in a timely manner	3/09-0109	% of all correspondence recorded by Collaborator less than 60 days old	90.0%	95.8 pm average for the year	3.2	90.0%	96.1% pm average for the year	3.2	90.0%	
Equal employment opportunity management	3/09-0110	% of employment opportunities applied for appropriate equity appointments	100%	100%	3	100%	33.3% (3/9 employees) for the year	3	100%	REASON: There were no other candidates from the designated groups who met the requirements for appointment. INTERVENTION: Director will comply with EE targets wherever possible.
Procurement in line with legal process	3/09-0111	% compliance with SCM policy with the exception of approved deviations	100%	100%	3	100%	100% (Total Requisitions= 368)	3	100%	
Audit issues resolved	3/09-0112-1	% internal audit queries for which an action plan was submitted within 10 working days	100%	100%	3	100%	100%	3	100%	
Audit issues resolved	3/09-0112-2	% internal actions implemented within agreed time frame	100%	100% by year end	3	100%	N/a	0	100%	
Audit issues resolved	3/09-0112-3	% of Auditor General's queries (comafs) for which an action plan was	100%	100%	3	100%	100%	3	100%	

		submitted within 5 working days								
Audit issues resolved	3/09-0112-4	% of Auditor General's actions implemented within agreed time frame	100%	100%	3	100%	100%	3	100%	
Risk identification and control implementation	3/09-0113-1	Confirmations of risk assessment done	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0113-2	% of Risk Action Plans implemented in accordance with the agreed time frame	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Risk identification and control implementation	3/09-0113-3	Chief Risk Officer / Internal Audit informed of any newly identified risks	Yes	Yes	3	Yes	Yes	3	Yes	
Risk identification and control implementation	3/09-0113-4	Chief Risk Officer / Internal Audit informed of any changes in work procedures	Yes	Yes	3	Yes	Yes	3	Yes	
Risk identification and control implementation	3/09-0113-5	Chief Risk Officer / Internal Audit informed of any incidents where controls have failed (loss control register update)	Yes	Yes	3	Yes	Yes	3	Yes	
Invocoms held	3/09-0115	Number of invocoms held	3 pq for 3 qtrs and 2 pq for 1 qtr	11 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	8 for the year	3	3 pq for 3 qtrs and 2 pq for 1 qtr	REASON: Invocoms could not be held due to COVID-19 Lockdown INTERVENTION: No intervention required
Average duration of vacancies reduced	3/10-0032	Average duration of vacancies after decision was taken by management team to fill	3 months maximum	2.8 months at end of quarter 4	3	3 months maximum	N/a (No vacancies at the end	0	3 months maximum	

		the post					of qtr 4)			
Productive workforce	3/10-0033	% of person days lost per month due to sick leave	4% pm maximum	3.8% pm average for the year	3	4% pm maximum	2.6% pm average for the year	3.3	4% pm maximum	
EPWP monitoring	3/12-0010-1	Number of Full Time Equivalents (FTE's) for the financial year	103 for the whole organisation	146.2 for organisation ; 24.2 for dept	4.3	103 for the whole organisation	111.9 for organisation; 0.67 for dept	3.3	103 for the whole organisation	
EPWP monitoring	3/12-0010-2	Number of work opportunities created during the financial year	296 for the whole organisation	334 for organisation ; 27 for dept	3.4	296 for the whole organisation	223 for organisation	3	296 for the whole organisation	REASON: EPWP hampered by the Covid-19 pandemic INTERVENTION: None required
Assets safeguarding	3/14-0003-1	A condition assessment and a review of the remaining useful life of all assets in the department done and a certification in this regard provided to the Head Asset Management	Yes (by June annually)	Yes	3	Yes (by June annually)	Yes	3	Yes (by June annually)	
Assets safeguarding	3/14-0003-2	All moveable assets that became unusable or that were lost or stolen reported immediately in the prescribed manner to the Head: Asset Management	Yes	Yes	3	Yes	Yes	3	Yes	
Communication Strategy implementation	3/14-0017-1	All planned communication activities for the next financial year in terms of the	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	

		Communication Strategy submitted to the Director Corporate Services								
Communication Strategy implementation	3/14-0017-2	Number of reports on all communication activities undertaken by the department submitted to the Director Corporate Services	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Effective monitoring of informal settlements	3/16-0004-1	Report to Portfolio Committee on any new informal dwellings / structures erected	Yes - monthly	Yes	3	Yes - monthly	Yes	3	Yes - monthly	
Issuing of safety clothing	3/17-0005	All safety clothing issued	Yes (by end of March)	Yes	3	Yes (by end of March)	Yes	3	Yes (by end of March)	
Spending of grants	3/17-0010	% spending of grants	100% by end of June	0.3% for the year	1	100% by end of June	68.7% for the year	3	100% by end of June	REASON: Spending of grant hampered by Covid-19 lockdown
Ensure that accurate revenue estimates are prepared in relation to operating requirements	3/17-0081	Projected tariff increases determined for the budget of the new financial year	Yes (annually by November)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
Ensure timeous submission of capital payment invoices and payment certificates to the finance department	3/18-0010	Due date for last capital payment invoices and payment certificates to be submitted to the Finance Department	Annually by 9 July	N/a	0	Annually by 9 July	Yes	3	Annually by 9 July	
Monitor the performance of contractors in terms of section 116(2)(b) of the MFMA	3/19-0004	Performance of contractors under supply chain contracts or agreements monitored on a monthly basis at the performance assessment meetings			0	Yes	Yes	3	Yes	
Training needs of staff	3/19-0011	Training needs of staff			0	Yes	Yes	3	Yes	

		identified and provided to HR at meetings held with all departments during November annually				(annually by November)			(annually by November)	

(b) Employees: Protection Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	2	2	2	0	

(c) Financial Performance: Protection Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 793 837	R2 052 538	R2 077 741	R1 945 787	-5.49%
2 Contracted Services	R25 924	R39 413	R39 413	R24 794	-58.96%
3 Other	R82 172	R113 352	R125 352	R82 416	-37.54%
TOTAL	R1 901 933	R2 205 303	R2 242 506	R2 052 997	

(d) Capital Expenditure: Protection Services

ProjectName	OriginalBudget	AdjustmentBudget	Actual	OriginalBudgetVariance
19/20 10-0138 Equipment Protection	R94 000	R160 000	R126 043	25.42%

3.10. OTHER SERVICES

3.10.1 ASSET AND FLEET MANAGEMENT

(a) Asset and Fleet Management performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Continuously report on and monitor insurance claims and general control accounts	4/09-0259-1	Number of reports on claims: New claims, outstanding claims, completed / rejected claims	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Continuously report on and monitor insurance claims and general control accounts	4/09-0259-2	Accident committee meeting held to determine accountability and recovering of access payments	Yes	Yes	3	Yes	Yes	3	Yes	
Ensure the effective management of assets	4/09-0266-1	Asset verification process completed	Yes (annually by end of November)	Yes	3	Yes (annually by end of March)	N/a	0	Yes (annually by end of November)	Asset verification can only be completed once the Lockdown restriction has been lifted
Properly manage vehicle expenditure	4/13-0002-1	Number of monthly meetings held with each director	2 pq for 1 qtrs and 3 pq for 3 qtrs	12 for the year	3	2 pq for 2 qtrs and 3 pq for 2 qtrs	7 for the year	3	2 pq for 2 qtrs and 3 pq for 2 qtrs	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Continuously report on and monitor asset and fleet management	4/17-0013	Number of asset and fleet management meetings held	1 per quarter	4 for the year	3	1 per quarter	3 for the year	3	1 per quarter	Covid-19 lockdown and restrictions
Compile vehicle budget	4/17-0014-1	Directors assisted with identification of vehicles to be replaced	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	
Compile vehicle budget	4/17-0014-2	First draft budgets	Yes	Yes	3	Yes	Yes	3	Yes	

		completed and submitted to CFO	(annually by end of October)			(annually by end of October)			(annually by end of October)	
Ensure up to date policies	4/17-0015	Asset management policy and vehicle management policy reviewed	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Update risk assessment	4/17-0017	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Ensure effective management of assets	4/17-0018-1	Capture all new assets / disposals monthly on the financial system	12 for the year	10 for the year	2.5	12 for the year	10 for the year	2.5	12 for the year	July and September 2019: Could not capture before year end was finalised on live system.
Ensure effective management of assets	4/17-0018-2	List of assets proposed for disposal submitted to MAYCO for approval	Yes (annually by end of November or February)	Yes	3	Yes (annually by end of November)	Yes	3	Yes (annually by end of November)	
Ensure effective management of assets	4/17-0018-3	Auction process of assets overseen (e.g. that only assets approved by the MAYCO for disposal are submitted for the auction and that all the papers of the assets are in order)	Yes (annually by end of November)	Yes	3	Yes (annually by end of November)	Yes	3	Yes (annually by end of November)	
Ensure effective management of assets	4/17-0018-4	Year end process: Asset register on financial system updated (impairments, residuals, review of useful life, depreciation, disposals, unbundling, new assets and condition assessment)	Yes (annually before 15 August)	Yes	3	Yes (annually before 15 August)	Yes	3	Yes (annually before 15 August)	
Manage and update finance	4/17-0019	Lease register updated	Yes	Yes	3	Yes	Yes	3	Yes	

and operating leases on lease register			(Annually by August)			(Annually by August)			(Annually by August)	
Productive workforce	4/17-0177	% of person days lost per month due to sick leave	4% pm maximum	3.4% pm average for the year	3.2	4% pm maximum	2.6% pm average for the year	3.6	4% pm maximum	
Inform staff	4/19-0033	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(b) Employees: Asset and Fleet Management

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	2	2	2	0	0.00%
10 - 12	1	1	1	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	4	4	0	

3.10.2 BUDGET OFFICE AND COSTING

(a) Budget Office and Costing performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure up to date policies	4/17-0104	Virement policy and Budget implementation policy reviewed	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Update risk assessment	4/17-0106	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Qtr 2 No; Qtr 4 Yes	1.5	Yes (bi-annually by November and May)	REASON QTR 2: Could not be performed due to the AG Audit INTERVENTION QTR 2: Risk assessment to be performed before 15 February 2020
Prepare operating and capital budget	4/17-0108-1	Verification of multi-year draft operating and capital budgets submitted to the CFO	Yes (annually by end of December)	Yes	3	Yes (annually by end of December)	Yes	3	Yes (annually by end of December)	
Prepare operating and capital budget	4/17-0108-2	Adjustment budget requests submitted to the Director Financial services	Yes (annually by December)	Yes	3	Yes (annually by November)	Yes	3	Yes (annually by November)	
Implementation of mSCOA	4/17-0110-1	Number of months that line items were correctly classified according to the mSCOA seven segments and the IDP goals	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Productive workforce	4/17-0198	% of person days lost per month due to sick leave	4% pm maximum	1.4% pm average for the year	3.8	4% pm maximum	1.9% pm average for the year	3.5	4% pm maximum	
Inform staff	4/19-0041	Number of invocoms held			0	1 per	4 for	3	1 per	

						quarter	the year	quarter	

(b) Employees: Budget Office and Costing

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	0	0	0	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	2	2	2	0	

3.10.3 EXPENDITURE**(a) Expenditure performance results**

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Properly manage expenditure	4/09-0254-1	Number of meetings held to discuss operating budget expenditure with each director	2 per qtr for 2 qtrs and 3 per qtr for 2 qtrs	12 for the year	3	2 per qtr for 2 qtrs and 3 per qtr for 2 qtrs	7 for the year	3	2 per qtr for 2 qtrs and 3 per qtr for 2 qtrs	REASON: No meetings could be held due to the Shutdown enforced by National Government. INTERVENTION: Budget comparison reports were send to each department.
Properly manage VAT	4/09-0255-1	Number of months SARS Statements were reconciled with municipality's VAT Submission Account	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	

Properly manage VAT	4/09-0255-2	Calculate the annual VAT apportionment ratio in terms of the VAT act	Yes	N/a	0	Yes (annually by December)	Yes	3	Yes (annually by December)	
Properly manage salary related transactions	4/09-0256-1	Draft salary budget completed and submitted to CFO	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	
Properly manage salary related transactions	4/09-0256-2	Number of months that calculation and payment of PAYE, UIF and SDL was done	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Properly manage salary related transactions	4/09-0256-3	Feedback from SARS concerning the IRP5's positive	Yes (annually before end of May)	Yes	3	Yes (annually before end of May)	Yes	3	Yes (annually before end of May)	
Pay creditors in a timely fashion	4/09-0257	% creditors paid within 30 days from statement date	97.0%	98.8%	3	97.0%	98.6% average for the year	3	97.0%	
Identify Unauthorised, Irregular, Fruitless and Wasteful expenditure	4/16-0002-1	Unauthorised, Irregular, Fruitless and Wasteful Expenditure identified and reported to the Accounting Officer	Yes	N/a	0	Yes	Yes	3	Yes	
Identify Unauthorised, Irregular, Fruitless and Wasteful expenditure	4/16-0002-2	Unauthorised, Irregular, Fruitless and Wasteful Expenditure identified and reported to the MEC for local government and the Auditor-General after report received from Disciplinary Board	Yes	Yes	3	Yes	Yes	3	Yes	
Ensure up to date policies	4/17-0060	Travelling and subsistence policy submitted to CFO for	Yes (annually by end of	Yes	3	Yes (annually by end of	Yes	3	Yes (annually by end of	

		annual review	January)			January)			January)	
Update risk assessment	4/17-0062	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Qtr 2 No; Qtr 4 Yes	1.5	Yes (bi-annually by November and May)	REASON QTR 2: Could not be performed due to the AG's requests for information INTERVENTION QTR 2: Risk assessment to be performed before 15 February 2020
Manage access to systems	4/17-0063-1	User access to the payroll system reviewed (payroll section)	Yes (quarterly)	Yes	3	Yes (quarterly)	Yes	3	Yes (quarterly)	
Manage access to systems	4/17-0063-2	User access to the e-filing system reviewed (individual tax and VAT)	Yes (quarterly)	Yes	3	Yes (quarterly)	Yes	3	Yes (quarterly)	
Duties as tax representative of the municipality	4/17-0064-1	Dispute resolution in respect of penalties and interest incurred (VAT, PAYE, UIF and SDL)	Yes	N/a	0	Yes	N/a	0	Yes	
Duties as tax representative of the municipality	4/17-0064-2	Number of months that VAT was declared before / on the end of the following month	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Duties as tax representative of the municipality	4/17-0064-3	Number of months that the PAYE, UIF and SDL were correctly declared before the 7th of the following month	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Manage the current bank accounts	4/17-0065-1	Number of bank reconciliations and related accounts finalised within 10 working days after end of month	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Manage the current bank accounts	4/17-0065-2	Number of months that verifications of bank charges and interest received are according to tender	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	

Productive workforce	4/17-0186	% of person days lost per month due to sick leave	4% pm maximum	1.7% pm average for the year	3.6	4% pm maximum	1.5% pm average for the year	3.6	4% pm maximum	
Inform staff	4/19-0035	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(b) Employees: Expenditure

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	6	6	6	0	0.00%
10 - 12	1	1	1	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	8	8	8	0	

3.10.4 FINANCIAL STATEMENTS AND CONTROL**(a) Financial Statements and Control performance results**

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Completion of financial statements in line with legislation	4/09-0263-1	Council's accounting policies reviewed	Yes (annually before the last week of August)	Yes	3	Yes (annually before the last week of August)	Yes	3	Yes (annually before the last week of August)	

Completion of financial statements in line with legislation	4/09-0263-2	Draft Financial Statements submitted to the Performance and Risk Audit Committee and inputs attended to prior to submission to Auditor General	Yes (annually before 21 August)	Yes	3	Yes (annually before 21 August)	Yes	3	Yes (annually before 21 August)	
Completion of financial statements in line with legislation	4/09-0263-3	Accurate and credible Financial Statements submitted to Auditor General	Yes (annually before end of August)	Yes	3	Yes (annually before end of August)	Yes	3	Yes (annually before end of August)	
Completion of financial statements in line with legislation	4/09-0263-4	Auditor General findings timeously responded to	Yes (within 5 days)	Yes	3	Yes (within 5 days)	Yes	3	Yes (within 5 days)	
Monitoring of financial procedures against the approved financial statements	4/17-0072	All control account reconciliation statements and statistical returns timeously compiled and corrections performed in the following month.	Yes	Yes	3	Yes	Yes	3	Yes	
Ensure up to date policies	4/17-0073-1	Cash management policy reviewed	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Ensure up to date policies	4/17-0073-2	All other policies of department quality reviewed and reported to CFO	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Update risk assessment	4/17-0075	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Qtr 2 No; Qtr 4 Yes	1.5	Yes (bi-annually by Nov and May)	REASON QTR 2: Could not be performed due to the AG's requests for information. Appointment made for 17 January 2020 to perform the risk assessment. INTERVENTION QTR 2: Risk Assessment to be performed

										before 15 February 2020
Manage Investments and Loans	4/17-0076-1	Record transactions relating to loans in a suitable register	Yes (bi-annually by June and December)	Yes	3	Yes (bi-annually by June and December)	Yes	3	Yes (bi-annually by June and December)	
Manage Investments and Loans	4/17-0076-2	Ensure timeous monthly payments and accuracy of interest raised	Yes (bi-annually by June and December)	Yes	3	Yes (bi-annually by June and December)	Yes	3	Yes (bi-annually by June and December)	
Manage Investments and Loans	4/17-0076-3	Recommendations of investing of moneys submitted to the Director: Financial Services and Municipal Manager for approval and evidence of completed signed documents from financial institution.	Yes	Yes	3	Yes	Yes	3	Yes	
Manage Investments and Loans	4/17-0076-4	Keep investment register updated and verify correctness of interest received	Yes	Yes	3	Yes	Yes	3	Yes	
Compliance to GRAP Standards	4/17-0079	Implement changes to the financial statements and accounting procedures in accordance with adjustments to government legislation, regulations, policies, procedures and GRAP Standards	Yes (annually)	Yes	3	Yes (annually)	Yes	3	Yes (annually)	
Productive workforce	4/17-0190	% of person days lost per month due to sick leave	4% pm maximum	0% pm average for	4	4% pm maximum	0.8% pm average	3.8	4% pm maximum	

				the year			for the year			
Inform staff	4/19-0037	Number of invocoms held			0	1 per quarter	8 for the year	3	1 per quarter	

(b) Employees: Financial Statements and Control

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	2	2	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	1	2	2	0	

3.10.5 FINANCIAL SYSTEMS ADMINISTRATION**(a) Financial Systems Administration performance results**

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Manage user sessions on the Financial System	4/17-0037	Report on managing of user sessions on the Financial System	Yes (Quarterly)	Yes	3	Yes (Quarterly)	Yes	3	Yes (Quarterly)	
Manage user support: Solve user requests and problems reported on the Financial System	4/17-0038	% of requests for problem solving lodged with Helpdesk resolved within 48 hours			0	90.0%	100%	3	90.0%	
Train and support users on	4/17-0039-1	Report to CFO (inclusive of	Yes	Yes	3	Yes	N/a	0	Yes	

the Financial System		training schedules signed-off by affected key staff) on support and guidance provided to users when discussing required enhancements to programs of the Financial System								
Train and support users on the Financial System	4/17-0039-2	% of requests for training of new and existing users with regards to the Promun system and the use of Excel and pivot tables for reporting purposes with monthly reporting to CFO (proof of attendance signed off by the affected parties)	100%	100%	3	100%	N/a	0	100%	
Train and support users on the Financial System	4/17-0039-3	Report to CFO on specific training modules according to the various financial functions compiled and reviewed	Yes (annually before the end of June)	N/a	0	Yes (annually before the end of June)	N/a	0	Yes (annually before the end of June)	
Manage continuous improvement to the Financial System	4/17-0040-1	All financial programs and system changes documented and logged with Helpdesk and coordinated, tested (in test environment if necessary), finalised and reported to CFO	Yes (annually before the end of June)	Yes	3	Yes (annually before the end of June)	N/a	0	Yes (annually before the end of June)	
Accurate and completeness of electronic payments	4/17-0041	Balance and verify electronic payments (Pay@) from vendors into the Financial Database after the import of the file sent by Pay@ via FTP	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	

Accurate and completeness of vehicle costing integration	4/17-0042-1	Standard Bank vehicle costing file downloaded, tested and balanced prior to importing into Financial system	Yes (with exception reported to Head)	Yes	3	Yes (with exception reported to Head)	Yes	3	Yes (with exception reported to Head)	
Accurate and completeness of vehicle costing integration	4/17-0042-2	Number of months that the correctness and integrity of data were tested prior to updating of data to the Financial System for monitoring by the Head: Assets and Fleet	12 for the year	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Effective execution and monitoring of ACB payment process	4/17-0043-1	Administer ACB applications received from the Head: Credit Control and capture new applications and/or make changes on Financial System accordingly	Yes	Yes	3	Yes	Yes	3	Yes	
Effective execution and monitoring of ACB payment process	4/17-0043-2	Complete reports on Promun on the ACB payments run of the previous month	12 for the year	11	2	Yes (latest 4 days before end of month)	Yes	3	Yes (latest 4 days before end of month)	
Effective completion of month-end procedure	4/17-0044-1	Number of month-end procedures completed successfully within 5 working days from the first working day of the month during which period challenges must be identified proactively and communicated to CFO or applicable functionary Head to prevent incorrect accounts.	12 for the year	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Effective completion of month-end procedure	4/17-0044-2	Number of months that the process of copying the	12 for the year	12 for the year	3	3 per quarter	12 for the	3	3 per quarter	

		Financial system to Admin system were managed.					year			
Effective completion of month-end procedure	4/17-0044-3	Number of months that the following procedures were managed: - Creating accounts - Sending of same via email to consumers with email addresses - Sending notices	12 for the year	11 for the year	2	3 per quarter	12 for the year	3	3 per quarter	
Availability of management and Audit information	4/17-0045	Number of months that the audit reports were created and placed in month-end folder	12 for the year	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Accuracy and completeness of Credit control process	4/17-0046-1	Setup and print of final notices for outstanding debt	Yes (quarter 2)	Yes	3	Yes (quarter 2)	Yes	3	Yes (quarter 2)	
Accuracy and completeness of Credit control process	4/17-0046-2	Handover of outstanding debts	Yes (quarters 3 and 4)	Yes	3	Yes (quarters 3 and 4)	Yes	3	Yes (quarters 3 and 4)	
Accuracy and completeness of Credit control process	4/17-0046-3	Data flow between Financial System and legal suite; and/or between Financial and Collab systems administered	Yes	Yes	3	Yes	Yes	3	Yes	
Accuracy and completeness of Annual Debit Raising	4/17-0047-1	Completion of annual debit raising procedure	Yes (annually by July)	Yes	3	Yes (annually by July)	Yes	3	Yes (annually by July)	
Accuracy and completeness of Annual Debit Raising	4/17-0047-2	Completion of interim valuation debit raising procedure	Yes (bi-annually by December and June)	Yes	3	Yes (bi-annually by December and June)	Yes	3	Yes (bi-annually by December and June)	
Ensure accuracy of monthly transactions in correct period	4/17-0048-1	Period 13 closed pursuant to regulatory audit	Yes (annually after	Yes	3	Yes (annually after	Yes	3	Yes (annually after	

			completion of the AG's audit)			completi n of the AG's audit)			completion of the AG's audit)	
Ensure accuracy of monthly transactions in correct period	4/17-0048-2	Monthly end and monthly close processes completed successfully	1 per quarter	10 for the year	3.5	3 per quarter	8 for the year	3	3 per quarter	Reason: It is a requirement of National Treasury to keep the system open during auditing and thus the month end processes could not be completed Intervention: No intervention required
Ensure accuracy of monthly transactions in correct period	4/17-0048-3	Periods for the capturing of old year correction transactions for purposes of financial statements opened and then closed after completion			0	Yes (July, August and November annually)	Yes	3	<<NoData>>	
Effective Setup/Maintenance of system	4/17-0049-1	All setup changes to the Financial system programs provided by the Financial System Provider managed with signed-off report on all new or revised software changes.	Yes (annually by June)	N/a	0	Yes	Yes	3	Yes	
Effective Setup/Maintenance of system	4/17-0049-2	Information from database as required from Management (ODBC) extracted and users assisted with extraction of information from database (ODBC)	Yes	Yes	3	Yes (provide reports in practical usable formats)	Yes	3	No	
Update risk assessment	4/17-0050	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	

Productive workforce	4/17-0183	% of person days lost per month due to sick leave	4% pm maximum	1.1% pm average for the year	3.7	4% pm maximum	0% pm average for the year	4	4% pm maximum	

(b) Employees: Financial Systems Administration

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
10 - 12	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
00 - 03	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
13 - 15	1	1	1	0	0.00%
TOTAL	1	1	1	0	

3.10.6 INCOME**(a) Income performance results**

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure that all monies are banked	4/09-0240	Number of months that monies are banked, except the shortages not paid in immediately	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Do proper financial planning	4/09-0242	Draft income budget submitted to CFO	Yes (annually by end of November)	Yes	3	Yes (annually by end of November)	Yes	3	Yes (annually by end of November)	

Ensure the proper inter-departmental management of income	4/09-0246	Number of meetings held with each director	3 pq for 2 qtrs and 2 pq for 2 qtrs	12 for the Year	3	3 pq for 2 qtrs and 2 pq for 2 qtrs	12 for the Year	3	3 pq for 2 qtrs and 2 pq for 2 qtrs	
Provide accurate service information	4/09-0251	Number of monthly updates of electricity and water statistics and distribution losses done	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Ensure that electricity tariffs comply with legal requirements	4/09-0253	Electricity tariffs submitted to Council and NERSA	Yes (after 90 day budget approval)	Yes	3	Yes (after 90 day budget approval)	Yes	3	Yes (after 90 day budget approval)	
Ensure the proper management of income	4/09-0265-1	Number of months that the daily reports were in balance at the end of the month (excluding cashier shortages)	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Ensure the proper management of income	4/09-0265-2	Number of months that the weekly reconciliations of cash were received	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Ensure up to date policies	4/17-0161	Input provided in respect of the review of policies and strategies	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Update risk assessment	4/17-0163	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	No	0	Yes (bi-annually by November and May)	REASON QTR2: Could not be performed due to AG's Requests for information INTERVENTION QTR2: Risk Assessment to be performed before 15 February 2020 REASON QTR 4: Income risk assessment not updated due to lockdown INTERVENTION QTR 4: Risk assessment to be perform before the en of the first

										quarter
Manage, control, monitor and coordinate services and sundries sections	4/17-0164-1	Number of months that the reconciliations of revenue votes to control accounts were certified as correct	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Manage, control, monitor and coordinate services and sundries sections	4/17-0164-2	Tariff adjustments controlled and coordinated for services, sundries and pre-paid meters	Yes (annually by June)	Yes	3	Yes (annually by June)	Yes	3	Yes (annually by June)	
Manage, control, monitor and coordinate services and sundries sections	4/17-0164-3	Financial year-end: Revenue entries finalised (investment properties, payment received in advance and tariff revenue)	Yes (annually by June)	Yes	3	Yes (annually by June)	Yes	3	Yes (annually by June)	
Manage, control, monitor and coordinate services and sundries sections	4/17-0164-4	Number of months that meter readings were completed by the last working day of the month	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Supply of statistical information	4/17-0166-1	Number of Back to Basics reports submitted to relevant National Government	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Supply of statistical information	4/17-0166-2	% of required quarterly reports submitted to the relevant National and Provincial Governments	100%	100%	3	100%	100%	3	100%	
Supply of statistical information	4/17-0166-3	% of required annual reports submitted to relevant National and Provincial Governments	100%	100%	3	100%	100%	3	100%	
Productive workforce	4/17-0176	% of person days lost per month due to sick leave	4% pm maximum	2.6% pm average for the year	3.3	4% pm maximum	3.0 pm average for the	3.2	4% pm maximum	

							year			
Inform staff	4/19-0050	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(b) Employees: Income

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	6	11	11	0	0.00%
16 - 18	0	0	0	0	0.00%
13 - 15	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
10 - 12	1	1	1	0	0.00%
07 - 09	20	20	20	0	0.00%
TOTAL	28	33	33	0	

3.10.7 LEGAL AND CREDIT CONTROL**(a) Legal and Credit Control performance results**

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Appropriately manage debt	4/09-0234-1	% of outstanding debtors handed over prior to year-end as agreed with the CFO			0	98% in quarter 4	N/a	0	98% in quarter 4	REASON: Indicator and target not correct INTERVENTION: Indicator and target will be corrected in Jan 2021
Appropriately manage debt	4/09-0234-2	Credible and accurate bi-annual report containing motivation for the writing off of irrecoverable debt	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Feb and May)	Yes	3	Yes (bi-annually by Feb and May)	

		submitted to CFO								
Ensure up to date policies	4/17-0112	Review of policies and strategies submitted to CFO: Credit control and debt collection policy and Indigent policy	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Update risk assessment	4/17-0114	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Credit Control Management	4/17-0115-1	Report on arrears of municipal personnel and Council members to Municipal Manager and Director: Financial Services and measures taken to adress same	Yes	Yes	3	Yes	Yes	3	Yes	
Credit Control Management	4/17-0115-2	Make sure that cut-off list for termination and reconnection of services are carried out and that same is accurate	Yes	Yes	3	Yes	Yes	3	Yes	
Legal Collections Management	4/17-0117-1	Determine which accounts must be handed over for legal action to collect monies owing to Council	Yes (annually by November)	Yes	3	Yes (annually by June)	No	3	Yes (annually by June)	REASON: No accounts handed over due to Covid-19 INTERVENTION: No intervention required
Legal Collections Management	4/17-0117-2	% of accounts which were handed over, successfully collected	60% (annually by end of June)	100%	5	60% (annually by end of June)	No	3	60% (annually by end of June)	REASON: No accounts handed over due to Covid-19 INTERVENTION: No interventions required
Legal Collections Management	4/17-0117-3	Evaluate and report effectiveness of processes and controls applied during handover	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	No	3	Yes (annually by end of June)	REASON: No accounts handed over due to Covid-19 INTERVENTION: No interventions required
Legal Collections	4/17-0117-4	Conduct workshop with	Yes (bi-	Yes	3	Yes (bi-	Yes	3	Yes (bi-	

Management		members of the Executive Mayoral Committee to substantiate why an account should be written off	annually by December and June)			annually by February and May)			annually by February and May)	
Legal Collections Management	4/17-0117-5	Submit list of accounts with individual comments relating to each account for purposes of the agenda discussion dealing with write-offs at Mayco	Yes (bi-annually by December and June)	Yes	3	Yes (bi-annually by Feb and May)	Yes	3	Yes (bi-annually by Feb and May)	
Legal Collections Management	4/17-0117-6	Take responsibility by certifying the correctness of write-offs to be done against debtor's accounts once Council decision is obtained	Yes (once a year prior to year-end)	Yes	3	Yes (once a year prior to year-end)	Yes	3	Yes (once a year prior to year-end)	
Indigent Subsidy Management	4/17-0118	Verify additions to the indigent register of qualifying households in line with the criteria in the policy	Yes	Yes	3	Yes	Yes	3	Yes	
Productive workforce	4/17-0178	% of person days lost per month due to sick leave	4% pm maximum	3.2% pm average for the year	3.1	4% pm maximum	3.1% pm average for the year	2.9	4% pm maximum	
Inform staff	4/19-0045	Number of invocoms held			0	1 per quarter	3 for the year	3	1 per quarter	REASON QTR 1: Newly appointed division head INTERVENTION QTR 1: No intervention required

(b) Employees: Legal and Credit Control

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
13 - 15	1	1	1	0	0.00%
07 - 09	8	8	8	0	0.00%
19 - 20	0	0	0	0	0.00%
10 - 12	1	1	1	0	0.00%
04 - 06	0	0	0	0	0.00%
TOTAL	10	10	10	0	

3.10.8 SECRETARIAT AND ARCHIVES**(a) Introduction**

The secretariat and archives division renders a comprehensive and effective administrative support function regarding secretariat services, ward committees and archives and records activities to support the recording, updating, circulation and maintenance of information from, to and within the municipality.

During the year under review, the following number of Council meetings were held:

- Council meetings (including special meetings) = 6
- Portfolio Committee meetings = 9
- Executive Mayoral Committee meetings (including special meetings) = 16
- Ward Committee meetings = 49.

Ward committee meetings were cancelled due to COVID-19/national lockdown from March 2020 and other means of communication, i.e. via WhatsApp groups will be implemented to communicate with ward committee members.

(b) Secretariat and Archives performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure an effective secretariat service to Council, Mayoral Committee and ward committees	4/09-0064-1	Number of council agendas distributed according to policy (i.e. 48 hours in advance)	1 per quarter	9 for the year	3	1 per quarter	6 for the year	3	1 per quarter	
Ensure an effective secretariat service to Council, Mayoral Committee and ward committees	4/09-0064-2	Number of EMC agendas distributed monthly according to policy (i.e. 24 hours in advance)	3 per quarter	13 for the year	3	3 per quarter	16 for the year	3	3 per quarter	
Ensure an effective secretariat service to Council, Mayoral Committee and ward committees	4/09-0064-3	Number of ward committee agendas distributed monthly at least 7 working days before the meetings	8 for the year	8 for the year	3	8 for the year	6 for the year	3	8 for the year	REASON: Covid-19 lockdown and restrictions INTERVENTION: None required
Ensure the timely distribution of resolutions to appropriate officials	4/09-0065	Average number of working days to distribute EMC, Council and ward committee resolutions according to policy	7 days maximum	5.6 days average for the year	3.5	7 days maximum	4.5 days pm average for the year	3.8	7 days maximum	
Ensure that ward committees are continually engaged	4/09-0066	Number of ward committee meetings held per annum	At least 48 for the year	83 for the year	5	At least 48 for the year	49 for the year	3	At least 48 for the year	
Appropriately manage the filing system	4/09-0069	Update of master copy completed	Yes (annually by June)	Yes	3	Yes (annually by June)	Yes	3	Yes (annually by June)	
Adequately distribute all incoming correspondence	4/09-0070	% of incoming mail referred within 48 hours	95%	99.7% pm average for the year	3.2	95%	94.15% pm average	3.1	95%	REASON: Registry Office not fully functional due to Covid-19 pandemic/national lockdown

							for the year			INTERVENTION: None required
Manage archives in a legally compliant manner	4/09-0071	Number of inspection reports submitted	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Improve access to municipal bylaws	4/09-0084	Municipal code and fine schedules updated	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Ensure that council minutes are placed on the Municipality's website	4/11-0001	Council minutes placed on the Municipality's website within 5 working days after the council meeting	Yes	Yes	3	Yes	Yes	3	Yes	
Ensure the disposal of records according to Disposal Authorities issued by the Provincial Archivist	4/11-0002	Disposal of records according to Disposal Authorities done	Yes (annually by June)	Yes	3	Yes (annually by June)	Yes	3	Yes (annually by June)	
Ensure up to date policies	4/17-0021	Policies reviewed in terms of pre-determined schedule	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Guidance and training	4/17-0022	Awareness and induction training regarding records management as and when needed			0	Yes	Yes	3	Yes	
Update risk assessment	4/17-0023	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Bid Committee administration	4/17-0024	Notified responsible officials of the expiry of multi year tender contracts by utilising automated systems	Yes	Yes	3	Yes	Yes	3	Yes	
Ward committee administration	4/17-0025	Number of reports submitted to government	1 per quarter	4 for the year	3	1 per quarter	5 for the year	3	1 per quarter	

		authorities on ward committee activities								
Compliance with the Promotion of Access to Information Act (PAIA)	4/17-0027-1	s32 Report submitted to SAHRC	Yes (annually by end of April)	Yes	3	Yes (annually by end of April)	Yes	3	Yes (annually by end of April)	
Compliance with the Promotion of Access to Information Act (PAIA)	4/17-0027-2	s15 Notice published in Government Gazette	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Correspondence addressed in a timely manner	4/17-0029	% of all correspondence recorded by Collaborator less than 60 days old	90% pm average	92.1% pm average for the year	3.1	90% pm average	95% pm average for the year	3.1	90% pm average	
Inform staff	4/17-0030	Number of invocoms held	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Productive workforce	4/17-0179	% of person days lost per month due to sick leave	4% pm maximum	2.7% pm average for the year	3.3	4% pm maximum	3.1% pm average for the year	3.3	4% pm maximum	

(c) Employees: Secretariat and Archives

Employees incorporated under Administration Corporate Services.

(d) Financial Performance: Secretariat and Archives

Operational expenditure incorporated under Administration Corporate Services.

(e) Capital Expenditure: Secretariat and Archives

None

(f) Comment on the performance of Secretariat and Archives overall

No comment.

3.10.9 MARKETING AND TOURISM

(a) Introduction

Swartland Municipality provides funding to the Cape West Coast tourism organisation in terms of a Service Level Agreement. The funding is mainly used for personnel to man the offices and marketing through brochures and attendance of festivals and indabas. In the region there are 5 tourism offices, namely Malmesbury, Riebeeck Valley, Moorreesburg/Koringberg, Darling and Yzerfontein.

(b) Marketing and Tourism performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
2.7 Develop a more effective tourism destination marketing and development business model	2/17-0039	Study done and revised tourism business model finalised.	Yes (by end of 2018)	Yes	3	Yes (by end of 2020)	Yes	3		
4 Indicators Division Heads										
Ensure the Local Tourism Organisation (LTO) complies with the Service Level Agreement	4/09-0085-1	Number of reports submitted by LTO	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Ensure the Local Tourism Organisation (LTO) complies with the Service Level Agreement	4/09-0085-2	Report by Chairperson submitted	Yes (annually by September)	Yes	3	Yes (annually by September)	Yes	3	Yes (annually by September)	
Ensure the Local Tourism Organisation (LTO) complies with the Service Level Agreement	4/09-0085-3	Financial statements submitted	Yes (annually by September)	Yes	3	Yes (annually by September)	Yes	3	Yes (annually by September)	
Ensure the Local Tourism Organisation (LTO) complies with the Service Level Agreement	4/09-0085-4	LTO performance in terms of KPI's assessed	Yes (annually by September)	Yes	3	Yes (annually by September)	Yes	3	Yes (annually by September)	

(c) Employees: Marketing and Tourism

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
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	1	1	1	0	

(d) Financial Performance: Marketing and Tourism

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R447 756	R529 469	R535 413	R483 507	-9.51%
2 Contracted Services	R48 265	R58 251	R59 551	R56 977	-2.24%
3 Other	R846 098	R889 732	R888 432	R806 720	-10.29%
TOTAL	R1 342 119	R1 477 452	R1 483 396	R1 347 204	

(e) Capital Expenditure: Marketing and Tourism

None

(f) Comment on the performance of Marketing and Tourism overall

The tourism organisations have Annual General Meetings and new committee members are elected every second year. The Cape West Coast / Swartland Tourism Association is evaluated annually on their KPI's. Their financial statements and Chairman's report are tabled at council.

3.10.10 STRATEGIC MANAGEMENT

(a) Introduction

The purpose of Strategic Management is to provide an efficient and pro-active strategic service to the Council, the Municipal Manager and the Organisation which includes -

- Development and management of strategic services
- Community participation as described in chapter 4 of the Municipal Systems Act
- Integrated development planning as described in chapter 5 of the Municipal Systems Act
- Performance management as described in chapter 6 of the Municipal Systems Act
- Programme and project management
- Intergovernmental alignment
- Local economic development

(b) Strategic Management performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure effective performance management	4/09-0015-1	Performance reported to the External Audit Committee and Council	Yes (quarterly)	Yes	3	Yes (quarterly)	Yes	3	Yes (quarterly)	
Ensure effective performance management	4/09-0015-2	Number of performance management meetings	10 for the year	12 for the year	3.6	10 for the year	8 for the year	3	10 for the year	REASON: Covid-19 lockdown INTERVENTION: Departments updated performance info on system each month. Strategic Services monitored process and info electronically
Ensure effective performance management	4/09-0015-3	Performance evaluation by panel done	Yes (annually by August)	Yes	3	Yes (annually by August)	Yes	3	Yes (annually by August)	
Ensure effective performance management	4/09-0015-4	Performance management system reviewed	Yes (annually by May)	Yes	3	Yes (annually by May)	N/a	0	Yes (annually by May)	No changes required
Proper consultation in	4/17-0066-1	With the compilation of	Yes (report	Yes	3	Yes (report	Yes	3	Yes (report	

reviewing of the IDP		the IDP, were all the stakeholders consulted	by May annually)			by May annually)			by May annually)	
Proper consultation in reviewing of the IDP	4/17-0066-2	With the compilation and revision of the IDP, was a strategy session held with the Mayoral Committee and top management to revise the strategy	Yes (before December annually)	Yes	3	Yes (before December annually)	Yes	3	Yes (before December annually)	
Proper Program and project management	4/17-0067	Program, project, budget and performance data captured on the PM system	Yes (annually by June)	Yes	3	Yes (annually by June)	Yes	3	Yes (annually by June)	
Ensure up to date policies	4/17-0068-1	Local economic development (LED) policy and framework reviewed	Yes (annually by May)	Yes	3	Yes (annually by May)	Yes	3	Yes (annually by May)	
Ensure up to date policies	4/17-0068-2	Performance management policy/framework reviewed	Yes (annually by May)	Yes	3	Yes (annually by May)	N/a	0	Yes (annually by May)	No changes required
Update risk assessment	4/17-0070	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Resolve audit issues	4/17-0071-1	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days	100%	N/a	0	100%	N/a	0	100%	No comaf's issued regarding Performance Management
Resolve audit issues	4/17-0071-2	% of Auditor General's findings implemented within agreed time frame	100%	N/a	0	100%	100%	3	100%	
Resolve audit issues	4/17-0071-3	% of outstanding internal audit findings addressed according to scheduled deadlines	100%	100%	3	100%	92.3% average for the year	2.8	100%	REASON: 1 of 8 findings to be implemented (SOP descriptions) INTERVENTION: Was completed in May 2020
Productive workforce	4/17-0188	% of person days lost per	4% pm	1.7% pm	3.5	4% pm	1.2%	3.7	4% pm	

		month due to sick leave	maximum	average for the year		maximum	pm average for the year		maximum	
Inform staff	4/19-0036	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(c) Employees: Strategic Management

Included under Administration Municipal Manager

(d) Financial Performance: Strategic Management

Included under Administration Municipal Manager

(e) Capital Expenditure: Strategic Management

None

(f) Comment on the performance of Strategic Management overall

No comments.

3.10.11 INTERNAL AUDIT (INCLUDING RISK MANAGEMENT)

(a) Introduction

Internal Audit

The purpose of the Internal Audit Activity (IAA) is to provide an independent, objective assurance and consulting services designed to add value and improve Swartland Municipality's operations. The IAA helps the organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The scope of work of the IAA is to determine whether the municipality's control processes, as designed and represented by management, are adequate and functioning in a manner to ensure amongst others the:

- i. Safeguarding of assets;
- ii. Compliance with laws, regulations and contractual obligations;
- iii. Reliability and integrity of information; and
- iv. Economic, efficient and effective use of resources.

The Manager, Internal Audit follows a risk based audit approach whereby an annual audit plan is compiled and executed. Included in the plan are special tasks or projects requested by Management and the Performance and Risk Audit Committee. Reporting to the Municipal Manager regarding the activities of the unit such as audits and investigations performed, audit findings not yet implemented and any other concerns is done on a monthly basis. Quarterly Performance and Risk Audit Committee meetings are held where risk management, performance management, audit reports issued and performance against the audit plan are discussed. Audit findings raised by the Auditor-Gener are also discussed and the implementation thereof monitored. Minutes of these meetings are submitted to the Executive Mayoral Committee and noted at Council meetings as being received.

Risk Management

A fully functional Enterprise Risk Management unit has not been established within Swartland Municipality and the responsibility to assist management in compiling and updating risk registers assigned to Internal Audit. Risk Management is one of management's core responsibilities and therefore the Internal Audit unit as part of their consulting services, assists management with the implementation of risk management. The performance of risk assessments is done by Internal Audit through facilitating the process of identifying and assessing risks per Directorate.

Each Directorate in conjunction with Internal Audit has compiled Operational Risk Assessments as well as a Strategic Risk Assessment to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. These Risk Assessments are reviewed regularly to identify changes in the risk exposure that will result from changes in the organisation as well as external factors. Risk Management has been implemented in a comprehensive and integrated way, throughout the municipality rather than only in selected business areas or disciplines. The identified risks are prioritised which enables management to focus more time, effort and resources on higher risk areas. Identified high risk areas form part of the IDP and the Performance Management system which ensures that it is monitored on a continuous basis. The BarnOwl system is utilised to assess risks and to compile risk registers.

(b) Internal Audit (including Risk Management) performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure that management is aware of all audit related issues	4/09-0002-1	Number of monthly reports regarding internal audit activities submitted to the Municipal Manager	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Ensure that management is aware of all audit related issues	4/09-0002-2	IIA External Quality reviewed	Yes (annually before the end of November)	No	0	Yes (before Nov 2019 and thereafter every 5 years)	No	0		REASON: Provincial Treasury indicated that Swartland Municipality will be one of the municipalities for which the cost will be paid by them as a readiness review was performed by them and NT. INTERVENTION: External quality review to be performed before 31 May 2020. If a supplier has not been appointed by PT, tenders have to be obtained by Manager, Internal; Audit.
Ensure that the Audit Committee is informed of all audit (AG and internal) as well as evaluation reports regarding compliance, controls and risk management	4/09-0003	Number of reports submitted to Audit Committee regarding risks affecting the Municipality to ensure opinion on combined assurance to Council	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Ensure that the Audit Committee function as per mandate	4/09-0004	Number of AC meetings minutes submitted to the Executive Mayoral Committee with recommendations to be	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	

		dealt with by Council at their next meeting								
Continuously update the risk profile of the Municipality	4/09-0005-1	Compilation of Risk Based Audit Plan (RBAP) completed	Yes (annually by end of July)	Yes	3	Yes (annually by end of July)	Yes	3	Yes (annually by end of July)	
Continuously update the risk profile of the Municipality	4/09-0005-2	Risk Based Audit Plan (RBAP) approved by the Audit Committee	Yes (annually by end of September)	Yes	3	Yes (annually by end of September)	Yes	3	Yes (annually by end of September)	
Reduce risks through the execution of the appropriate RBAP and recommendation of adequate controls	4/09-0006-1	% execution of the RBAP	80% for the year	95% for the year	3.6	80% for the year	100% for the year	3.8	80% for the year	
Reduce risks through the execution of the appropriate RBAP and recommendation of adequate controls	4/09-0006-2	% of outstanding internal audit findings addressed according to scheduled deadlines	100%	100%	3	100%	90.3% pm average for the year	2.7	100%	
Ensure proper identification of risks in the Municipality	4/09-0007	Risk assessment of all directorates reviewed and updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Qtr 2 No; Qtr 4 Yes	2.9	Yes (bi-annually by Nov and May)	REASON QTR 2: Due to the performance of the AG audit several divisions were not available to perform their assessments. INTERVENTION QTR 2: Outstanding risk assessments to be performed before 15 February 2020
MFMA Section 131(1): Ensure effective liaison with the Auditor-General and coordination of the implementation of the AG's findings	4/09-0008-1	% of Auditor General requests for documents and information effectively obtained and submitted (Audit File) within 2 working days	100%	100%	3	100%	100%	3	100%	
MFMA Section 131(1):	4/09-0008-2	Comments / action plan	Yes	Yes	3	Yes	Yes	3	Yes	

Ensure effective liaison with the Auditor-General and coordination of the implementation of the AG's findings		obtained from responsible manager within 5 days from date of issue for all COMAFS submitted by the AG								
MFMA Section 131(1): Ensure effective liaison with the Auditor-General and coordination of the implementation of the AG's findings	4/09-0008-3	Number of quality key control report compiled on behalf of the AG and approved	1 per quarter	1 for the year	1	1 per quarter	N/a	0	1 per quarter	REASON: Key control readiness review will only be performed during May and not quarterly reviews. INTERVENTION: None
Ensure up to date policies	4/12-0006-1	IA Strategic and Work procedure reviewed	Yes (annually by end of June)	No	0	Yes (annually by end of June)	N/a	0	Yes (annually by end of June)	The workprocedure is still relevant and might have to change after the External Review. The Strategic and Work procedures will be adjusted according to the recommendations by the External Quality reviewer.
Ensure up to date policies	4/12-0006-2	Internal Audit Charter reviewed	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Ensure up to date policies	4/12-0006-3	Audit Committee Charter reviewed	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Ensure up to date policies	4/12-0006-4	Risk Management Strategic Plan reviewed	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Ensure up to date policies	4/12-0006-5	Fraud and Anti-Corruption Policy reviewed	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	

Ensure up to date policies	4/12-0006-6	Risk Management Policy reviewed	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Ensure up to date policies	4/12-0006-7	Unauthorised, Irregular and Fruitless and wasteful expenditure reviewed	Yes (annually)	Yes	3	Yes (annually)	N/a	0	Yes (annually)	The policy was updated in June 2019 and is still relevant. The policy to be reviewed and updated prior to the end of quarter 3
Ensure that AC members are informed of all relevant policies, circulars, regulations and acts	4/17-0080	Number of monthly Seafire information updates	10 for the year	10 for the year	3	10 for the year	10 for the year	3	10 for the year	
The Strategic objectives of Internal Audit are aligned to that of the municipality and it is in accordance with applicable legislation and standards	4/17-0081	3 Year rolling Risk based audit plan reviewed and updated according to changes in the strategy of the municipality	Yes (annually by May)	Yes	3	Yes (annually by May)	Yes	3	Yes (annually by May)	
Review work of Internal Audit	4/17-0083-1	Number of months that poor performance/ skill shortage/ training needs were identified during quality reviews of audits performed	10 for the year	11 for the year	3.3	10 for the year	11 for the year	3.3	10 for the year	
Review work of Internal Audit	4/17-0083-2	Internal Audit Roadshow	Yes (annually before the end of June)	Yes	3	Yes (annually before the end of June)	Yes	3	Yes (annually before the end of June)	
Productive workforce	4/17-0194	% of person days lost per month due to sick leave	4% pm maximum	0.1% pm average for the year	3.9	4% pm maximum	0.6% pm average for the year	3.8	4% pm maximum	
Inform staff	4/19-0039	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(c) Employees: Internal Audit

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	1	1	1	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	2	2	0	

(d) Financial Performance: Internal Audit

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 418 644	R1 501 213	R1 518 570	R1 504 936	0.25%
3 Other	R61 111	R91 496	R101 496	R39 826	-129.74%
2 Contracted Services	R153 258	R265 568	R444 568	R170 162	-56.07%
TOTAL	R1 633 013	R1 858 277	R2 064 634	R1 714 924	

(e) Capital Expenditure: Internal Audit

None

(f) Comment on the performance of Internal Audit (including Risk Management) overall**Performance of Internal Audit/ Risk Management**

During the financial year, the Internal Audit Unit executed various audits and investigations of which the results were directly reported to the Performance and Risk Audit Committee, Municipal Manager and relevant Directors. Included in the internal audit reports against each audit finding an agreed management action plan, person responsible for implementation as well as a due date are indicated to facilitate the follow-up thereof. The implementation of findings issued by Internal Audit and the Auditor-General are managed by means of a list indicating "Findings not yet implemented" which is updated after the execution of the relevant follow-up audits.

Quarterly Performance and Risk Audit Committee meetings were held and administered by the Manager, Internal Audit. Risk registers and performance against the approved Annual Internal Audit Plan and Risk Management Strategic Plan are submitted to the committee and monitored.

3.10.12 HUMAN RESOURCES**(a) Introduction**

Human Resources Services consists of five employees providing services to all employees of Swartland Municipality. The services provided include Labour Relations, Recruitment and Selection, Training and Development, Employee Assistance, Employment Equity and all Human Resources Administration with regard to fringe benefits, etc. Human Resources Services performed an excellent and efficient service during the year and were compliant with all legislative and regulatory prescripts.

(b) Human Resources performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure the efficient and timely administration of appointments	4/09-0089	% external appointments made within 3 months after advertising	90%	100%	3.3	90%	100%	3.3	90%	
Keep the organogram up to date	4/09-0092	Review of the organogram completed and submitted to Council	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Keep human resource policies up to date	4/09-0093	Status report on reviewed policies in terms of pre-determined schedule submitted to Director Corporate Services	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	
Continuously train and develop staff	4/09-0094-1	New Skills Development Plan compilation completed	Yes (annually by end of April)	Yes	3	Yes (annually by end of April)	Yes	3	Yes (annually by end of April)	
Continuously train and develop staff	4/09-0094-2	Reports on bursaries submitted	Yes (annually in February)	Yes	3	Yes (annually in February)	Yes	3	Yes (annually in February)	
Ensure legal compliance regarding employment equity reporting	4/09-0098	Employment Equity Report submitted to Department of Labour	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	

Properly manage disciplinary disputes and processes	4/09-0099-1	Number of unfavourable awards for the employer regarding disputes (CCMA)	0 maximum	1	2.2	0 maximum	0	3	0 maximum	
Properly manage disciplinary disputes and processes	4/09-0099-2	Report compiled and submitted to Management	Yes (bi-annually in July and January)	Yes	3	Yes (bi-annually in July and January)	Qtr 1 No; Qtr 3 Yes	1.5	Yes (bi-annually in July and January)	REASON QTR 1: Target was not reached in July but in August. INTERVENTION QTR 1: No intervention needed as the target was reached although one month late.
Ensure that the Local Labour Forum complies with legal requirements	4/09-0100	Number of reports submitted quarterly to SALGBC	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Report on productive workforce	4/09-0102	Number of reports on % of person days lost per month due to sick leave	3 per quarter	12 for the year	3	3 per quarter	10 for the year	3	3 per quarter	REASON QTR 4: Reports could not be created as a result of Lockdown COVID-19 INTERVENTIO QTR 4: No intevention required
Maintain a safe working environment	4/09-0103-1	Number of reports on % of person days lost per month due to injuries	3 per quarter	12 for the year	3	3 per quarter	10 for the year	3	3 per quarter	REASON QTR 4: Reports could not be created as a result of Lockdown COVID-19 INTERVENTION QTR 4: No intevention required
Sufficiently orientate new staff to Swartland values	4/09-0104	% of new personnel receiving induction within three month after employment	100%	100%	3	100%	100%	3	100%	
Properly manage staff doing private work	4/09-0108	Number of reports submitted to Municipal Manager on private (outside) work done by staff	1 per quarter	4 for the year	3	1 per quarter	3 for the year	3	1 per quarter	REASON QTR 4: No report was submitted due to Lockdown INTERVENTION QTR 4: Report submitted to Management Team during July 2020
Update risk assessment	4/17-0054	Risk register updated	Yes (bi-annually by	Yes	3	Yes (bi-annually	Yes	3	Yes (bi-annually by	

			November and May)			by November and May)			November and May)	
Inform staff	4/17-0056	Number of invocoms held	1 per quarter	4 for the year	3	1 per quarter	3 for the year	3	1 per quarter	REASON QTR 4: Scheduled INVOCOM could not take place due to Lockdown COVID-19 INTERVENTION QTR 4: No intervention required
Organisation structure	4/17-0057	Number of vacancy reports compiled for submission to management meeting and other forums	10 for the year	11 for the year	3.3	10 for the year	10 for the year	3	10 for the year	
Address correspondence in a timely manner	4/17-0058	% of all correspondence recorded by Collaborator less than 60 days old	90% pm average	95.8% pm average for the year	3.1	90% pm average	96.1% pm average for the year	3.2	90% pm average	
Leave administration	4/17-0059-1	Report on compulsory annual leave forfeited for previous leave cycle (January-December)	Yes (annually by July)	Yes	3	Yes (annually by July)	Yes	3	Yes (annually by July)	
Leave administration	4/17-0059-2	Report on accumulated leave in excess of 48 days forfeited at the end of June	Yes (annually by July)	Yes	3	Yes (annually by July)	Yes	3	Yes (annually by July)	
Productive workforce	4/17-0200	% of person days lost per month due to sick leave	4% pm maximum	9.4% pm average for the year	1.8	4% pm maximum	3.8% pm average for the year	3.1	4% pm maximum	
Implement a succession and talent management programme that links and develops high potential employees with key future roles in the organisation	4/18-0008	Report to Management Team on talent pool and succession planning for the year			0	Annually by May	Yes	3	Annually by May	

(c) Employees: Human Resources

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	2	2	2	0	0.00%
10 - 12	2	2	2	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	5	5	0	

(d) Financial Performance: Human Resources

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
2 Contracted Services	R1 770 920	R1 951 831	R1 933 631	R1 335 404	-46.16%
3 Other	R660 827	R820 184	R936 494	R616 507	-33.04%
1 Employees	R2 615 255	R2 770 179	R2 862 991	R2 726 086	-1.62%
TOTAL	R5 047 002	R5 542 194	R5 733 116	R4 677 997	

(e) Comment on the performance of Human Resources overall

Human Resources Services consists of five employees providing services to all employees of Swartland Municipality. The services provided include Labour Relations, Recruitment and Selection, Training and Development, Employee Assistance, Employment Equity and all Human Resources Administration with regard to fringe benefits, etc. Human Resources Services performed an excellent and efficient service during the year and were compliant with all legislative and regulatory prescripts.

3.10.13 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

(a) Introduction

The ICT Division of Swartland Municipality provides the following services: telephone and e-mail communication, internet access, active directory authentication, file storing services, network connectivity between offices, various applications, for example MS Office, Promun and Collaborator. The Division also implements and gives support on all PC's, servers, printers, copiers, telephones, PABX systems, Access / TA (time and attendance) control, wired and wireless networks including both hardware and software. The Division consists of 4 full time officials, who support approximately 250 users. Most of the server infrastructure is virtualised and runs on 3 physical servers, connected to a central storage device. The Division is responsible for the backup and restoration of the Municipality's data and also implements and maintains the Municipality's IT Disaster Recovery site. Furthermore, the Division also limits the Municipality's expenditure by making use of new technology. The Division has installed a number of VoIP PABX systems at the larger satellite offices in order to utilize our wide area network more effectively, rather than relying on expensive Telkom lines. The Division e-mails approximately 9 000 accounts to residents instead of posting printed accounts, which further results in savings on both printing and mailing costs. Some of the challenges the Division face are ageing infrastructure, increasing demand for storage space, bandwidth constraints and user training.

(b) ICT Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure that all personnel have full time access to the computer network	4/09-0269	% availability of critical IT resources / services	99%	99.8% pm average for the year	3	99%	99.8% pm average for the year	3	99%	
Address requests effectively	4/09-0271	% of requests lodged with Helpdesk resolved within 48 hours	90%	97.25% pm average for the year	3.2	90%	97.68% pm average for the year	3.3	90%	
Ensure proper management of IT systems	4/09-0275	Number of IT Committee meetings held	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Ensure relevant and efficient IT service and infrastructure	4/12-0007-1	Survey of new strategic IT needs and changes in the organisation done and submitted to Management Team for	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	Yes	3	Yes (annually by end of October)	

		budget purposes								
Ensure relevant and efficient IT service and infrastructure	4/12-0007-2	ICT Strategic Plan reviewed	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	Yes	3	Yes (annually by end of May)	
Update risk assessment	4/17-0122	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Operational management	4/17-0123-1	Ensure that all baseline security settings of IT systems are reviewed as per policy	Yes (annually by March)	Yes	3	Yes (annually by March)	Yes	3	Yes (annually by March)	
Operational management	4/17-0123-2	Number of testings of Disaster Recovery site	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Operational management	4/17-0123-3	Number of consultations to coordinate with ICT Managers Forum	2 for the year	3 for the year	4.5	2 for the year	2 for the year	3	2 for the year	
Productive workforce	4/17-0196	% of person days lost per month due to sick leave	4% pm maximum	1.6% pm average for the year	3.6	4% pm maximum	2.5% pm average for the year	3.3	4% pm maximum	
Inform staff	4/19-0042	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(c) Employees: ICT Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	2	2	2	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	4	4	4	0	

(d) Financial Performance: ICT Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R3 228 793	R3 457 268	R3 504 613	R3 532 345	2.13%
2 Contracted Services	R195 164	R348 543	R325 543	R291 831	-19.43%
3 Other	R5 928 455	R8 461 865	R8 593 904	R5 725 133	-47.80%
TOTAL	R9 352 412	R12 267 676	R12 424 060	R9 549 309	

(e) Capital Expenditure: ICT Services

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 11-0106 IT: Equipment	R70 000	R60 000	R59 611	-17.43%
19/20 13-0053 IT: Server SM virtual environment	R0	R293 000	R286 476	100.00%
19/20 14-0028 IT: Printers	R100 000	R137 001	R137 001	27.01%
19/20 14-0029 IT: Desktops	R140 000	R140 000	R139 822	-0.13%
19/20 17-0056 CCTV Equipment and Radio Communication - Malmesbury	R200 000	R200 000	R179 066	-11.69%
19/20 17-0077 CCTV Equipment and Radio Communication - Darling	R150 000	R84 000	R83 120	-80.46%
19/20 18-0041 CCTV Equipment and Radio Communication - Riebeek Valley	R100 000	R100 000	R83 709	-19.46%

19/20 19-0025 IT: Expansion of UPS (Uninterrupted Power Supply)	R150 000	R129 999	R119 485	-25.54%
TOTAL	R910 000	R1 144 000	R1 088 291	

(f) Comment on the performance of ICT Services overall

The IT strategy is aligned with the strategic objectives of Swartland Municipality's Integrated Development Plan (IDP). The IDP objectives are set out below:

- PEOPLE: -Improved quality of life for citizens
- ECONOMY: - Inclusive economic growth
- ENVIRONMENT: - Quality and sustainable living environment
- INSTITUTIONS: - Caring, competent and responsive institutions, organisations and business
- SERVICES: - Sufficient, affordable and well-run services

The ICT services aid and assist in achieving the IDP strategic objectives in the following manner.

- A stable technology environment and infrastructure to support business units and departments in achieving their objectives
- Reduced down time of systems
- Increased support and optimized application and infrastructure resulting in increased productivity within Swartland Municipality
- Secure and govern IT assets
- Reduce cost through IT without compromising support and productivity
- Bring innovation through IT when required to support economic growth.

The capital projects for 2019/20 were intended to upgrade aging infrastructure, to bring down operating and maintenance costs by making use of equipment with a longer life cycle. A joint operations centre (JOC) was successfully deployed in Malmesbury.

Electronic surveillance equipment for the new security operational centre as well as specialist CCTV Camera equipment inclusive of License Plate recognition (LPR) and high definition pan/tilt/zoom (PTZ) cameras was successfully implemented.

3.10.14 SUPPLY CHAIN MANAGEMENT

(a) Introduction

Swartland Municipality has a fully functional Supply Chain Division. All the various Bid Committees have been established and are functioning. The municipality is utilising National Treasury's Centralised Supplier Database (CSD) to source suppliers for quotations below R30,000. A monthly deviation report is submitted to the CFO and Management Team with explanations of all awards made during the previous month where the prescribed SCM processes could not be followed due to certain circumstances such as emergencies, sole suppliers, etc. Quarterly reports are submitted to the Executive Mayor on the implementation of the Supply Chain Management Policy.

Long outstanding requisitions and orders are monitored by means of available system reports. Delays are communicated to the users.

(b) Supply Chain Management performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Properly manage municipal stores and stationary	4/09-0277-1	Number of stock spot checks done	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Properly manage municipal stores and stationary	4/09-0277-2	Annual stock-taking completed	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Ensure that all service providers comply with tax clearance certification	4/09-0278	Verification that tax clearance certificates are included with all formal and informal tenders	Yes	Yes	3	Yes	Yes	3	Yes	
Ensure up to date policies	4/17-0157	Preferential Procurement and Supply Chain Management policies reviewed	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	Yes	3	Yes (annually by end of January)	
Advertising of tenders	4/17-0158-1	All tenders above R200 000 advertised on National Treasury's e-portal, newspapers and website	Yes	Yes	3	Yes	Yes	3	Yes	
Advertising of tenders	4/17-0158-2	All awarded tenders above R200 000 registered on National	Yes	Yes	3	Yes	Yes	3	Yes	

		Treasury's e-portal								
Verification of tenders	4/17-0159-1	Attendance of Bid committee (specification and adjudication) meetings by SCM official to verify compliance to SCM procedures and regulations	3 per quarter	14 for the year	3	3 per quarter	13 for the year	3	3 per quarter	
Verification of tenders	4/17-0159-2	Verification of validity of BEE certificates, declaration of interest, CIDB where applicable for all tenders, quotations awarded	Yes	Yes	3	Yes	Yes	3	Yes	
Update Risk assessment	4/17-0160	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Qtr2 No; Qtr4 Yes	1.5	Yes (bi-annually by November and May)	REASONS QTR2: Could not be performed due to AG's requests for information INTERVENTION QTR2: Risk assessment to be performed before 15 February 2020
Productive workforce	4/17-0182	% of person days lost per month due to sick leave	4% pm maximum	3 pm average for the year	3.2	4% pm maximum	2 pm average for the year	3.5	4% pm maximum	
Inform staff	4/19-0049	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(c) Employees: Supply Chain Management

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	2	2	2	0	0.00%
07 - 09	8	8	8	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	13	13	13	0	

(d) Financial Performance: Supply Chain Management

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R4 735 079	R5 078 073	R5 140 368	R5 146 893	1.34%
2 Contracted Services	R329 099	R305 454	R295 454	R267 364	-14.25%
3 Other	R740 623	R635 791	R955 791	R859 355	26.02%
TOTAL	R5 804 801	R6 019 318	R6 391 613	R6 273 612	

(e) Comment on the performance of Supply Chain Management overall

Swartland Municipality adopted and implemented a Supply Chain Policy on 1 January 2006 in compliance with the guidelines set down by the SCM Regulations 2005. The Supply Chain Policy has to be reviewed annually, and amended if necessary. Amendments to the policy were approved by Council on 30 January 2020. No councillors are members of any committee handling Supply Chain processes. No remarks were made in the Auditor-General's report concerning the quality of Supply Chain Management.

3.10.15 MUNICIPAL PROPERTY MAINTENANCE

(a) Introduction

The division is responsible for the maintenance, operation, upgrading and extension of buildings and structures as well as the painting of road markings in streets. Projects are identified through a continuous process of inspections and condition assessment taking into account maintenance scheduled maintenance activities. The division also ensure that all buildings conforms to the relevant health and safety regulations.

(b) Municipal Property Maintenance performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Ensure that council buildings remain functional	4/09-0060-1	% of the operating budget for maintenance of council houses and council buildings spent	90% for the year	94% for the year	3.1	90% for the year	97% for the year	3.2	90% for the year	
Ensure that council buildings remain functional	4/09-0060-2	% legitimate requests / complaints i.r.o. incidents addressed within the previous month	90% pm minimum	92.2% pm average for the year	3.1	90% pm minimum	93.7% pm average for the year	3.1	90% pm minimum	
Complete road markings on time	4/09-0061-1	% of the operating budget for road markings spent	100% for the year	100% for the year	3	95% for the year	87.0% for the year	2.7	95% for the year	
Complete road markings on time	4/09-0061-2	% of road markings work schedule completed	100% for the year	100% for the year	3	100% for the year	78.0% for the year	2.3	100% for the year	
Effectively execute maintenance projects	4/10-0007	% of planned and/or unforeseen maintenance projects of council houses and council buildings completed	90% for the year	100% for the year	3.3	90% for the year	96% for the year	3.2	90% for the year	
Update risk assessment	4/17-0125	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by November and May)	
Contract management and building maintenance	4/17-0128-1	Set up, implementation, drafting and management of maintenance schedules	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Contract management and building maintenance	4/17-0128-2	Number of months that the maintenance	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	

		schedules were reviewed and updated								
Compliance to Health and Safety	4/17-0129	Number of months that safety reports were submitted by supervisors according to projects	3 per quarter	12 for the year	3	3 per quarter	12 for the year	3	3 per quarter	
Ensure control over tools	4/17-0130	Number of spot checks done on tools accounted for	10 for the year	12 for the year	3.6	3 per quarter	12 for the year	3	3 per quarter	
Productive workforce	4/17-0193	% of person days lost per month due to sick leave	4% pm maximum	3.4% pm average for the year	3.1	4% pm maximum	2.2% pm average for the year	3.5	4% pm maximum	
Inform staff	4/19-0043	Number of invocoms held			0	1 per quarter	4 for the year	3	1 per quarter	

(c) Employees: Municipal Property Maintenance

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	2	5	5	0	0.00%
07 - 09	4	4	4	0	0.00%
10 - 12	1	1	1	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	8	11	11	0	

(d) Financial Performance: Municipal Property Maintenance

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R3 671 078	R3 862 072	R3 906 059	R3 947 222	2.16%
2 Contracted Services	R3 215 283	R6 280 535	R5 491 514	R5 133 181	-22.35%
3 Other	R4 395 903	R4 769 123	R6 932 860	R8 585 116	44.45%
TOTAL	R11 282 264	R14 911 730	R16 330 433	R17 665 519	

(e) Capital Expenditure: Municipal Property Maintenance

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 19-0004 Buildings: Upgrading of Parking area: Moorreesburg Community Hall	R500 000	R500 000	R500 000	0.00%
19/20 16-0006 Equipment Buildings & Maintenance	R93 720	R99 100	R98 977	5.31%
19/20 19-0003 Buildings: Disability Facilities, Additions and/or Upgrading	R550 000	R250 000	R238 604	-130.51%
19/20 16-0030 Vehicles Buildings and Maintenance: CK37348 Nissan NP300 H	R345 694	R311 300	R311 300	-11.05%
19/20 19-0005 Vehicles Buildings and Maintenance: CK19776 (Purpose Made Trailer)	R70 480	R70 480	R70 480	0.00%
TOTAL	R1 559 894	R1 230 880	R1 219 360	

(f) Comment on the performance of Municipal Property Maintenance overall

The Division : Buildings and Structures completed a total of 175 small projects for the 2019/2020 financial year scoring 96% on its overall performance and meeting its annual target of 90%. Five major projects were also started within the same year and include: Maintenance related work at Gene Louw Pavilion, Darling Library ablution upgrading, Moorreesburg Traffic Department roof replacement and new additions, Riebeek Kasteel community hall phase 2 and Malmesbury Pigeon Club ablution additions. The division performed well and were able to implement all planned maintenance and capital projects within budget and time frames.

3.10.16 TOWN AND COMMUNITY HALLS (INCLUDING PROPERTY AND LEGAL)**(a) Introduction**

The Corporate Services Directorate is responsible for the administration of the Municipality's property portfolio, including the sale and lease of immovable properties and all transactions and contracts relating to same, and to ensure that all related actions and documents are legally compliant.

Legal Services are outsourced but the Directorate assists council, executive structures and the various municipal directorates with, inter alia,

- the interpretation and application of national and provincial legislation;
- policy formulation within the applicable legal frameworks;
- the assessment of legal risks and obtaining legal opinions where necessary; and
- the administration of legal actions and claims on behalf of and against the Municipality.

(b) Town and community halls (including property and legal) performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Adequately maintain facility infrastructure	4/09-0081-1	Maintenance audit completed	Yes (annually by December)	Yes	3	Yes (annually by December)	Yes	3	Yes (annually by December)	
Adequately maintain facility infrastructure	4/09-0081-2	Maintenance upgrade needs provided to the building and maintenance division for action	Yes	Yes	3	Yes	Yes	3	Yes	
Ensure up to date policies	4/17-0138	Policies reviewed in terms of pre-determined schedule	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	Yes	3	Yes (annually by end of June)	
Update risk assessment	4/17-0140	Risk register updated	Yes (bi-annually by November and May)	Yes	3	Yes (bi-annually by Nov and May)	Yes	3	Yes (bi-annually by Nov and May)	
Property administration	4/17-0141	Number of updates of the	1 per	4 for the	3	1 per	4 for	3	1 per	

		security register verified	quarter	year		quarter	the year		quarter	
Contract Management	4/17-0142-1	Number of updates of the automated database of all municipal property-related contracts and reports submitted to Director Corporate Services	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Contract Management	4/17-0142-2	Number of expiry contracts monitored by utilising automated system	10 for the year	15 for the year	4.5	10 for the year	10 for the year	3	10 for the year	
Correspondence addressed in a timely manner	4/17-0143	% of all correspondence recorded by Collaborator less than 60 days old	90% pm average	84.5% pm average for the year	2.9	90% pm average	70.8% pm average for the year	2.4	90% pm average	REASON: Introduction of Property Management module on Collab led to older task being measured as overdue. Due to measurement period of KPI it takes time to even out the measurement. INTERVENTION: Correspondence addressed timeously to ensure measurement of reporting period reflects stats as current.
Inform staff	4/17-0144	Number of invocoms held	1 per quarter	4 for the year	3	1 per quarter	4 for the year	3	1 per quarter	
Productive workforce	4/17-0189	% of person days lost per month due to sick leave	4% pm maximum	2.5% pm average for the year	3.3	4% pm maximum	1.8% pm average for the year	3.5	4% pm maximum	

(c) Employees: Town and community halls (including property and legal)

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	4	4	4	0	0.00%
04 - 06	10	9	10	1	10.00%
07 - 09	2	2	2	0	0.00%
10 - 12	0	0	0	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	17	16	17	1	

(d) Financial Performance: Town and community halls (including property and legal)

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 882 504	R3 276 389	R3 315 383	R3 323 904	1.43%
2 Contracted Services	R220 651	R317 774	R311 174	R256 799	-23.74%
3 Other	R299 291	R392 842	R392 942	R252 287	-55.71%
TOTAL	R3 402 446	R3 987 005	R4 019 499	R3 832 990	

(e) Capital Expenditure: Town and community halls (including property and legal)

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
19/20 09-0024 Equipment Corporate: Buildings and Swartland halls	R60 000	R60 000	R53 380	-12.40%
TOTAL	R60 000	R60 000	R53 380	

(f) Comment on the performance of Town and community halls overall

Town/Community halls exist in the towns of Malmesbury, Wesbank, Moorreesburg, Rosenhof, Yzerfontein, Darling and Abbotsdale. A new community hall was constructed in Riebeeck Kasteel during the 2019/2020 financial year, to be opened during the 2020/2021 financial year after the Covid-19 lockdown.

Halls are utilised on a regular basis including standing users of which the WP Blood Transfusion Services and SASSA are examples.

Cleaning of halls is done by municipal cleaning staff, while maintenance of the buildings is the function of the Building Division. Maintenance is being carried out subject to the availability of funds.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

Swartland Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: **To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce.** Swartland Municipality considers its human resources as one of its most critical assets. This chapter will focus on some of the key issues relating to human resources and other organisational management issues. Issues which will be addressed includes the staffing rate of the municipality, personnel cost, the status quo of retirement funds and medical aid schemes, human resource policies and practices, as well as the remuneration of senior officials and councillors.

4.2 MUNICIPAL PERSONNEL

(a) Employees

Service Name	Posts	Employees	Vacancies	Vacancies As Percentage
Asset and Fleet Management	4	4	0	0.00%
Budget Office and Costing	2	2	0	0.00%
Building Control	6	6	0	0.00%
Caravan Park Yzerfontein	6	6	0	0.00%
Cemeteries	0	0	0	0.00%
Civil Protection (including Disaster Management)	0	0	0	0.00%
Community Development	4	4	0	0.00%
Council General Expenses	0	0	0	0.00%
Electricity Distribution	43	41	2	4.65%
Expenditure	8	8	0	0.00%
Financial Statements and Control	2	2	0	0.00%
Financial Systems Administration	1	1	0	0.00%
Fire Fighting Services	2	2	0	0.00%
Grants and subsidies Council	0	0	0	0.00%
Grants and subsidies Financial Services	0	0	0	0.00%
Grants and subsidies FMG	0	0	0	0.00%
Harbour Yzerfontein	0	0	0	0.00%

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Housing	2	2	0	0.00%
Human Resources	5	5	0	0.00%
ICT Services	4	4	0	0.00%
Income	33	33	0	0.00%
Internal Audit (including Risk Management)	2	2	0	0.00%
Legal and Credit Control	10	10	0	0.00%
Libraries	32	32	0	0.00%
Licencing and Registration Services	24	24	0	0.00%
Local Economic Development	0	0	0	0.00%
Management Civil Engineering Services	7	6	1	14.29%
Management Corporate Services	7	7	0	0.00%
Management Development Services	2	2	0	0.00%
Management Electrical Engineering Services	0	0	0	0.00%
Management Financial Services	2	1	1	50.00%
Management Municipal Manager	4	4	0	0.00%
Management Protection Services	2	2	0	0.00%
Marketing and Tourism	1	1	0	0.00%
Municipal Property Maintenance	11	11	0	0.00%
Occupational Health and Safety (including Pollution Control)	2	2	0	0.00%
Parks and Recreational Areas	55	51	4	7.27%
Planning and Valuations	6	6	0	0.00%
Proclaimed Roads	4	4	0	0.00%
Rates Services	3	3	0	0.00%
Refuse Removal	76	76	0	0.00%
Secretariat and Archives	6	6	0	0.00%
Sewerage Services	30	29	1	3.33%
Sports Grounds	5	5	0	0.00%
Strategic Management	1	1	0	0.00%

Streets and Stormwater	70	65	5	7.14%
Supply Chain Management	13	13	0	0.00%
Swimming Pools	5	5	0	0.00%
Thusong Service Centres	4	4	0	0.00%
Town and Community Halls (including Property and Legal)	17	16	1	5.88%
Traffic and Law Enforcement Services	57	57	0	0.00%
Water Services	41	40	1	2.44%
TOTAL	621	605	16	

(b) Vacancy rate

Designation	Total Approved Posts	Vacancies	Vacancy Percentage
a Municipal Manager	1	0	0.00%
b Chief Financial Officer	1	0	0.00%
c Other S56 Managers (excluding Finance Posts)	5	0	0.00%
d Other S56 Managers (Finance Posts)	0	0	0.00%
e Police Officers	0	0	0.00%
f Fire fighters	2	0	0.00%
g Senior Management: Levels 13-18 (excluding Finance Posts)	41	3	7.32%
h Senior Management: Levels 13-18 (Finance Posts)	10	1	10.00%
i Highly skilled supervision: Levels 9-12 (excluding Finance Posts)	113	2	1.77%
j Highly skilled supervision: Levels 9-12 (Finance Posts)	9	0	0.00%

(c) Turn-over Rate

Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-Over Rate
600	26	4.33%

(d) Comment on municipal personnel

The stable environment of Swartland Municipality ensures that employees have stable careers and therefore there is a very low staff turnover of 3.9%.

4.3 MANAGING THE MUNICIPAL WORKFORCE

4.3.1 HR POLICIES AND PLANS

(a) HR policies and plans as on 30 June 2017

Name Of Policy	Completed	Revised	Date Adopted	Comment
Acting Allowance	100.00%	0.00%	2016-12-01	
Alcohol and Drug Policy & Procedure	100.00%	100.00%	2018-12-01	
Code of Conduct for employees	100.00%	0.00%		Part of Municipal Systems Act
Delegations, Authorisation & Responsibility	100.00%	100.00%	2020-05-28	
Disability	100.00%	0.00%	2018-12-01	
Disciplinary Code and Procedures	100.00%	0.00%		Collective Agreement
Education, Training and Development	100.00%	0.00%	2018-12-01	
Employee Assistance / Wellness	100.00%	0.00%	2018-12-01	
Employment Equity	100.00%	100.00%	2016-04-01	
Essential Services	0.00%	0.00%		
Exit Management	0.00%	0.00%		
External Bursary Policy	100.00%	100.00%	2017-04-01	
Gift Policy	100.00%	0.00%	2018-12-01	
Grievance Procedures	100.00%	0.00%		Part of Main Collective Agreement
HIV/Aids	100.00%	0.00%	2016-04-01	
Information Technology	100.00%	100.00%	2012-07-01	
Internship	100.00%	0.00%	2016-04-01	
Job Evaluation	100.00%	0.00%		SALGA's prescribes process regarding job evaluation
Leave	100.00%	100.00%	2016-12-01	
Occupational Health and Safety	0.00%	0.00%		
Official Housing	100.00%	100.00%	2009-11-01	
Official Journeys	100.00%	100.00%	2019-03-01	

Official transport to attend Funerals	0.00%	0.00%		
Organisational Rights	100.00%	0.00%		Part of Main Collective Agreement
Other	0.00%	0.00%		
Outside Work	100.00%	100.00%	2018-12-01	
Overtime	100.00%	100.00%	2017-07-01	
Payroll Deductions	100.00%	0.00%		Part of Main Collective Agreement
Performance Management and Development	0.00%	0.00%		
Recruitment, Selection and Appointments	100.00%	100.00%	2016-04-01	
Remuneration Scales and Allowances	0.00%	0.00%		Collective Agreement
Resettlement	0.00%	0.00%		
Sexual Harassment	100.00%	0.00%	2018-12-01	
Smoking	100.00%	100.00%	2018-12-01	
Staff Bursary	100.00%	100.00%	2016-04-01	
Telecommunications	100.00%	0.00%	2016-04-01	
Uniforms and Protective Clothing	100.00%	100.00%	2018-10-26	
Work Organisation	0.00%	0.00%		

(b) Comment on HR policies and plans

Policies are not static documents and therefore have to be revised regularly. During the 2019/20 period a process involving all stakeholders, namely employer, councillors and unions, was followed where several policies were addressed.

4.3.2 INJURIES, SICKNESS AND SUSPENSIONS

(a) Number and cost of injuries on duty

Type Of Injury	Injury Leave Taken	Employees Using Injury Leave	Proportion Employees Using Sick Leave	Injury Leave Per Employee	Estimated Cost
Fatal	0	0	0.00%	0	R0
Required basic medical attention only	197	27	13.71%	7.3	R122 155
Permanent disablement	0	0	0.00%	0	R0
Temporary total disablement	0	0	0.00%	0	R0
TOTAL	197	27			

(b) Number of days and cost of sick leave (excluding injuries on duty)

Salary Band	Total Days Sick Leave	Proportion Without Medical Certification	Employees Using Sick Leave	Total Employees In Post	Average Days Per Employee	Estimated Cost
a Lower skilled (Levels 1 - 2)	0	0.00%	0	0	0	R0
b Skilled (Levels 3 - 5)	1379	10.30%	169	221	8	R618 873
c Highly skilled production (Levels 6 - 8)	1230	23.30%	147	195	8	R878 543
d Highly skilled supervision (Levels 9 - 12)	895	18.80%	0	131	8	R1 004 342
e Senior management (Levels 13 - 18)	173	14.50%	0	51	6	R3 937 271
f MM and S56	42	2.30%	4	7	11	R168 885

(c) Comment on injury and sick leave

The percentage of employees absent due to sick leave and injury on duty is monitored on a monthly basis and is also part of the performance management system. Whenever the figure exceeds 3%, measures are put in place to address problem areas. Levels of absenteeism due to these reasons are relatively low with an average absenteeism for the period 2019/20 for sick leave being 1.9% and for injury on duty 0.1%. All injuries are investigated thoroughly and if necessary, the Health and Safety Officer addresses the problem areas through training and counselling. Injuries are examined by the municipality's own doctors, and where long or regular periods of sick leave are taken, prognosis reports are requested in order to determine the employees' fitness for duty.

(d) Comment on suspensions and cases of financial misconduct

There were no suspension of more than 4 months and any cases of financial misconduct within Swartland Municipality.

4.3.3 PERFORMANCE REWARDS

No performance rewards are paid to any staff member of Swartland Municipality.

4.4 CAPACITATING THE MUNICIPAL WORKFORCE**4.4.1 INTRODUCTION**

MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Swartland Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports submitted. During 2019/2020 an amount of R1 365 586.20 was spent on efficiency development.

4.4.2 SKILLS DEVELOPMENT AND TRAINING**(a) Annual Training Report: Number of employees trained as at 30 April 2020**

Occupational Category	No of Employees in post at 30 April 2018	Type of Learning Intervention										Total
		Apprenticeship	Bursary	Learnership	RPL	Skills Programme	Short Course: Non-credit	AET1	AET2	AET3	AET4	
Legislators, senior officials and managers	7		1									1
Professionals	22			1		5	8					14
Techicians and Associate Professionals	32					18	12					30
Clerks	112	1		4		36	20					61
Services and Sales Workers	65					32	13					45
Skilled agricultural and fishery workers	1											0
Craft and related trades workers	32					3	13					16
Plant and machine	41	2				11	20					33

operators and assemblers												
Elementary occupations	234	3	1	5		46	40	4			3	102
TOTAL	546	6	2	10		151	126	4			3	302

(b) Financial Competency Development: Progress Report

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated Total: 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))
a Accounting officer	1	0	1	1	1	1
b Chief financial officer	1	0	1	1	1	1
c Senior managers	5	0	5	5	5	5
d Any other financial officials	65	0	65	65	0	0
e Heads of supply chain management units	2	0	2	2	2	2
f Supply chain management senior managers	1	0	1	1	1	1
TOTAL	75	0	75	75	10	10

(c) Skills Development Expenditure as at 30 April 2018

Type of Learning Intervention	NQF Level	Number trained		Actual Amount Spent
		Female	Male	
Apprenticeship	1-4		7	R207 066
	5-7			
	8-10			
Bursary	1-4			
	5-7		1	R99 180
	8-10			
Learnership	1-4	4		R41 920
	5-7	1		R11 605
	8-10			
RPL	1-4			
	5-7			
	8-10			
Skills Programme	1-4	54	73	R371 555
	5-7	15	81	R249 688
	8-10			
Short Course: Non-credit	1-4	53	255	R356 966
	5-7			
	8-10			
TOTAL		127	417	R1 337 980

(d) Comment on skills development and related expenditure and on the financial competency regulations

Swartland Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees, non-employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports submitted. During 2019/2020 an amount of R1 356 586.20 was spent on efficiency development.

4.5 MANAGING THE WORKFORCE EXPENDITURE**4.5.1 INTRODUCTION**

Workforce expenditure is managed effectively, through regular (monthly) budget control meetings to discuss expenditure and rectify any overspending. No appointments are made unless the posts are funded and vacant on the post establishment. In order to obtain value for money from workforce expenditure, the mandate for appointment is to appoint the candidate on the minimum notch of the scale unless motivation exists for appointment on a higher notch. The consultation for appointment on a higher notch is done by the Senior

Manager: Human Resources and the director concerned. Should consensus not be reached, there should be a cooling-down period of forty-eight (48) hours after which further consultation should take place to reach consensus. Consensus must be reached after the cooling-down period has elapsed.

4.5.2 EMPLOYEE EXPENDITURE

(a) Workforce Expenditure Trends

Operational Expenditure Type	Total Operating Expenditure	Actual Workforce Expenditure	Ratio
1 Employees	R746 209 020	R231 507 983	31.02%

(b) Number of employees whose salaries were increased due to their positions being upgraded

None

(c) Employees whose salary levels exceed the grade determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Cashier and Enquiries Clerk	2	6	7	Implementation of TASK (Contractual to incumbent)
Senior Clerk: Registration	1	6	7	Implementation of TASK (Contractual to incumbent)
Cashier and Enquiries Clerk	2	6	8	Implementation of TASK (Contractual to incumbent)
Operator: Loader	1	6	8	Implementation of TASK (Contractual to incumbent)
Library Assistant	1	6	8	Implementation of TASK (Contractual to incumbent)
Cashier and Enquiries Clerk	1	6	9	Implementation of TASK (Contractual to incumbent)
Assistant Librarian	1	7	8	Implementation of TASK (Contractual to incumbent)
Principal Clerk	3	7	8	Implementation of TASK (Contractual to incumbent)
Chief Clerk: Enquiries	1	8	9	Implementation of TASK (Contractual to incumbent)
Assistant Librarian	2	8	9	Implementation of TASK (Contractual to incumbent)
Chief Clerk	1	8	11	Implementation of TASK (Contractual to incumbent)
Librarian	3	9	10	Implementation of TASK (Contractual to incumbent)
Administrator	1	9	11	Implementation of TASK (Contractual to incumbent)
Administrative Officer	1	9	11	Implementation of TASK (Contractual to incumbent)
Senior Foreman	1	10	11	Implementation of TASK (Contractual to incumbent)
Personal Assistant	1	10	11	Implementation of TASK (Contractual to incumbent)
Management Representative	1	11	13	Implementation of TASK (Contractual to incumbent)
Superintendent	1	12	13	Implementation of TASK (Contractual to incumbent)

(d) Employees appointed to posts not approved

None

(e) Comment on upgraded posts and those that are at variance with normal practice

No posts were upgraded and are at variance with normal practice.

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality is being subjected to extreme external cost pressures which includes the effect of the tariff increases of Eskom, labour collective agreements which resulted in expenditure increases well above the normal inflation rate, the increased cost of fuel due to the declining currency and higher oil prices etc. The municipality is well aware of the effect of the global economic slowdown and the effect it has on the ability of the consumers to pay for services. The municipality therefore embarked on cost saving measures in its budgeting- and actual processes wherever possible.

GRAP compliance

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

The Accounting Standards Board annually issues a directive (Directive 5) indicating the relevant accounting standards which municipalities must comply with. The municipality implemented all the required standards and was able to obtain an unqualified audit report. The municipality did not deviate from any of the standards.

5.2 STATEMENTS OF FINANCIAL PERFORMANCE

5.2.1 INTRODUCTION

The financial statements of the municipality has been audited by the Office of the Auditor-General and the paragraphs below reflects a high level summary of the financial results for the financial year. The complete set of audited Annual Financial Statements is attached to the Annual Report as an appendix (Separate document).

5.2.2 STATEMENTS OF FINANCIAL PERFORMANCE

(a) Financial Summary

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
1a Total Revenue (excluding capital transfers and contributions)	R745 034 499	R751 695 440	R763 673 485	R811 176 530	7.33%	5.86%
a Property rates	R115 714 745	R121 289 023	R121 289 023	R125 025 191	2.99%	2.99%
b Service charges	R406 226 238	R419 650 112	R417 823 129	R454 718 635	7.71%	8.11%
c Investment revenue	R40 174 471	R40 920 000	R42 236 923	R45 724 748	10.51%	7.63%
d Transfers recognised - operational	R130 093 174	R112 665 895	R118 472 835	R114 420 128	1.53%	-3.54%
e Other own revenue	R52 825 871	R57 170 410	R63 851 575	R71 287 828	19.80%	10.43%
1b Total Expenditure	-R672 126 563	-R737 857 810	-R757 823 880	-R746 209 018	1.12%	-1.56%
a Employee costs	R193 951 925	R217 513 980	R221 302 540	R220 617 326	1.41%	-0.31%
b Remuneration of councillors	R10 369 396	R11 111 665	R11 111 665	R10 890 659	-2.03%	-2.03%
c Depreciation and asset management	R85 907 682	R88 293 120	R88 287 570	R86 992 570	-1.50%	-1.49%
d Finance charges	R14 277 679	R18 581 231	R13 156 044	R14 452 515	-28.57%	8.97%
e Materials and bulk purchases	R220 248 517	R262 380 494	R262 395 106	R255 338 498	-2.76%	-2.76%
f Transfers and grants	R2 565 193	R3 167 648	R4 609 761	R3 878 972	18.34%	-18.84%
g Other expenditure	R144 806 171	R136 809 672	R156 961 194	R154 038 478	11.18%	-1.90%
1c Capital transfers and contributions	R46 155 163	R67 161 000	R80 471 000	R60 811 962	-10.44%	-32.33%
a Transfers recognised - capital	R45 838 416	R67 161 000	R78 451 000	R60 239 866	-11.49%	-30.23%
b Contributions recognised - capital and contributed assets	R316 747	R0	R2 020 000	R1 937 960	100.00%	-4.23%
c Donated property, plant and equipment	R0	R0	R0	R1 365 864	100.00%	100.00%

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
2 Total sources of capital funds	-R92 031 190	-R143 857 572	-R140 815 524	-R123 246 787	-16.72%	-14.25%

a Transfers recognised - capital	R45 838 415	R67 161 000	R78 451 000	R60 239 838	-11.49%	-30.23%
b Public contributions and donations	R5 628 855	R0	R2 000 000	R13 042 368	100.00%	84.67%
c Borrowing	R0	R22 631 209	R0	R0	0.00%	0.00%
d Internally generated funds	R40 563 920	R54 065 363	R60 364 524	R49 964 581	-8.21%	-20.81%
3 Financial position						
a Total current assets	R650 069 179	R705 446 767	R728 239 405	R757 405 995	6.86%	3.85%
b Total non-current assets	R1 968 321 723	R2 010 958 141	R2 015 733 101	R1 988 441 884	-1.13%	-1.37%
c Total current liabilities	R126 169 262	R157 847 590	R158 137 055	R144 646 369	-9.13%	-9.33%
d Total non-current liabilities	R216 421 720	R228 290 964	R210 798 212	R207 418 325	-10.06%	-1.63%
4 Cash Flows						
a Net cash from (used) operating	R164 700 111	R154 947 973	R183 711 004	R222 504 098	30.36%	17.43%
b Net cash from (used) investing	R89 486 528	R143 639 112	R140 285 800	R105 754 045	-35.82%	-32.65%
c Net cash from (used) financing	R10 686 086	R35 133 831	R6 794 668	R11 709 586	-200.04%	41.97%
d Cash/Cash Equivalents at the year end	R525 326 888	R541 529 028	R561 957 824	R630 365 897	14.09%	10.85%
5 Cash backing/surplus reconciliation						
a Cash and investments available	R525 326 888	R541 529 028	R561 957 824	R630 365 897	14.09%	10.85%
b Application of cash and investments	R0	R0	R0	R0	0.00%	0.00%
c Balance - Surplus (Shortfall)	R0	R0	R0	R0	0.00%	0.00%
6 Asset Management						
a Asset register summary (WDV)	R1 920 923 022	R2 010 958 141	R2 015 731 115	R1 988 439 991	-1.13%	-1.37%
b Depreciation & asset impairment	R85 907 682	R88 293 120	R88 287 570	R86 992 570	-1.50%	-1.49%
c Renewal of existing assets	R5 487 405	R26 783 800	R31 412 800	R30 991 226	13.58%	-1.36%
d Repairs and maintenance	R54 360 226	R54 680 902	R55 285 760	R53 341 340	-2.51%	-3.65%
7 Free Services						
a Cost of free basic services provided	R0	R0	R0	R0	0.00%	0.00%
b Revenue cost of free services provided	R0	R0	R0	R0	0.00%	0.00%

(b) Financial Performance of Operational Services

Service	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Variance From Original Budget	Variance From Adjustment Budget
Asset and Fleet Management	R0	R2 928 885	R2 500 460	R2 186 642	-33.94%	-14.35%
Budget Office and Costing	R0	R2 170 367	R2 638 325	R3 630 134	40.21%	27.32%
Building Control	R2 610 607	R2 965 962	R2 999 249	R2 759 007	-7.50%	-8.71%
Caravan Park Yzerfontein	R1 858 054	R2 133 894	R2 153 866	R1 794 755	-18.90%	-20.01%
Cemeteries	R480 937	R625 318	R526 007	R701 676	10.88%	25.04%
Civil Protection (including Disaster Management)	R220 984	R300 000	R3 819 000	R2 062 848	85.46%	-85.13%
Community Development	R2 546 270	R3 388 293	R3 450 734	R2 449 209	-38.34%	-40.89%
Council General Expenses	R15 112 793	R16 972 934	R17 073 055	R16 374 297	-3.66%	-4.27%
Electricity Distribution	R229 441 691	R265 248 361	R266 036 324	R270 027 334	1.77%	1.48%
Expenditure	R0	R0	R0	R0	0.00%	0.00%
Financial Statements and Control	R0	R0	R0	R0	0.00%	0.00%
Financial Systems Administration	R0	R0	R0	R0	0.00%	0.00%
Fire Fighting Services	R4 120 536	R4 396 729	R5 457 535	R5 463 292	19.52%	0.11%
Grants and subsidies Council	R0	R0	R0	R0	0.00%	0.00%
Grants and subsidies Financial Services	R0	R0	R0	R0	0.00%	0.00%
Grants and subsidies FMG	R0	R1 550 000	R1 550 000	R1 550 030	0.00%	0.00%
Harbour Yzerfontein	R61 107	R80 061	R80 061	R60 291	-32.79%	-32.79%
Housing	R30 344 960	R2 536 270	R7 930 112	R13 392 602	81.06%	40.79%
Human Resources	R5 047 002	R5 542 194	R5 733 116	R4 677 997	-18.47%	-22.55%
ICT Services	R9 352 412	R12 267 676	R12 424 060	R9 549 309	-28.47%	-30.10%
Income	R0	R0	R0	R0	0.00%	0.00%
Internal Audit (including Risk Management)	R1 633 013	R1 858 277	R2 064 634	R1 714 924	-8.36%	-20.39%
Legal and Credit Control	R0	R0	R0	R0	0.00%	0.00%
Libraries	R8 474 020	R9 151 284	R9 239 053	R9 090 373	-0.67%	-1.64%
Licencing and Registration Services	R7 288 696	R8 092 901	R8 247 147	R7 736 539	-4.61%	-6.60%
Local Economic Development	R0	R0	R0	R0	0.00%	0.00%

Management Civil Engineering Services	R2 938 511	R3 728 021	R3 756 221	R3 226 466	-15.55%	-16.42%
Management Corporate Services	R14 230 190	R11 279 328	R12 773 127	R14 735 970	23.46%	13.32%
Management Development Services	R1 434 338	R2 106 002	R2 120 856	R1 909 599	-10.29%	-11.06%
Management Electrical Engineering Services	R1 583 897	R1 648 420	R1 660 820	R1 647 399	-0.06%	-0.81%
Management Financial Services	R32 833 599	R38 607 591	R34 562 448	R30 882 142	-25.02%	-11.92%
Management Municipal Manager	R5 087 739	R3 039 001	R3 072 204	R3 284 927	7.49%	6.48%
Management Protection Services	R1 901 933	R2 205 303	R2 242 506	R2 052 997	-7.42%	-9.23%
Marketing and Tourism	R1 342 119	R1 477 452	R1 483 396	R1 347 204	-9.67%	-10.11%
Municipal Property Maintenance	R11 282 264	R14 911 730	R16 330 433	R17 665 519	15.59%	7.56%
Occupational Health and Safety (including Pollution Control)	R1 556 464	R1 592 988	R1 609 467	R1 568 189	-1.58%	-2.63%
Parks and Recreational Areas	R13 350 632	R15 974 616	R15 870 705	R14 038 180	-13.79%	-13.05%
Planning and Valuations	R6 916 122	R7 634 711	R8 372 065	R7 635 457	0.01%	-9.65%
Proclaimed Roads	R0	R6 474 855	R6 470 355	R6 469 541	-0.08%	-0.01%
Rates Services	R0	R446 731	R804 948	R414 466	-7.78%	-94.21%
Refuse Removal	R32 590 203	R36 514 580	R40 975 796	R44 853 607	18.59%	8.65%
Secretariat and Archives	R0	R0	R0	R0	0.00%	0.00%
Sewerage Services	R42 999 172	R51 967 711	R48 466 340	R52 691 717	1.37%	8.02%
Sports Grounds	R4 376 495	R4 723 688	R4 565 779	R4 691 950	-0.68%	2.69%
Strategic Management	R0	R2 311 060	R2 333 039	R2 126 164	-8.70%	-9.73%
Streets and Stormwater	R64 658 744	R53 825 346	R54 719 862	R52 916 958	-1.72%	-3.41%
Supply Chain Management	R5 804 801	R6 019 318	R6 391 613	R6 273 612	4.05%	-1.88%
Swimming Pools	R1 913 955	R2 233 267	R2 254 871	R2 107 564	-5.96%	-6.99%
Thusong Service Centres	R1 210 147	R1 424 250	R1 439 621	R1 177 076	-21.00%	-22.30%
Town and Community Halls (including Property and Legal)	R3 402 446	R3 987 005	R4 019 499	R3 832 990	-4.02%	-4.87%
Traffic and Law Enforcement Services	R52 319 057	R57 256 765	R61 779 939	R53 806 804	-6.41%	-14.82%
Water Services	R52 362 507	R64 258 668	R65 825 235	R59 631 263	-7.76%	-10.39%
TOTAL	R674 688 417	R737 857 813	R757 823 883	R746 209 020		

(c) Comment on financial performance

Total operating expenditure amounted to **R 714.7** and **94.31%** of the budget was spent.

Total operating revenue amounted to **R 861.2m** which is equal to **102.02%**.

5.2.3 GRANTS

(a) Grants received from the Division of Revenue Act (DoRA)

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
National Government (capital)						
Energy Efficiency and Demand Side Management Grant	R3 000 000	R4 000 000	R4 000 000	R4 000 000	0.00%	0.00%
Integrated National Electrification Programme (Municipal) Grant	R4 000 000	R5 000 000	R5 000 000	R5 000 000	0.00%	0.00%
Municipal Infrastructure Grant (MIG)	R24 945 000	R21 301 000	R21 301 000	R21 301 000	0.00%	0.00%
TOTAL	R31 945 000	R30 301 000	R30 301 000	R30 301 000		
National Government (operating)						
Equitable Share Grant	R82 048 000	R91 534 000	R91 534 000	R91 534 000	0.00%	0.00%
Expanded Public Works Programme Integrated Grant	R1 572 000	R1 768 000	R1 768 000	R1 768 000	0.00%	0.00%
Finance Management	R0	R1 550 000	R1 550 000	R1 550 000	0.00%	0.00%
TOTAL	R83 620 000	R94 852 000	R94 852 000	R94 852 000		
Provincial Government (capital)						
Development of Sport and Recreation Facilities Grant	R0	R320 000	R320 000	R320 000	0.00%	0.00%
Emergency Fire kits	R191 565	R0	R0	R1 696	100.00%	100.00%
Establishment of a K9 Unit (capital)	R12 785	R10 000	R1 046 000	R696 140	98.56%	-50.26%
Greenest Municipality Competition Grant	R0	R0	R140 000	R140 000	100.00%	0.00%
Human Settlements Development Grant (capital)	R30 806 065	R32 480 000	R41 094 000	R26 688 990	-21.70%	-53.97%
Library Service: Conditional Grant (capital)	R8 429 000	R50 000	R50 000	R46 122	-8.41%	-8.41%

Proclaimed Roads Subsidy (capital)	R9 534 000	R0	R1 500 000	R1 233 905	100.00%	-21.57%
RSEP/VPUU Municipal Projects Grant	R8 316 114	R4 000 000	R4 000 000	R813 709	-391.58%	-391.58%
Title Restoration	R0	R0	R0	R1 738	100.00%	100.00%
TOTAL	R57 289 529	R36 860 000	R48 150 000	R29 942 300		
Provincial Government (operating)						
Community Development Workers Grant	R0	R0	R74 000	R3 577	100.00%	-1968.77%
COVID 19 - Food Parcels and Financial Support	R0	R0	R969 000	R969 000	100.00%	0.00%
Disaster Relief Grant	R0	R0	R0	R0	0.00%	0.00%
Establishment of a K9 Unit (operating)	R0	R1 990 000	R4 941 215	R2 700 535	26.31%	-82.97%
Financial Management Support Grant : Mscoa	R330 000	R330 000	R330 000	R330 000	0.00%	0.00%
Financial Management Support Grant: Risk Management	R54 678	R0	R45 322	R45 322	100.00%	0.00%
Financial Management Support Grant: Student Bursaries	R221 803	R379 000	R379 000	R139 151	-172.37%	-172.37%
Human Settlements Development Grant (operating)	R0	R0	R1 657 403	R0	0.00%	0.00%
LG Internship Grant	R0	R0	R60 000	R61 081	100.00%	1.77%
LG Support Grant	R0	R0	R0	R0	0.00%	0.00%
Library Service: Conditional Grant (operating)	R0	R9 557 000	R9 557 000	R9 556 631	0.00%	0.00%
Municipal Accreditation Assistance Grant	R0	R224 000	R224 000	R224 000	0.00%	0.00%
Proclaimed Roads Subsidy (operating)	R0	R5 084 000	R5 084 000	R5 084 000	0.00%	0.00%
TOTAL	R606 481	R17 564 000	R23 320 940	R19 113 297		

(b) Comment on operating transfers and grants received from DoRA

Government grants and subsidies: Operating was underspend by **3.42%** and Government grants and subsidies: Capital was underspend by **23.21%**.

(c) Grants received from sources other than DoRA

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjusted Budget Variance
West Coast District Municipality	R0	R0	R50 000	R0	0.00%	0.00%
Sondeza	R91 910	R0	R0	R95 523	100.00%	100.00%
LG SETA	R0	R249 895	R249 895	R355 874	29.78%	29.78%
TOTAL	R91 910	R249 895	R299 895	R451 397		

(d) Comment on conditional grants and grant received from other sources

The municipality adhered to the conditions of all conditional transfers.

The following Grants were applied for roll-over:

- Community Development Workers Operational Support Grant R 57 672.92
- Establishment and Support of a K9 Unit R 2 590 539.92
- Financial Management Capacity Building Grant (Student Bursaries) R 326 455
- Regional socio-economic project (RSEP) - municipal projects R3 186 291.45

Human settlements Development Grant (Beneficiaries) R9 660 468.87

5.2.4 ASSET MANAGEMENT

(a) Introduction

Assets under the control of each department are being managed by the relevant departmental heads. The Chief Financial Officer is responsible for maintaining an asset register for all assets which qualify to be capitalised.

Asset management is guided by the Asset Management Policy of the municipality. The policy is reviewed on an annual basis as part of the budget policies review process to ensure it complies with the latest requirements of GRAP, audit- and treasury directives.

(b) Treatment of the three largest assets acquired

Name	Description	Asset Type	Key Staff Involved	Staff Responsibilities	Asset Value	Capital Implications	Future Purpose of Asset	Describe Key Issues	Policies in Place to Manage Asset	Previous Year Value

(c) Comment on asset management

The municipality designed and implemented a system whereby each capital project is measured according to the requirements of the MFMA. The Council only approves projects where the full cost of the project, the future operating costs of the project as well as the effect that the costs associated with the project will have on tax and tariffs were considered by the Council.

(d) Repair and maintenance expenditure

Type	Operating Budget	Actual	% of Operating Budget
Repairs & Maintenance	R54 681 000	R53 341 340	R97.55%

(e) Comment on repair and maintenance expenditure

Expenditure on repairs and maintenance does not keep track with the increase in asset values as well as the ageing of the infrastructure. A portion of repairs and maintenance is also included in the capital budget. The norm of repairs and maintenance as a % of Property, plant and equipment and investment property (carrying value) is 8%. Swartland Municipality is currently at 2.73%.

5.2.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Financial viability ratio's	Norms	Criteria	2018/2019	2019/2020
Cost coverage	1-3 months	Higher than 1-3 months is better	9.0	10
Debt coverage	45%	The lower the actual the better the result	17.49%	14.07%

(a) Comment on financial ratios

As indicated in the financial overview in Chapter 1.4 of this report, the Municipality is in a financially healthy position. Management proactively participates in programs to ensure a financially sustainable municipality.

5.3 SPENDING AGAINST CAPITAL BUDGET

5.3.1 INTRODUCTION

Capital expenditures relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from Grants and Capital Replacement Reserve.

The municipality spent **85.89%** of the approved budget on capital projects.

5.3.2 CAPITAL EXPENDITURE

The table below indicates the capital expenditure against the total budget.

Description	Original Budget	Adjustment Budget	Actual
Capital Expenditure	R143 673 084	R140 815 524	R120 941 959

5.3.3 SOURCES OF FINANCE

(a) Capital Expenditure - Funding Sources

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
Capital Replacement Reserve (CRR)	R46 973 759	R53 880 875	R60 364 524	R47 068 276	-14.47%	-28.25%
External loans	R0	R22 631 209	R0	R0	0.00%	0.00%
Grants and subsidies	R44 599 231	R67 161 000	R78 451 000	R60 239 838	-11.49%	-30.23%
Public contributions and donations	R208 199	R0	R2 000 000	R1 858 961	100.00%	-7.59%

(b) Comment on sources of funding

Capital sources of funding for actual expenditure consist of Transfers recognised - capital which amounted to **49.81%**, Other Contributions and Public Donations was **2.67%** and Internally generated funds was **47.52%**.

5.3.4 CAPITAL SPENDING ON 5 LARGEST PROJECTS**(a) Capital Expenditure of 5 largest projects**

Description	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjusted Budget Variance
19/20 09-0004 Roads: Resealing of roads - Swartland	R15 000 000	R15 000 000	R15 000 000	0.00%	0.00%
19/20 12-0013 Water: Upgrading/Replacement water reticulation network	R8 183 800	R8 183 800	R8 183 800	0.00%	0.00%
19/20 13-0008 Sewerage: Moorreesburg	R26 950 420	R12 668 919	R9 784 243	-175.45%	-29.48%
19/20 18-0018 Dev Services: Malmesbury De Hoop Project (Professional Fees)	R2 800 000	R6 687 000	R2 984 088	6.17%	-124.09%
19/20 18-0064d Dev Services: Riebeek Kasteel Serviced Sites Project (Streets and Stormwater)	R0	R6 131 210	R4 382 173	100.00%	-39.91%

(b) Comment on capital projects

The expenditure on the major projects listed above is according to budget and the projects were all completed within the timeframes set.

5.3.5 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW**(a) Municipal Infrastructure Grant (MIG)* Expenditure on Service backlogs**

Service	Households Above Minimum Level	Percentage	Households Below Minimum Level	Percentage
Electricity Distribution	38 620	98.35%	649	1.65%
Water Services	38 895	99.30%	273	0.70%
Refuse Removal	32 343	82.22%	6 994	17.78%

Sewerage Services	37 080	93.89%	2 413	6.11%

(b) Municipal Infrastructure Grant (MIG)* Expenditure on Service backlogs

Service	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
	R21 301 000	R21 301 000	R21 301 000	0.00%	0.00%

5.4 CASH FLOW MANAGEMENT AND INVESTMENTS**5.4.1 INTRODUCTION**

The municipality classified a positive cash balance as critical to its operations and future viability and all planning exercises take the effect of decisions on the cash position of the municipality into consideration.

The municipality utilises a Capital Replacement Reserve Fund (CRR), established in terms of the Asset Management Policy, to fund as much of the capital expenditure as possible. The CRRF is being funded by surplus cash which is mainly derived from a recovery from tariffs for depreciation charges.

In order to measure that the municipality has sufficient own cash resources, the municipality deducts any unspent grants as well as unspent loans from the available cash position, with the balance being own funds and which is allocated between the operating account and the CRR.

5.4.2 CASH FLOW**(a) Cash Flow Outcomes**

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
1a Receipts	R735 587 708	R764 184 901	R793 092 332	R811 693 210	5.85%	2.29%
a Ratepayers and other	R519 481 647	R540 639 322	R550 830 571	R589 610 711	8.31%	6.58%
b Government - operating	R130 093 174	R112 665 895	R118 472 835	R114 420 128	1.53%	-3.54%
c Government - capital	R45 838 416	R67 161 000	R78 451 000	R60 239 866	-11.49%	-30.23%
d Interest	R40 174 471	R43 718 684	R45 337 926	R47 422 505	7.81%	4.40%
1b Payments	-R596 784 389	-R609 236 928	-R609 381 327	-R589 189 112	-3.40%	-3.43%

a Suppliers and employees	R579 941 517	R587 488 049	R591 615 522	R570 857 625	-2.91%	-3.64%
b Finance charges	R14 277 679	R18 581 231	R13 156 044	R14 452 515	-28.57%	8.97%
c Transfers and Grants	R2 565 193	R3 167 648	R4 609 761	R3 878 972	18.34%	-18.84%
2a Receipts	R1 471 662	R218 460	R533 696	R3 638 833	94.00%	85.33%
a Proceeds on disposal of PPE	R1 468 768	R200 000	R531 710	R3 638 833	94.50%	85.39%
b Decrease (Increase) in non-current debtors	R0	R0	R0	R0	0.00%	0.00%
c Decrease (increase) other non-current receivables	R2 894	R18 460	R1 986	R0	0.00%	0.00%
d Decrease (increase) in non-current investments	R0	R0	R0	R0	0.00%	0.00%
2b Payments	-R90 958 190	-R143 857 572	-R140 815 524	-R109 392 878	-31.51%	-28.72%
a Capital assets	R90 958 190	R143 857 572	R140 815 524	R109 392 878	-31.51%	-28.72%
3a Receipts	R0	R0	R0	R691	100.00%	100.00%
a Short term loans	R0	R0	R0	R0	0.00%	0.00%
b Borrowing long term/refinancing	R0	R0	R0	R0	0.00%	0.00%
c Increase (decrease) in consumer deposits	R0	R0	R0	R0	0.00%	0.00%
Finance lease receipts	R0	R0	R0	R691	100.00%	100.00%
3b Payments	-R10 686 086	-R13 297 798	-R10 017 934	-R11 710 277	-13.56%	14.45%
a Repayment of borrowing	R10 686 086	R13 297 798	R10 017 934	R11 710 277	-13.56%	14.45%

(b) Comment on cash flow outcomes

The net cash position of the municipality, as indicated above, has improved from **R525.3m** to **R630.3m**. Unspent grants amounted to R16 850 005.

The net increase in Cash and cash equivalents amounts to **R105m** compared to the previous year's (2018/2019) increase of **R64.5m**.

5.4.3 BORROWING AND INVESTMENTS

(a) Introduction

No new borrowing contracts were taken up for the 2019/2020 financial year. The Municipality does not rely on borrowed funds to fund its capital budget. The main funding source is the Capital Replacement Reserve, to which an annual contribution is made out of the operating surplus.

The Municipality has current investments on hand and review these investments on a monthly basis.

(b) Actual Borrowings

Instrument	Previous Year Amount	Amount
Financial Leases	R0	R0
Instalment Credit	R0	R0
Long-Term Loans (annuity/reducing balance)	R117 966 271	R117 966 271
Long-Term Loans (non-annuity)	R0	R0
Marketable Bonds	R0	R0
Non-Marketable Bonds	R0	R0
TOTAL	R117 966 271	R117 966 271

(c) Municipal Investments

Investment Type	Previous Year Amount	Amount
Bankers Acceptance Certificates	R0	R0
Deposits - Bank	R0	R0
Deposits - Corporation for Public Deposits	R0	R0
Deposits - Public Investment Commissioners	R0	R0
Guaranteed Endowment Policies (sinking)	R0	R0
Listed Corporate Bonds	R0	R0
Municipal Bonds	R0	R0

Negotiable Certificates of Deposit - Banks	R0	R0
Other	R525 326 888	R630 365 897
Repurchase Agreements - Banks	R0	R0
Securities - National Government	R0	R0
TOTAL	R525 326 888	R630 365 897

5.4.4 PUBLIC PRIVATE PARTNERSHIPS

N/a

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

6.1 INTRODUCTION

The Constitution section 188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing.

The Municipal System Act section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The Auditor-General did not raise any material findings on the usefulness and reliability of the reported information.

The Annual Financial Statements (AFS) for the year 2019/20 submitted for auditing were prepared in accordance with the requirements of section 122(1) of the Municipal Finance Management Act. Swartland Municipality has improved from an unqualified opinion with findings to an unqualified opinion with no findings, i.e. a clean audit report. The Annual Financial Statements (AFS) and performance information were without any material uncorrected misstatements and Management will continue to improve its internal controls and processes over the preparation and presentation of the financial statements to ensure that it is free from material misstatements.

6.2 AUDITOR-GENERAL OPINION (PREVIOUS YEAR)

6.2.1 AUDITOR GENERAL REPORTS

(a) Auditor-General Report on Financial Performance

Audit Report Status:	Unqualified with one matter*
Non-Compliance Issues	Remedial Action Taken
Management's internal controls and processes over the preparation and presentation of the financial statements were inadequate to ensure that the financial statements were free from material misstatements, which resulted in material non-compliance with section 122(1) of the MFMA.	The Chief Financial Officer will improve internal controls and processes over the preparation and presentation of the financial statements to ensure that it is free from material misstatements or omissions by amongst other improving the control environment, management oversight responsibility and specifically creating capacity to address the everchanging accounting environment through a specialist appointment to address shortcomings in the control environment.
<i>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).</i>	

(b) Auditor-General Report on Service Delivery Performance

Audit Report Status:	Unqualified - Clean Audit Report
Non-Compliance Issues	Remedial Action Taken
There are no material findings on the usefulness and reliability of the reported performance information for the selected objective in respect of Strategic Goal 5 – Sufficient, affordable and well-run services.	None

6.3 AUDITOR-GENERAL OPINION (CURRENT YEAR 2019-2020)

6.3.1 AUDITOR GENERAL REPORTS

(a) Auditor-General Report on Financial Performance

Status of audit report:	Unqualified- Clean Audit Report with no findings*
Non-Compliance Issues	Remedial Action Taken
There are no material findings. Management's internal controls and processes over the preparation and presentation of the financial statements were adequate to ensure that the financial statements were prepared in accordance with the requirements of section 122(1) of the Municipal Finance Management Act.	None The Chief Financial Officer will apply the principle of continues to improvement to internal controls and processes over the preparation and presentation of the financial statements to ensure that it is free from material misstatements, omissions or error. The addressing of GRAP training across departments is a key initiative to ensure that we keep abreast of changes in the accounting framework environment.
Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).	

(b) Auditor-General Report on Service Delivery Performance

Status of audit report:	Unqualified - Clean Audit Report
Non-Compliance Issues	Remedial Action Taken
There are no material findings on the usefulness and reliability of the reported performance information for the selected objective in respect of Strategic Goal 5 – Sufficient, affordable and well-run services.	None

(c) Auditor-General Report on the financial statements

See Chapter 1 paragraph 1.2.6

(d) Comments on Auditor-General's opinion

The Auditor-General formally communicated to management and the political leadership via audit steering committee engagements that the Swartland Municipality has improved from an unqualified opinion with findings to an unqualified opinion with no findings (clean audit). The Annual Financial Statements (AFS) and performance information were without

any material uncorrected misstatements, which can be attributed to proper record keeping, processing and reconciling controls, and regular reporting that is monitored. The use of governance structures in key risk areas within the municipality should be continued to ensure that deficiencies identified are adequately responded to and monitored through management's action plan.

Clean administration entails effective teamwork amongst all departments within the municipality, the right attitude of its workforce and keeping staff accountable for their area of responsibility. The Swartland Municipality continues to subscribe to high levels of good governance and clean administration.

The foundations on which Swartland Municipality builds its success are as follows:

- Political stability
- Good leadership
- Effective Oversight – Council/ MPAC/ Performance and Risk Audit Committee/ Disciplinary Board
- Apply Good Governance at all times
- Managing beyond compliance built into Performance Management system
- All employees' buy-in to doing the right things the first time and to apply control
- Committed and hardworking personnel to meet and maintain high standard at all times
- Investigate and implement best practices
- Support from Provincial Treasury
- Start with the end in mind
- Management oversight responsibility

(e) Comments on MFMA section 71 responsibilities

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

Signed (Chief Financial Officer)



Dated 2 March 2021

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes 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.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
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> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Goals	A goal is a desired end result or possible outcome that an organisation envisions, plans and commits to achieve, towards which an organisation's programmes or problem solutions are directed. It is a major step in achieving the vision of the organisation. In the strategic planning context a goal is a state where the organisation wants to be, a destination
Objectives	Objectives are more detailed than goals and explain how goals will be accomplished. Objectives detail the activities that must be completed to bring about the achievement of the goal. The attainment of each goal may require a number of objectives to be reached.

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

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Van Zyl, M	FT	Executive Mayoral Committee, Portfolio Committee (Municipal Manager, Administration & Finance – Deputy Chairperson; Protection Services)	Ward 1	100%	N/a
Papers, C H	PT	Portfolio Committee (Protection Services); MPAC	Ward 2	41%	100%
Smit, N	PT	Portfolio Committee (Civil & Electrical Services – Chairperson), MPAC	Ward 3	91%	100%
Stanley, B J	PT	Portfolio Committee (Civil & Electrical Services)	Ward 4	85%	100%
Rangasamy, M A	FT	Speaker, Portfolio Committee (Municipal Manager, Administration & Finance; Protection Services)	Ward 5	100%	N/a
Maart, E S M	PT	Portfolio Committee (Municipal Manager, Administration & Finance – Chairperson)	Ward 6	52%	100%
McQuire, V D	PT	Portfolio Committee (Development Services; Protection Services), MPAC	Ward 7	95%	100%
De Beer, J M	PT	Portfolio Committee (Municipal Manager , Administration & Finance; Development Services)	Ward 8	100%	N/a
Penxa, B J	PT	Portfolio Committee (Civil & Electrical Services)	Ward 9	78%	100%
Van der Westhuizen, R F	FT	Executive Mayoral Committee, Portfolio Committee (Civil & Electrical Services – Deputy Chairperson, Development Services)	Ward 10	97%	100%
Daniels, C	PT	Portfolio Committee (Municipal Manager, Administration & Finance; Civil & Electrical Services); MPAC – Chairperson	Ward 11	87%	100%
Bess, D G	PT	Portfolio Committee (Civil & Electrical Services; Protection Services - Chairperson)	Ward 12	100%	N/a
Van Essen, T	FT	Executive Mayor	Party Representative	100%	N/a
Goliath, M S I	FT	Executive Deputy Mayor, Portfolio Committee (Municipal Manager, Administration & Finance; Civil & Electrical Services; Development Services; Protection Services)	Party Representative	100%	N/a

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Stemele, O M	FT	Executive Mayoral Committee, Portfolio Committee (Municipal Manager, Administration & Finance - Deputy Chairperson; Civil & Electrical Services)	Party Representative	100%	N/a
Solomons, P E	FT	Executive Mayoral Committee, Portfolio Committee (Development Services)	Party Representative	91%	100%
O'Kennedy, E S	PT	Portfolio Committee (Municipal Manager, Administration & Finance, Development Services; Protection Services); MPAC	Party Representative	91%	100%
Philander, D B	PT	Portfolio Committee (Development Services; Protection Services)	Party Representative	85%	100%
Sneewe, A M	PT	Portfolio Committee (Civil & Electrical Services)	Party Representative	64%	100%
Zatu, N S	PT	Portfolio Committee (Municipal Manager, Administration & Finance); MPAC	Party Representative	83%	100%
Humphreys, F S	PT	Portfolio Committee (Municipal Manager, Administration & Finance); MPAC	Party Representative	77%	100%
Bekebu, Z	PT	Portfolio Committee (Development Services; Protection Services)	Party Representative	52%	100%
Mfutwana, L E	PT	Portfolio Committee (Municipal Manager, Administration & Finance, Civil & Electrical Services, Development Services; Protection Services); MPAC	Party Representative	55%	97%

*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*

Council meetings = 8

EMC meetings = 14

Portfolio meetings = 24

MPAC = 4

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Purpose of Committee
Local Labour Forum / Training / Appointment Committee	To regulate HR matters
Swartland Law Enforcement and Traffic Committee	To regulate law enforcement and traffic matters
Landfill Audit Committee	To regulate landfill sites
Occupational Health Committee	To regulate occupational health
Disaster Management Committee	To regulate disaster management
Tourism Organisation	To regulate tourism matters
Assets and Fleet Management Committee	To regulate asset and fleet matters
Development Services Committee	To regulate development services matters
Budget Steering Committee	To perform an oversight function
Municipal Public Accounts Committee (MPAC)	To perform an oversight function
Performance and Risk Audit Committee	To perform an oversight function
Rules Committee	To oversee the conduct of councillors
Municipal Planning Tribunal	To consider land use applications
Swartland Social Development forum	To regulate social development
Appeal Committee	To regulate matters iro of Section 62 appeals
Disciplinary Board	To conduct independent investigations regarding Financial Misconduct and Offences

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Directorate	Director/Manager (State title and name)
Corporate Services	Senior Manager: Human Resources Services, Ms S de Jongh
Corporate Services	Manager: Secretariat & Records Services, Ms N Brand
Corporate Services	Manager: Properties, Contracts and Legal Administration, Mr G Solomons
Corporate Services	Manager: Public Affairs, Library and Tourism Services, Ms IH Look
Financial Services	Senior Manager: Financial Statements & Control, Mr CF Gerber
Financial Services	Manager: Budget Office and Costing, Ms HT Papier
Financial Services	Manager: Financial Systems Administration, Ms S Cilliers
Financial Services	Manager: Supply Chain, Mr PJ Swart
Protection Services	Head: Fire and Emergency Services, Mr R Harris
Protection Services	Manager: Traffic and Law Enforcement Services, Mr R Steyn
Electrical Engineering Services	Senior Manager: Information, Communication and Technology, Mr WJ Pienaar
Electrical Engineering Services	Senior Manager: Technical Services, Mr MJ Swanepoel
Electrical Engineering Services	Senior Manager: Operations, Maintenance and Construction, Mr TF Rossouw
Development Services	Senior Manager: Built Environment, Mr AM Zaayman
Development Services	Manager: Community Development, Ms H Balie
Development Services	Manager: Human Settlements, Mr SC Arendse
Development Services	Manager: Environmental and Occupational Health, Mr WSJ Marais
Civil Engineering Services	Manager: Buildings and Structures, Mr NC Quickfall
Civil Engineering Services	Senior Manager: Solid Waste & Trade Services, Ms GM Steenkamp
Civil Engineering Services	Manager: Civil Operations and Maintenance, Mr JP Barlow
Civil Engineering Services	Manager: Public Services, Mr JJ Venter

APPENDIX D – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes (partially)
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes

Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

APPENDIX E – Functionality of Ward Committees

Ward Number	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	*Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Van Zyl, M (cllr)	Yes	4/4	Reports to Speaker are submitted on quarterly basis	None
	Cupido N; King A; Frankenson C; Koch I; Badenhorst E N; Thiersen H J A, Adonis P; Thiart C B; Hanekom N	Vacancies = 1			
2	Papers, C (cllr)	Yes	4/4		
	Boois S; Davids, K H; Dyasi, S; Boltney D; Pypers D; Soldaka P; Van Boven A; Janse, R	Vacancies = 2			
3	Smit, N (cllr)	Yes	4/4		
	Friedlander B; Mentoor A; Clark J; Asja Edlynne; Neethling K; Asja Eben	Vacancies = 4			
4	Stanley, B (cllr)	Yes	4/4		
	Bruiners K; Cupido J; Jooste R; Solomons A; Farao J; Mitchell, F V; Strauss M;	Vacancies = 3			
5	Rangasamy, M A (cllr)	Yes	4/4		
	Hendricks D; Thomas W; Williams A J; Van Reenen M; Badenhorst W V D; Brittain E; Schoeman U; Neethlinig R; Cleophas G	None			
6	Maart, E S M (cllr)	Yes	4/4		
	Opperman, A J; Willemburg F; Mentoor M R; Bruintjies W; Johnson J; Hoogbaard W; Matthyse A	Vacancies = 3			
7	McQuire, V D (cllr)	Yes	4/4		
	Levendall R C; Lewis C; Onverwacht P; Stallard C; Daniëls E; Booysen S; Folding N; Trantaal, E	Vacancies = 2			
8	De Beer, J M (cllr)	Yes (complete)	4/4		
	Potgieter S; Kruger R J; Davids E; Titus G D; Titus J; Pietersen T; Du Plessis J; Pietersen M	Vacancies = 2			

9	Penxa, B J (cllr)	Yes	4/4		
	Volsak S; Samela M K; Sekhamane M; Mbenyana S; Mtotoyi N J; Ngozi M; Ndaba V; Mondliwa X; Gebeda I S;	Vacancies = 1			
10	Van der Westhuizen, R F (cllr)	Yes	4/4		
	Coetzee H; De Villiers J M; Louw J M; De Beer D J; Jacobus J A; Adams J M; La-Meyer F J; Pietersen L; Kamfer A; Louw J	None			
11	Daniels, C (cllr)	Yes	4/4		
	Malgas S; Meyer J C; Moses H J; Arends E; Boks E; Jaanse M; Pieters A; Roems L; Le Roux J;	Vacancies = 1			
12	Bess, D G (cllr)	Yes	4/4		
	De Bruin J; King C F; King D H; Smuts M N; Maneli M; La Meyer W; Maarman G; Roman R; Gwadiso C	Vacancies = 1			

APPENDIX F – Largest Capital Projects PER WARD

WARD NUMBER	PROJECT NAME AND DETAILS	TOTAL VALUE
WARDS 1 & 2		
13-0008	Waste water treatment works (WWTW) Moorreesburg	12 606 045
WARD 3 & 12		
17-0087	Upgrading of Riebeek West transfer station	4 000 000
WARD 4		
17-0016	Upgrading and diversion: Kalbaskraal / Riverlands pipeline (N7 construction works)	1 664 000
WARD 5 & 6		
18-0004	Sewerage Darling	4 669 778
Ward 7		
18-0065b	Kalbaskraal serviced sites (sewerage)	3 237 577
Ward 8, 9, 10, 11		
18-0018	Malmesbury De Hoop housing project	13 287 000
ALL WARDS: THREE LARGEST PROJECTS PER BASIC SERVICE		
Sewerage		
pj-09-0003	Equipment: Sewerage: Telemetry	21 000

Water		
12-0013	Upgrading/Replacement water reticulation network	8 183 800
18-0072	New connections: water meters	1 321 007
17-0082	Upgrading of water reticulation network: PRV's, flow control, zone metering	500 000
Refuse removal		
09-0027	Refuse bins, traps, skips	500 000
Electricity Distribution		
18-0031	Electricity upgrading of streetlights, floodlighting and building installations	4 000 000
19-0030	Electricity: Swartland LV upgrading	1 400 000
19-0044	Electricity: new connections: electricity meters	1 300 000
Roads		
09-0004	Resealing/upgrading of roads and sidewalks (Swartland)	15 000 000
19-0039	Roads: public transport: non-motorised infrastructure	1 500 000
16-0015	New roads	1 000 000

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE AND RISK AUDIT COMMITTEE

FINAL REPORT OF THE PERFORMANCE AND RISK AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2020 FOLLOWS ON THE NEXT PAGE

FINAL REPORT OF THE INDEPENDENT PERFORMANCE AND RISK AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2020 TO THE COUNCIL OF THE SWARTLAND MUNICIPALITY

The Performance and Risk Audit Committee is pleased to present its report for the financial year ended 30 June 2020 as required by Section 166 of the Municipal Finance Management Act, 56 of 2003 (MFMA). This report is provided by the Performance and Risk Audit Committee in respect of the 2019/2020 financial year of the Swartland Municipality.

AUDIT COMMITTEE RESPONSIBILITY

Section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, as amended obliges every municipality to establish an independent Audit Committee, which must advise the Municipal Council, political office-bearers, accounting officer and management staff of the municipality on matters relating to internal financial controls and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA and any other applicable legislation and any other issues referred to it by the municipality.

Municipal Planning and Performance Management Regulations, section 14(2)(c) makes provision for the establishment of a Performance Audit Committee (the role of which can be fulfilled by the audit committee) that must include at least one person who has expertise in performance management. The performance audit committee is required to review the quarterly reports submitted by internal audit on performance management, review the municipality's performance management system and make recommendations in this regard to council. The Performance and Risk Audit Committee submit audit reports to Council at least twice during a financial year.

The Committee is governed by a formal terms of reference, which is regularly reviewed and approved by Council (last updated vide Reference 3527711 dated 25 August 2020). The document was reviewed by the Committee and the changes accepted at their meeting of 2 June 2020.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Committee currently comprises of three independent members, who have sufficient qualifications and experience, appointed by the Council of Swartland Municipality. During the year under review, four Performance and Risk Audit Committee meetings were held.

The Auditor-General (AG) has a standing invitation to all Audit Committee meetings. Committee members participate in meetings with our commitment as is evidenced from the summary below:

Name of Member	Number of meetings attended
Ms M. Roos (Chairperson)	4
Mr RI Kingwill	1
Mr CB de Jager	3
Mr GN Lawrence	3

The Performance and Risk Audit Committee met on the following dates during the financial year 2019/2020:

- 22 August 2019;
- 27 November 2019;
- 25 February 2020; and
- 2 June 2020.

The tenure and qualifications of the members are as follows:

NAME	QUALIFICATIONS	TENURE PERIOD
Ms M Roos	CA (SA), H Dip Co Law, Masters of Commerce in Auditing, Certified Sustainability Master Class	01 August 2014 to 31 July 2017 Period extended from 01 August 2017 to 31 July 2020
Mr RI Kingwill	B.Comm, CA (SA) and Certificate in Theory of Accountancy	01 September 2016 to 31 August 2019
Mr CB de Jager	B.Comm. and B.Comm. (Hons), CA(SA) Practicing as CA (SA) and Registered Auditor	01 November 2018 to 31 October 2021
Mr GN Lawrence	B.A. Degree Diploma in African Administration Public Administration B.(Hons) Master's Degree in Public Administration	01 November 2019 to 31 October 2022

DISCHARGE OF AUDIT COMMITTEE RESPONSIBILITY

The Committee is pleased to report that it has complied with its responsibilities arising from its terms of reference, including relevant legislative requirements.

The detailed minutes of each meeting following the approval of the minutes at Committee meetings are presented to Council.

Internal Control

During the year under review the Committee executed the following functions in respect of internal control:

- Considered reports of internal audit and external audit on Council's system of internal control including internal financial controls and maintenance of effective internal control systems.
- Reviewed significant issues raised by internal and external audit on internal control systems and adequacy of corrective actions in response to the findings.

The Auditor-General concluded the municipality has a generally good control environment. Recommendations were made to prevent material misstatements within the Annual Financial Statements going forward and include:

- Preparing documented standard operating procedures over the preparation of the Annual Financial Statements.
- Implementation of the Generally Recognised Accounting Practice checklist (GRAP) as issued by National Treasury.
- Monitoring and implementation of the indigent policy as approved and amended by Council.
- Monitoring the validity of indigent debtors.

The Performance and Risk Audit Committee will continue to monitor implementation of corrective action and the enhancement of the control environment in the 2020/2021 financial year.

Internal Audit Effectiveness

During the year under review the Committee executed the following functions in respect of Internal Audit:

- Reviewed and approved the Internal Audit mandate and Risk-based Annual Internal Audit Plan.

- Evaluated the independence and effectiveness and performance of the Internal Audit Function.
- Reviewed the work performed by Internal Audit on a quarterly basis and the implementation of internal audit recommendations.

The Internal Audit activities are completed by a two-person in-house department operating in terms of an Internal Audit Charter. There appears to have been no compromise of the independence or objectivity of the function during the year of review. Internal Audit was not able to complete the Risk-based Internal Audit Plan for the year under review, due to the National Lockdown. The following audits could not be performed and were carried over to the 2020/21 audit plan:

- Human Resources – Payroll/ Overtime/ Leave
- Supply Chain Management – Procurement above R200 000

The Revised Internal Audit Plan was approved by the Performance and Risk Audit Committee on 2 June 2020.

Risk Management

Internal audit is responsible for facilitating risk management, as part of its consulting services, and assisted management during the performance of risk assessments. The Risk Management Policy was reviewed and approved by the Executive Mayoral Committee on 19 June 2019 and the Risk Management Strategic Plan approved on 28 May 2019 by the Performance and Risk Audit Committee. During the year under review detail risk assessments were conducted at the different directorates. Management also presented Strategic and Operational Risk registers to the Performance and Risk Audit Committee for their consideration and input.

The Audit Committee will continue to exercise its advisory and oversight function in respect of risk management.

External audit

In respect of external audit the Performance and Risk Audit Committee:

Financial year 2018/2019

- Reviewed and discussed the External Auditors' (Auditor-General) terms of engagement, the audit plan and budgeted audit fees payable.
- Reviewed and discussed the Final External Audit Report and Management Letter.
- Engaged the Auditor-General on the External Audit Management Report and management letter.

The audit committee is satisfied with the independence of the external audit.

Financial year 2019/2020

- Reviewed and discussed the External Auditors' (Auditor-General) terms of engagement.
- Discussed with management the exemption of the municipality to submit their annual Financial Statements on 31 October 2020 and the AGSA to issue their Final Audit report and Management letter by 28 February 2021.
- The AGSA audit plan and budgeted audit fees payable have thus not been submitted by AGSA at the time of this Audit Committee Report.

Combined assurance

A combined assurance framework has been developed and approved by Council. The Performance and Risk Audit Committee will continue to monitor the implementation of the combined assurance framework and make recommendations in this regard.

Review and Evaluation of the Annual Financial Statements

The Performance and Risk Audit Committee had the opportunity to review the annual financial statements and made recommendations to management as part of its advisory role.

Various material misstatements in the financial statements of 2018/2019 were identified by the Auditor-General, but were corrected by management and are not indicative of a breakdown in the internal control system. The dispute between management and the Auditor-General regarding a material non-compliance opinion issued by the Auditor-General for the 2017/2018 financial year has not yet been resolved.

Performance Management

The Performance and Risk Audit Committee has reviewed the municipality's performance on a quarterly basis and have specifically focused on the indicators showing negative variances. Senior Management of the municipality is required to provide explanations and corrective actions for variances between planned and actual performance. The Audit Committee emphasises the need to maintain appropriate evidence to substantiate performance information.

The Audit Committee will continue to monitor management's actions to ensure an effective Municipality Performance Management System.

CONCLUSION

The Committee wishes to express its appreciation to management, the Auditor-General and Internal Audit who assist the Committee in performing its functions effectively.

M Roos

Chairperson of the Performance and Risk Audit Committee

Date: 31 August 2020

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS**(a) Long Term Contracts (20 Largest Contracts) Entered into**

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Riverlands Cleaning Maintenance	Collection of solid waste in Kalbaskraal/Riverlands/Chatsworth	October 2018	June 2021	Mr P Marais	R2 274 723
Tshayela Projects cc	Street hand sweeping services	August 2017	June 2020	Mr P Marais	R9 240 840
Samcho Cleaning Services (Pty) Ltd	Office cleansing services	July 2018	June 2021	Mr G Solomons	R745 200
Suid-Kaap Waardeerders	General and Supplementary Valuations	July 2016	June 2020	Mr A Zaayman	R2 317 677
Siyakhatala Safety cc	Health and Safety Agent	July 2017	June 2020	Mr K Marais	Tariff tender
Cab Holdings	Printing of Municipal Accounts	June 2017	June 2020	Ms S Cilliers	Tariff tender
Open Communications Eyona (Pty) Ltd	Upgrading, maintain and support of municipal telephone system	October 2017	June 2020	Mr J Pienaar	R822 737.18
Konica Minolta South Africa a division of Bidvest Office (Pty) Ltd	Provision, installation, commissioning and maintenance of digital photocopier equipment	July 2018	June 2021	Mr J Pienaar	Unit prices
The Standard Bank of South Africa Ltd	Banking Services	July 2017	June 2022	Mr C Gerber	Tariffs/Charges/Interest rates
Kaap Agri (Pty) Ltd	Supply of fuel (petrol, diesel, oil)	July 2019	June 2022	Ms A Beneke	Rebates tendered
TMT Services & Supplies (Pty) Ltd	Supply, delivery and administrative support services of fine collection system and camera equipment	July 2019	June 2022	Mr H Mouton	Rates tender
Ayanda Mbanga Communications (Pty) Ltd	Appointment of service provider to design and place personnel recruitment and tender advertisements in media	July 2019	June 2022	Ms S de Jongh/Mr P Swart	Tariff tender
Various tenderers	Appointment of Professional Land Surveyors and Registered Professional Town- and Regional Planners Panel	July 2019	June 2022	Mr A M Zaayman	Tariff tender
Dogs and All	Leasing of trained narcotic dogs for the K9-unit of Swartland Traffic & Law Enforcement Services	July 2019	June 2022	Mr R Steyn	R1 195 614.72
Verso Financial Services (Pty) Ltd	Underwriting of Municipality's Group Life Insurance Portfolio	July 2019	June 2022	Ms S de Jongh	Rates tender
Fidelity Cash Solutions (Pty) Ltd	Provision of security services for the	July 2019	June 2022	Mr H Mouton	R4 519 697.20

	transportation of money				
Mubeko Africa (Pty) Ltd in consortium with Moore	Accounting services for GRAP/mSCOA AFS	July 2019	June 2022	Mr R Alberts	Tariff tender
AL Abbott and Associates (Pty) Ltd	Wastewater Sampling and Analysis	August 2019	June 202	Mr J Venter	Tariff tender
Oxbridge Academy (Pty) Ltd	Senior Certificate Training	January 2020	June 2022	Ms G April	Units tender

(b) Public Private Partnerships Entered into: None

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Did the service provider reach all targets (Yes/No)	If no, provide reasons	Project Manager
Riverlands Cleaning Maintenance	Collection of solid waste in Kalbaskraal/Riverlands/Chatsworth	Yes		Mr P Marais
Tshayela Projects cc	Street hand sweeping services	Yes		Mr P Marais
Samcho Cleaning Services (Pty) Ltd	Office cleansing services	Yes		Mr G Solomons
Suid-Kaap Waardeerders	General and Supplementary Valuations	Yes		Mr A Zaayman
Siyakhatala Safety cc	Health and Safety Agent	Yes		Mr K Marais
Cab Holdings	Printing of Municipal Accounts	Yes		Ms S Cilliers
Open Communications Eyona (Pty) Ltd	Upgrading, maintain and support of municipal telephone system	Yes		Mr J Pienaar
Konica Minolta South Africa a division of Bidvest Office (Pty) Ltd	Provision, installation, commissioning and maintenance of digital photocopier equipment	Yes		Mr J Pienaar
The Standard Bank of South Africa Ltd	Banking Services	Yes		Mr C Gerber
Kaap Agri (Pty) Ltd	Supply of fuel (petrol, diesel, oil)	Yes		Ms A Beneke
TMT Services & Supplies (Pty) Ltd	Supply, delivery and administrative support services of fine collection system and camera equipment	Yes		Mr P Humphreys
Ayanda Mbanga Communications (Pty) Ltd	Appointment of service provider to design and place personnel recruitment and tender advertisements in media	Yes		Ms S de Jongh
Various tenderers	Appointment of Professional Land Surveyors and Registered Professional Town- and Regional Planners Panel	Yes		Mr A Zaayman
Dogs and All	Leasing of trained narcotic dogs for the K9-unit of Swartland Traffic & Law Enforcement Services	Yes		Mr P Humphreys
Verso Financial Services (Pty) Ltd	Underwriting of Municipality's Group Life Insurance Portfolio	Yes		Ms S de Jongh
Fidelity Cash Solutions (Pty) Ltd	Provision of security services for the transportation of money	Yes		Mr P Humphreys
Mubeko Africa (Pty) Ltd in consortium with Moore	Accounting services for GRAP/mSCOA AFS	Yes		Mr C Gerber
AL Abbott and Associates (Pty) Ltd	Wastewater Sampling and Analysis	Yes		Mr J Venter
Oxbridge Academy (Pty) Ltd	Senior Certificate Training	Yes		Ms G April

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

The Municipal Manager and directors signed a disclosure of financial interest form when the performance agreements were signed in June 2019. The forms are available at the Office of the Municipal Manager. Any changes in the nature of financial interests are declared quarterly at management meetings and reported to the Speaker of the Council as required by law.

APPENDIX K - REVENUE COLLECTION PERFORMANCE**(a) By Vote**

Revenue Collection Performance by Vote						
Vote Description	2018/2019	2019/2020		2019/2020 Variances		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Corporate Services	9 993 311	10 953 109	11 015 109	10 909 205	0%	-1%
Civil Services	232 294 643	213 095 041	212 951 862	251 053 713	15%	15%
Council	262 240	260 200	290 200	265 492	2%	-9%
Electricity Services	274 842 444	302 842 101	302 982 101	313 020 973	3%	3%
Financial Services	194 351 844	204 059 770	211 121 054	215 968 070	6%	2%
Development Services	43 375 636	43 561 804	55 938 207	46 915 251	7%	-19%
Municipal Manager	54 678	-	45 322	45 322	100%	0%
Protection Services	46 793 871	44 084 415	49 800 630	36 542 193	-21%	-36%
Total Revenue by Vote	801 968 667	818 856 440	844 144 485	874 720 219	6.39%	3.50%

(b) By Source

Revenue Collection Performance by Source						
Description	2018/2019	2019/2020			2019/2020 Variances	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	115 714 745	121 289 023	121 289 023	125 025 192	2.99%	2.99%
Property rates - penalties & collection charges	-	-	-			
Service Charges - electricity revenue	265 096 694	290 457 692	290 457 692	300 364 052	3.30%	3.30%
Service Charges - water revenue	64 272 265	56 497 109	55 670 126	71 325 856	20.79%	21.95%
Service Charges - sanitation revenue	47 097 600	45 538 065	44 138 065	51 246 203	11.14%	13.87%
Service Charges - refuse revenue	29 759 679	27 157 245	27 557 245	31 782 524	14.55%	13.29%
Service Charges - other		-	-			
Rentals of facilities and equipment	1 528 966	1 585 736	1 605 736	1 530 733	-3.59%	-4.90%
Interest earned - external investments	40 174 471	40 920 000	42 236 923	45 724 748	10.51%	7.63%
Interest earned - outstanding debtors	2 614 542	2 798 684	3 101 003	1 617 286	-73.05%	-91.74%
Dividends received		-	-			
Fines	27 702 812	32 799 635	32 799 635	22 745 067	-44.21%	-44.21%
Licences and permits	4 029 578	4 121 887	4 523 887	3 562 469	-15.70%	-26.99%
Agency services	4 373 231	4 300 000	4 600 000	3 940 171	-9.13%	-16.75%
Transfers recognised - operational	130 093 174	112 665 895	118 472 835	114 420 128	1.53%	-3.54%
Grants and Subsidies Received: Capital	45 838 416	67 161 000	78 451 000	60 239 866	-11.49%	-30.23%
Public contributions and Donations	-	-	2 020 000	1 937 960	100.00%	-4.23%
Other Contributions and Donations	-	-	-			
Donated Property, Plant and -Equipment	-	-	-	1 365 864	100.00%	100.00%
Other revenue	12 893 490	11 364 468	11 579 272	24 318 790	53.27%	52.39%
Gains on disposal of PPE	10 779 005	200 000	5 642 042	13 573 311	98.53%	58.43%
Total Revenue (excluding capital transfers and contributions)	801 968 667	818 856 440	844 144 485	874 720 219	6.39%	3.50%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						
T K.2						

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG					
Description	Original Budget	Adjustments Budget	Actual	Variance Budget	Variance Adj Budget
Neighbourhood Development Partnership Grant					
Public Transport Infrastructure and Systems Grant					
Other Specify:					
Community Development: Workers	-	74 000	3 577	100.00%	-1968.77%
Community Safety: K9 Unit	2 000 000	2 000 000	3 396 675	0.00%	41.12%
Local Governemnt Support Grant	-	850 000	850 000	100.00%	0.00%
Disaster Relief Grant	-	119 000	119 000	100.00%	0.00%
Education, Training and Development Practices (Seta)	249 895	249 895	355 874	0.00%	29.78%
Energy Efficiency and Demand Side Management Grant (EEDG)	4 000 000	4 000 000	4 000 000	0.00%	0.00%
Extended Public Works Programme	1 768 000	1 768 000	1 768 000	0.00%	0.00%
Financial Management Support Grant: MSCOA	330 000	330 000	330 000	0.00%	0.00%
Financial Management Support Grant: Student Bursaries	379 000	379 000	139 151	0.00%	-172.37%
Greenest Town	-	140 000	140 000	100.00%	0.00%
Human Settlements	32 480 000	46 132 530	26 688 990	29.59%	-72.85%
Integrated National Electrification Programme	5 000 000	5 000 000	5 000 000	0.00%	0.00%
Libraries	9 607 000	9 607 000	9 602 753	0.00%	-0.04%
Local Government Financial Management Grant	1 550 000	1 550 000	1 550 000	0.00%	0.00%
Municipal Accreditation and Capacity Building	224 000	224 000	224 000	0.00%	0.00%
Proclaimed Roads Subsidies	5 084 000	6 584 000	6 317 905	22.78%	-4.21%
Regional Socio-Economic Project (RSEP)	4 000 000	4 000 000	813 709	0.00%	-391.58%
Sports Development Grant	320 000	320 000	320 000	0.00%	0.00%
	66 991 895	83 327 425	61 619 634	19.60%	-35.23%

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES**(a) Capital Expenditure - New assets programme**

WC015 Swartland - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June							
Description	Budget Year 2019/20						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure	10 744	41 909	31 103	43 748	12 645	28.9%	41 909
Roads Infrastructure	1 700	12 688	11 241	14 450	3 209	22.2%	12 688
Roads	1 700	12 688	11 241	14 450	3 209	22.2%	12 688
Electrical Infrastructure	6 300	9 260	7 042	9 258	2 216	23.9%	9 260
Power Plants	–	140	140	140	0	0.0%	140
MV Substations	550	350	323	348	25	7.2%	350
LV Networks	5 750	8 770	6 579	8 770	2 191	25.0%	8 770
Capital Spares					–		
Water Supply Infrastructure	1 214	8 168	4 702	8 168	3 466	42.4%	8 168
Boreholes	–				–		
Reservoirs	464	464	349	464	115	24.8%	464
Distribution	500	7 454	4 353	7 454	3 101	41.6%	7 454
Distribution Points	250	250	–	250	250	100.0%	250
Sanitation Infrastructure	1 030	11 292	7 619	11 372	3 754	33.0%	11 292
Pump Station	–				–		
Reticulation	1 030	11 292	7 619	11 372	3 754	33.0%	11 292
Solid Waste Infrastructure	500	500	500	500	–		500
Waste Drop-off Points	500	500	500	500	–		500
Community Assets	10 070	11 771	5 858	11 810	5 952	50.4%	11 771
Community Facilities	6 500	5 400	774	5 439	4 664	85.8%	5 400
Centres	700	–	–	–	–		–
Cemeteries/Crematoria	–	–	–	–	–		–
Police	–	–	–	–	–		–
Parks	700	700	22	739	717	97.1%	700
Public Open Space	5 100	4 100	753	4 100	3 347	81.6%	4 100

Nature Reserves	—	—			—		—
Public Ablution Facilities	—	—	—	—	—		—
Markets	—	600	—	600	600	100.0%	600
Taxi Ranks/Bus Terminals	—	—	—	—	—		—
Sport and Recreation Facilities	3 570	6 371	5 083	6 371	1 288	20.2%	6 371
Indoor Facilities	3 550	6 150	5 061	6 150	1 089	17.7%	6 150
Outdoor Facilities	20	221	22	221	199	90.0%	221
Other assets	31 780	12 936	5 727	11 056	5 328	48.2%	12 936
Operational Buildings	—	350	107	350	243	69.3%	350
Municipal Offices			107	350	243	69.3%	
Capital Spares	—	350	—	—	—		350
Housing	31 780	12 586	5 620	10 706	5 086	47.5%	12 586
Staff Housing					—		
Social Housing	31 780	12 586	5 620	10 706	5 086	47.5%	12 586
Capital Spares					—		
Computer Equipment	570	700	683	700	17	2.5%	700
Computer Equipment	570	700	683	700	17	2.5%	700
Furniture and Office Equipment	194	194	10 598	194	(10 404)	-5365.5%	194
Furniture and Office Equipment	194	194	10 598	194	(10 404)	-5365.5%	194
Machinery and Equipment	6 891	6 049	5 924	6 035	111	1.8%	6 049
Machinery and Equipment	6 891	6 049	5 924	6 035	111	1.8%	6 049
Transport Assets	1 142	1 230	1 230	1 230	0	0.0%	1 230
Transport Assets	1 142	1 230	1 230	1 230	0	0.0%	1 230
Land	—	2 100	—	2 100	2 100	100.0%	2 100
Land	—	2 100	—	2 100	2 100	100.0%	2 100
Total Capital Expenditure on new assets	61 391	76 888	61 123	76 872	15 749	20.5%	76 888

(b) Capital Expenditure - Upgrade/renewal programme

WC015 Swartland - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June							
Description	Budget Year 2019/20						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Capital expenditure on renewal of existing assets by Asset Class/Sub-class							
Infrastructure	25 434	30 364	29 954	30 366	412	1.4%	30 364
Roads Infrastructure	15 000	16 500	16 234	16 500	266	1.6%	16 500
Roads	15 000	16 500	16 234	16 500	266	1.6%	16 500
Electrical Infrastructure	5 500	5 680	5 536	5 682	146	2.6%	5 680
MV Substations	4 900	5 230	4 930	4 930	0	0.0%	5 230
MV Switching Stations	—	—	—	—	—	—	—
MV Networks	300	100	398	400	2	0.5%	100
LV Networks	300	350	208	352	144	41.0%	350
Capital Spares	—	—	—	—	—	—	—
Water Supply Infrastructure	4 934	8 184	8 184	8 184	—	—	8 184
Distribution	4 934	8 184	8 184	8 184	—	—	8 184
Sanitation Infrastructure	—	—	—	—	—	—	—
Waste Water Treatment Works	—	—	—	—	—	—	—
Community Assets	850	549	538	549	11	2.1%	549
Community Facilities	550	250	239	250	11	4.6%	250
Public Ablution Facilities	550	250	239	250	11	4.6%	250
Sport and Recreation Facilities	300	299	299	299	—	—	299
Indoor Facilities	—	—	—	—	—	—	—
Outdoor Facilities	300	299	299	299	—	—	299
Capital Spares	—	—	—	—	—	—	—
Other assets	500	500	500	500	—	—	500
Operational Buildings	500	500	500	500	—	—	500
Yards	500	500	500	500	—	—	500
Total Capital Expenditure on renewal of existing assets	26 784	31 413	30 991	31 415	424	1.3%	31 413

APPENDIX N – CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

2019/2020 CAPITAL BUDGET					
Nr.	Project Description	Original Budget 2019/2020	Adjusted Budget 2019/2020	ACTUAL	Sources of Finance
	CIVIL				
1	Equipment : Civil	42 000	12 923	12 396	CRR
	SEWERAGE SERVICE				
2	Equipment : Sewerage Telemetry	30 000	21 000	-	CRR
3	Equipment : Sewerage	24 000	34 827	41 582	CRR
4	Sewerage Works: Moorreesburg	13 933 220	-	-	External Loan
5	Sewerage Works: Moorreesburg	16 267 200	6 117 200	6 180 074	MIG
6	Sewerage Works: Moorreesburg	-	6 488 845	3 604 169	CRR
7	Sewerage Works: Darling	8 697 989	-	-	External Loan
8	Sewerage Works: Darling	-	1 665 348	1 665 348	CRR
9	Sewerage Works: Darling	-	3 004 430	3 004 430	MIG
		R 38 994 409	R 17 344 573	R 14 507 999	
	Buildings & Maintenance				
10	Riebeek Kasteel: Community Hall	3 050 000	3 050 000	2 994 253	CRR
11	Chatsworth: Social Economic Facility	500 000	150 000	148 297	CRR
12	Disability Facilities, Additions and/or Upgrading	550 000	250 000	238 604	CRR
13	Upgrading of Parking area: Moorreesburg Community Hall	500 000	500 000	500 000	CRR
14	Toilet Facilities: Malmesbury Pigeon Club	50 000	50 000	46 550	CRR
15	Equipment : Buildings & Maintenance	79 000	93 720	98 977	CRR
16	Buildings: CK37348 Nissan NP300 H	409 500	311 300	311 300	CRR
17	Buildings: CK19776 (Purpose Made Trailer)	68 250	70 480	70 480	CRR
		R 5 206 750	R 4 475 500	R 4 408 461	

	Parks				
18	Ward Committee Projects: Parks	700 000	700 000	21 625	CRR
19	Equipment: Parks	56 000	56 000	55 060	CRR
20	Parks: CK34808 Trailer	92 000	82 140	82 140	CRR
		R 848 000	R 838 140	R 158 825	
	Roads				
21	Roads Swartland: Resealing of Roads	15 000 000	11 104 430	11 104 430	CRR
22	Roads Swartland: Resealing of Roads	-	3 895 570	3 895 570	MIG
23	Roads Swartland: New Roads	1 000 000	1 000 000	997 910	CRR
24	Upgrading and Diversion: Kalbaskraal Riverlands Pipeline (N7 construction works)	2 664 000	1 664 000	1 253 073	CRR
25	Ward Committee Projects: Roads	700 000	700 000	641 479	CRR
26	Mechanical Broom	750 000	1 100 000	-	CRR
27	Roads: CK24633 Case Digger	1 380 000	1 413 706	1 413 705	CRR
28	Public Transport: Non-motorised Infrastructure (Swartland Area)	-	1 500 000	1 233 905	Dept. Transport
		R 21 494 000	R 22 377 706	R 20 540 072	
	Sportgrounds				
28	Upgrading of Sports Grounds: Chatsworth	100 000	100 000	37 126	MIG
29	Sportgrounds: Tractor	400 000	430 100	429 904	CRR
30	Sportgrounds: Blower mower	30 000	60 000	46 831	CRR
31	Resealing of Netball & Tennis Courts: Gabriel Pharoah Sports Ground, Darling	240 000	239 000	239 000	Dept. CA and Sport
32	Resealing of Netball Court: Kalbaskraal	60 000	60 000	60 000	Dept. CA and Sport
33	Fencing: Wesbank Sport Grounds C-Field	20 000	21 000	21 000	Dept. CA and Sport
34	Security and upgrading: Kalbaskraal irrigation borehole	-	200 000	168 828	CRR
		R 850 000	R 1 110 100	R 1 002 689	

	Stormwater				
35	Stormwater Network	1 020 000	1 020 000	1 019 999	CRR
36	Upgrading Stormwater: Riebeek-Kasteel East	800 000	800 000	800 000	CRR
37	Equipment: Streets and Stormwater	56 000	57 885	57 884	CRR
		R 1 876 000	R 1 877 885	R 1 877 883	
	Water				
38	Water: Replacement water reticulation network	4 933 800	8 183 800	8 183 800	MIG
39	Water: Upgrading water reticulation network: PRV's, flow control, zone metering	500 000	500 000	294 089	CRR
40	New Reservoir: MBY (Wesbank) De Hoop Development	464 113	464 113	348 985	CRR
41	Bulk water infrastructure	500 000	500 000	190 005	CRR
42	Riebeek Wes Square: New Borehole, Pumps and Irrigation	250 000	250 000	-	CRR
43	Equipment : Water	43 000	57 550	57 496	CRR
44	Water: CEA10760 Trailer Roller	391 000	227 535	227 535	CRR
45	Water: CK26588 Trailer	63 000	43 100	43 100	CRR
46	New Connections: Water Meters	-	1 321 007	313 717	CRR
		R 7 144 913	R 11 547 105	R 9 658 726	
	Refuse				
47	Refuse Skips	500 000	500 000	500 000	CRR
48	Wheely Bins: Pilot Project	1 500 000	250 000	95 551	CRR
49	Upgrading Riebeek West Transfer Station	4 000 000	4 000 000	3 986 125	CRR
50	Upgrading Yzerfontein Transfer Station	500 000	500 000	355 896	CRR
51	Equipment : Refuse Removal	18 000	11 865	16 334	CRR
		R 6 518 000	R 5 261 865	R 4 953 907	
	Development Services				
52	Neighbourhood Watchpoint: Alfa Street	100 000	100 000	-	CRR
53	Multi Purpose: Kalbaskraal	700 000	-	-	Dept. Human Settlements
54	Darling RSEP Project: Inter Cultural space	4 000 000	3 000 000	752 852	RSEP/VPUU
55	Darling RSEP Project: Inter Cultural space	1 000 000	1 000 000	-	CRR
56	Entrepreneurial Hub	-	600 000	-	RSEP/VPUU
57	Recreational Nodes	-	200 000	1 011	RSEP/VPUU

58	Indoor / Outdoor Sport Centre (RSEP/VPUU)	-	200 000	59 846	RSEP/VPUU
59	Indoor / Outdoor Sport Centre (Donation)	-	2 000 000	1 858 961	Donation
60	Indoor / Outdoor Sport Centre (CRR)	-	750 000	-	CRR
61	Equipment : Development Services	36 000	36 000	37 814	CRR
62	Equipment: YZF Caravan Park	30 000	30 000	23 778	CRR
63	YZF Caravan Park: Expansion	1 200 000	355 000	347 287	CRR
		R 7 066 000	R 8 271 000	R 3 081 549	
	Housing				
64	Malmesbury De Hoop Housing Project (Professional Fees)	2 800 000	13 287 000	2 984 088	Dept. Human Settlements
65	Housing: Riebeek Kasteel Serviced Sites	13 980 000	2 349 514	854 748	Dept. Human Settlements
66	Housing: Riebeek Kasteel Serviced Sites (Sewerage)	-	2 663 391	2 681 256	Dept. Human Settlements
67	Housing: Riebeek Kasteel Serviced Sites (Water)	-	1 222 885	2 307 267	Dept. Human Settlements
68	Housing: Riebeek Kasteel Serviced Sites (Streets & Stormwater	-	1 531 210	4 382 173	Dept. Human Settlements
69	Housing: Kalbaskraal Serviced Sites	5 000 000	1 004 188	304 245	Dept. Human Settlements
70	Housing: Kalbaskraal Serviced Sites (Sewerage)	-	3 237 577	2 161 571	Dept. Human Settlements
71	Housing: Kalbaskraal Serviced Sites (Water)	-	1 136 465	793 557	Dept. Human Settlements
72	Housing: Kalbaskraal Serviced Sites (Streets & Stormwater	-	2 661 770	1 793 623	Dept. Human Settlements
73	Housing: Sibanye-Moorreesburg Serviced Sites (Prof Fees)	10 000 000	1 744 822	1 476 769	Dept. Human Settlements
74	Housing: Sibanye-Moorreesburg Serviced Sites (Sewerage)	-	3 086 482	2 775 813	Dept. Human Settlements
75	Housing: Sibanye-Moorreesburg Serviced Sites (Water)	-	1 273 395	748 553	Dept. Human Settlements
76	Housing: Sibanye-Moorreesburg Serviced Sites (Streets & Stormwater	-	3 795 301	3 425 327	Dept. Human Settlements
77	Erf 755: Basic Services	1 000 000	1 000 000	-	CRR
78	Phola Park (A,B & C) Rudimentary Services	-	500 000	-	CRR
		R 32 780 000	R 40 494 000	R 26 688 990	
	Electrical Services				
79	Phola Park/De Hoop Electrical Infrastructure and Bulk Supply	5 000 000	5 000 000	5 000 000	INEP
80	Moorreesburg Sibanye Development of Phase 1 108 serviced plots and Phase 2 245 serviced plots and houses. Electrical infrastructure and connections	400 000	2 200 000	955 127	CRR
81	Minisubstations: Swartland	4 900 000	4 900 000	4 929 995	CRR
82	Swartland LV Upgrading	1 400 000	1 400 000	1 514 495	CRR
83	Substation Fencing: Swartland	550 000	550 000	322 756	CRR
84	Malmesbury meter and polebox replacement	200 000	200 000	105 673	CRR
85	Malmesbury replace MV cable between De Bron SS and Hugenote MS	100 000	100 000	99 887	CRR

86	Darling West streetlight network upgrade	550 000	550 000	550 168	CRR
87	Yzerfontein replace MV cable between C5 and C4 minisubstation	200 000	200 000	298 289	CRR
88	Yzerfontein kiosk replacement	100 000	100 000	102 073	CRR
89	Footings & Containers for Safeguarding of Electrical Cables	100 000	100 000	94 000	CRR
90	Upgrading of streetlights, floodlighting and building installations	4 000 000	4 000 000	4 000 000	EEDSM
91	Riebeek West Low cost housing development- 244 erven. Electrification by Eskom. Streetlighting by Municipality	350 000	350 000	269 096	CRR
92	Malmesbury Security Operational Centre: Communication, Monitoring and Other infrastructure equipment	1 000 000	1 000 000	965 742	CRR
93	Elec: CK18712 Trailer	36 750	36 750	35 966	CRR
94	Elec: CK51884 Mobile Toilet	6 900	11 900	10 022	CRR
95	Equipment: Electric	350 000	345 000	333 898	CRR
96	Malmesbury Municipal Stores: Solar PV installation for electricity generation	-	140 000	139 973	GMC
97	New Connections: Electricity Meters	-	1 300 000	355 009	CRR
		R 19 243 650	R 22 483 650	R 20 082 170	
	Information Technology				
98	Expansion of UPS: Financial Services	150 000	150 000	119 485	CRR
99	Equipment: Information Technology	70 000	70 000	59 611	CRR
100	Printers	100 000	100 000	137 001	CRR
101	DeskTops	140 000	140 000	139 822	CRR
102	Notebooks	180 000	275 000	286 476	CRR
		R 640 000	R 735 000	R 742 396	
	Financial Services				
103	Equipment : Financial	46 000	62 934	63 041	CRR
	Deeds			10 292 085	
	Equipment Insurance			116 935	
		R 46 000	R 62 934	R 10 472 061	
	Protection Services				
104	CCTV Equipment and Radio Communication_Riebeek Valley	100 000	100 000	83 709	CRR
105	CCTV Equipment and Radio Communication_Malmesbury	200 000	200 000	179 066	CRR
106	Finalisation of CCTV Infrastructure: Darling	150 000	150 000	83 120	CRR
107	Law enforcement: CK22540 Nissan bakkie (Replace with Double Cab 4x4)	332 850	489 060	489 060	Com Safety

108	Equipment: Protection	94 000	94 000	126 043	CRR
109	Equipment : Fire Fighting	115 000	115 000	113 712	CRR
110	Equipment : K9 Unit	10 000	76 940	17 720	Com Safety
111	Equipping Donated Vehicles for K9 Unit		100 000	45 517	Com Safety
112	Branding and dog kennels for vehicles	-	30 000	36 460	Com Safety
113	Optimisation of Office Space	-	350 000	107 383	Com Safety
	Equipment: Traffic (Donated)			1 358 402	
		R 1 001 850	R 1 705 000	R 2 640 191	
	MM and Council				
115	Equipment : Council	10 000	3 066	2 431	CRR
116	Equipment : MM	10 000	-	-	CRR
		R 20 000	R 3 066	R 2 431	
	Corporate Services				
117	Equipment : Corporate	18 000	18 000	16 645	CRR
118	Equipment Corporate: Buildings & Swartland Halls	60 000	60 000	53 380	CRR
119	Equipment: Libraries	50 000	50 000	46 122	Dept. CA and Sport
120	Purchase of land for housing, Kalbaskraal (Transnet)	-	2 100 000	-	Dept. Human Settlements
	Libraries equipment (Donated)			7 462	
		R 128 000	R 2 228 000	R 123 610	
	GRAND TOTAL	R 143 857 572	R 140 815 524	R 120 941 960	

APPENDIX O - CAPITAL PROGRAMME BY PROJECT BY WARD - CURRENT YEAR:

Capital Programme by Project ward: 2019-2020		
Project nr:	Capital Project	Budget
		Works Completed (Yes/No)
WARDS 1 & 2		
13-0008	Waste water treatment works (WWTW) Moorreesburg	12 606 045
19-0019	Electricity infrastructure and connections: Sibanye	2 200 000
18-0066a	Sibanye-Moorreesburg serviced sites (professional fees)	1 744 822
18-0066b	Sibanye-Moorreesburg serviced sites (sewerage)	3 086 482
18-0066c	Sibanye-Moorreesburg serviced sites (water)	1 273 395
18-0066d	Sibanye-Moorreesburg serviced sites (streets and stormwater)	3 795 301
19-0004	Upgrading of parking area: Moorreesburg community hall	500 000
WARDS 3 & 12		
17-0087	Upgrading of Riebeek West transfer station	4 000 000
18-0033	Riebeek West low cost housing development- 244 erven. Electrification by Eskom. Street lighting by Municipality	350 000
19-0014	Riebeek West square: new borehole, pumps and irrigation	250 000
18-0041	CCTV camera systems - Riebeek Valley	100 000
18-0064a	Riebeek Kasteel serviced sites project	2 349 514
18-0064b	Riebeek Kasteel serviced sites project (sewerage)	2 663 391
18-0064c	Riebeek Kasteel serviced sites project (water)	1 222 885
18-0064d	Riebeek Kasteel serviced sites project (streets and stormwater)	1 531 210
16-0005	Community Hall / New clubhouse - Riebeek Kasteel	3 050 000
18-0013	Storm water: upgrading storm water - Riebeek Kasteel East, Riebeek Kasteel	800 000
WARD 4		
19-0001	Social economic facility - Chatsworth	150 000
19-0018	Erf 755: basic services (Chatsworth)	1 000 000
17-0016	Upgrading and diversion: Kalbaskraal / Riverlands pipeline (N7 construction works)	1 664 000
17-0074	Upgrading of Sport Grounds: Chatsworth	100 000

WARDS 5 & 6			
16-0044	Equipment: Yzerfontein Caravan Park	30 000	
17-0041	Caravan Park Yzerfontein: Expansion (service of 9 plots + ablution block)	355 000	
17-0077	CCTV equipment and radio communication - Darling	150 000	
19-0034	Darling West streetlight network upgrade	550 000	
19-0035	Yzerfontein replace MV cable between C5 and C4 minisubstation	200 000	
19-0036	Yzerfontein electricity kiosk replacement	100 000	
17-0101	RSEP - Darling project	4 000 000	
17-0094	Refuse: upgrading Yzerfontein transfer station	500 000	
18-0004	Sewerage Darling	4 669 778	
19-0008	Upgrading of sport facilities - Kalbaskraal, Darling, Malmesbury (Wesbank)	239 000	
-	Vehicles	1 413 706	
WARD 7			
18-0065	Kalbaskraal serviced sites project	1 004 188	
18-0065b	Kalbaskraal serviced sites (sewerage)	3 237 577	
18-0065c	Kalbaskraal serviced sites (water)	1 136 465	
18-0065d	Kalbaskraal serviced sites (streets and stormwater)	2 661 770	
19-0048	Purchase of land: Kalbaskraal (Transnet)	2 100 000	
19-0008	Upgrading of sport facilities - Kalbaskraal, Darling, Malmesbury (Wesbank)	239 000	
19-0037	Resealing of netball court - Kalbaskraal	60 000	
19-0040	Security and upgrading: Kalbaskraal irrigation	200 000	
17-0016	Roads: upgrading and diversion: Kalbaskraal / Riverlands pipeline (N7 construction works)	1 664 000	
WARDS 8, 9, 10 & 11			
19-0028	Neighbourhood watch point: Alfa Street	100 000	
19-0033	Malmesbury replace MV cable between De Bron SS and Hugenote MS	100 000	
19-0043	Electricity: Malmesbury municipal stores: solar PV	140 000	
19-0008	Upgrading of sport facilities - Kalbaskraal, Darling, Malmesbury (Wesbank)	320 000	
19-0038	Fencing: Wesbank sport grounds C-Field	21 000	
17-0044	Phola Park/De Hoop: Electrical infrastructure and bulk supply	5 000 000	
19-0042	Phola Park (A, B & C) rudimentary services	500 000	
18-0018	Malmesbury De Hoop housing project	13 287 000	
16-0018	Water: new reservoir: Malmesbury (Wesbank) De Hoop development	464 113	

VARIOUS WARDS			
16-0009	Buildings: Pigeon Club Malmesbury	50 000	
17-0056	CCTV equipment and radio communication - Malmesbury	200 000	
17-0088	RSEP - indoor outdoor sport centre	2 950 000	
17-0100	RSEP - entrepreneurial hub	600 000	
19-0041	RSEP - recreational nodes	200 000	
19-0011	Bulk water emergency spending	500 000	
19-0015	Wheely bins: pilot project	250 000	
19-0023	Electricity: Malmesbury security operational centre	1 000 000	
19-0024	Electricity: footings and containers for safeguarding of electrical cables	100 000	
19-0025	IT: expansion of uninterrupted power supply	150 000	
19-0029	Electricity: Minisubstations (3x Malmesbury, 4x Moorreesburg, 1x Darling, 1x Yzerfontein)	4 900 000	
19-0032	Electricity: Malmesbury meter and polebox replacement	200 000	
-	Vehicles	1 308 750	
ALL WARDS			
Refuse Removal			
09-0027	Refuse bins, traps, skips	500 000	
Electricity Distribution			
18-0031	Electricity upgrading of streetlights, floodlighting and building installations	4 000 000	
19-0030	Electricity: Swartland LV upgrading	1 400 000	
19-0031	Electricity: substation fencing	550 000	
19-0044	Electricity: new connections: electricity meters	1 300 000	
ICT Services			
11-0106	IT: Equipment	70 000	
14-0028	IT: printers capital	100 000	
14-0029	IT: desktops	140 000	
14-0030	IT: notebooks capital	275 000	
Roads			
09-0004	Resealing/upgrading of roads and sidewalks (Swartland)	15 000 000	
16-0015	New roads	1 000 000	
17-0080	Roads: Ward Committee Projects	700 000	
19-0039	Roads: public transport: non-motorised infrastructure	1 500 000	
Sewerage			
09-0003	Sewerage: telemetry - new installations	21 000	

Municipal Property			
19-0003	Buildings: disability facilities, additions and/or upgrading	250 000	
Parks and recreation			
17-0079	Ward Committee Projects	700 000	
Storm Water			
09-0009	Storm water: upgrading of old networks (Swartland)	1 020 000	
Water Distribution			
12-0013	Upgrading/Replacement water reticulation network	8 183 800	
17-0082	Upgrading of water reticulation network: PRV's, flow control, zone metering	500 000	
18-0072	New connections: water meters	1 321 007	
Equipment			
09-0021ac	Equipment Civil Services	12 923	
16-0006	Equipment Buildings & Maintenance	93 720	
11-0058	Equipment Parks	56 000	
11-0059	Equipment Refuse Removal	11 865	
10-0114	Equipment Sewerage	34 827	
11-0060	Equipment Streets and Storm Water	57 885	
11-0062	Equipment Water	57 550	
09-0021ad	Equipment Corporate	18 000	
09-0024	Equipment Corporate: Halls and buildings	60 000	
17-0069	Equipment Libraries	50 000	
09-0021aa	Equipment Council	3 066	
09-0021ab	Equipment Municipal Manager	0	
11-0097	Equipment Development Services	36 000	
11-0096	Equipment Electricity	345 000	
09-0021af	Equipment Financial	62 934	
10-0138	Equipment Traffic and Law Enforcement	94 000	
18-0068	Equipment K9 unit	76 940	
10-0139	Equipment Fire and Emergency Services	115 000	
19-0045	K9 Unit: Branding and dog kennels for vehicles	30 000	
19-0046	K9 Unit: Equipping Donated Vehicles	100 000	
19-0047	K9 Unit: Optimisation of Office Space	350 000	
Vehicles			
-	Vehicles Electricity	11 900	
-	Vehicles Water	270 635	

-	Vehicles Buildings and Maintenance	381 780	
-	Vehicles Traffic and Law Enforcement	489 060	
GRAND TOTAL:		140 815 524	

APPENDIX P - SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS:

No backlogs regarding service delivery to provincial facilities in the urban areas. Information on rural areas is not available to the Municipality.

APPENDIX Q - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION:

The housing backlog in the 2018/2019 financial year was 14 590. The impact of the backlog was that it put a lot of pressure on our infrastructure, suitable land and funding for new housing projects.

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY - CURRENT YEAR

All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of business	Conditions attached to funding	Value	Total Amount committed for 2019/2020
National Sea Rescue Institute	Non-profit institution	Yes	82 456	82 456
SPCA	Non-profit institution	Yes	280 900	280 900
Yzerfontein Conservancy	Non-profit institution	Yes	68 380	68 380
Goedgedaht Trust	Non-profit institution	Yes	100 000	100 000
Darling Outreach	Non-profit institution	Yes	100 000	100 000
ACVV	Non-profit institution	Yes	100 000	100 000
Darling	Museums	Yes	52 444	52 444
Malmesbury	Museums	Yes	52 444	52 444
Oude Kerk	Museums	Yes	52 444	52 444
Swartland and Coastal Area	Tourism	Yes	766 656	766 656
HUB R27	Social Upliftment	Yes	34 881	34 881
Student Bursaries	Social Upliftment	Yes	139 151	139 151
Darling Focus	Social Upliftment	Yes	42 080	42 080
Elkana Childcare	Social Upliftment	Yes	47 340	47 340
Huis van Heerde	Social Upliftment	Yes	92 471	92 471
Jo Dolphin	Social Upliftment	Yes	52 600	52 600
Multi Purpose Centre: Moorreesburg	Social Upliftment	Yes	42 080	42 080
Night Shelter	Social Upliftment	Yes	26 300	26 300
Old Age Homes	Social Upliftment	Yes	890 381	890 381
Social Relief COVID 19 (In- Kind)	Social Upliftment	Yes	855 963	855 963
			3 878 971	3 878 971

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

None

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Note: Information is already contained elsewhere in the Annual Report.

APPENDIX U – 2019/2020 CERTIFIED AUDITED ANNUAL FINANCIAL STATEMENTS



Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

General Information

Nature of business and principal activities

Swartland Municipality (the municipality) is a category B, medium capacity, local government institution in Malmesbury, Western Cape. The addresses of its registered office and principal place of business are disclosed hereunder and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Constitution.

Reporting entity's mandate:

The reporting entity (hereafter 'the Entity') is a medium-capacity, category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa (Act 108 of 1996).

The principal activities of the Entity are to:

- * provide democratic and accountable government to the local communities;
- * ensure sustainable service delivery to communities;
- * promote social and economic development;
- * promote a safe and healthy environment; and
- * encourage the involvement of communities and community organisations in the matters of local government.

The Entity's operations are governed by the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003), Municipal Structures Act (Act 117 of 1998), Municipal Systems (Act 32 of 2000) and various other acts and regulations.

Legal Council

Terblanche, Slabber and Pieters
8 Truter Street
Malmesbury

Du Plessis and Mostert
13 Piet Retief Street
Malmesbury

Roux and Van Dyk
42 Main Road
Moorreesburg

Mayor
Deputy Mayor
Speaker

Councillor T van Essen
Councillor M S I Goliath
Councillor M Rangasamy

Members of Executive Mayoral Committee

Chairperson	Councillor T van Essen
Member	Councillor M S I Goliath
Member	Councillor O M Stemele
Member	Councillor M van Zyl
Member	Councillor R F van der Westhuizen
Member	Councillor P E Solomons

Chairpersons of the Portfolio Committees

Office of the Municipal Manager, Administration and Finances	Councillor C Daniels Councillor E S M Maart (effective from 1 April 2020)
Civil and Electrical Services	Councillor N Smit
Development Services	Councillor JM de Beer
Protection Services	Councillor DG Bess

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

General Information

Members of the Performance and Risk Audit Committee	Chairperson	Ms M Roos
	Member	Mr C B de Jager
	Member	Mr G N Lawrence (effective from 1 November 2019)
	Member	Mr R I Kingwill (term ended 31 August 2019)
Auditors	Auditor-General of South Africa	
Bankers	Standard Bank of South Africa	
Registered office	1 Church Street MALMESBURY 7300	
Business address	1 Church Street MALMESBURY 7300	
Postal address	Private Bag X 52 Malmesbury 7299	
Accounting Officer	J J Scholtz	
Director: Financial Services	M A C Bolton	
Council members of the Swartland Municipality	Bekebu Z	Philander D B
	Bess D G	Rangasamy M A
	Daniels C	Smit N
	De Beer J M	Sneewe A M
	Goliath M S I	Solomons P E
	Humphreys F S	Stanley B J
	Maart E S M	Stemele O M
	McQuire V D	Van der Westhuizen R F
	Mfutwana L E	Van Essen T
	O'Kennedy E C	Van Zyl M
	Papers C H	Zatu N S
	Penxa B J	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Appendixes:

Appendix A: Schedule of External loans
Appendix B: Analysis of Property, Plant and Equipment
Appendix C: Segmental analysis of Property, Plant and Equipment
Appendix D: Segmental Statement of Financial Performance
Appendix E: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act

AFS	Annual Financial Statements
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

As per Government Gazette no. 43582 dated 5th August 2020, National Treasury has granted municipalities and municipal entities a two-month extension regarding the submission of AFS. The municipality has taken advantage of this exemption.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

In terms of Section 13G, read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports. Compliance is disclosed in the annual report.

I certify that salaries, allowances and benefits of councillors as disclosed in note 34 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998, and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on pages 5 to 130, which have been prepared on the going concern basis, were approved by the accounting officer on 29 October 2020 and were signed:


J J Scholtz
Municipal Manager

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Cash and cash equivalents	2	630 365 897	525 325 430
Receivables from exchange transactions	3 and 5	83 781 769	70 928 070
Receivables from non-exchange transactions	4 and 5	25 886 849	27 551 237
Inventories	6	14 671 437	17 507 272
Construction contracts and receivables/(payables)	7	125 682	-
VAT receivable	8	2 496 242	8 108 179
Operating lease asset	9	77 335	47 342
Finance lease receivables - short term portion	10	784	691
		757 405 995	649 468 221
Non-Current Assets			
Property, plant and equipment	11	1 951 232 900	1 924 907 143
Investment property	12	35 170 391	34 571 117
Intangible assets	13	916 800	1 164 744
Heritage assets	14	1 119 900	1 119 900
Finance lease receivables	10	1 893	2 677
		1 988 441 884	1 961 765 581
		2 745 847 879	2 611 233 802
Total Assets			
Liabilities			
Current Liabilities			
Payables from exchange transactions	15	99 875 525	90 256 701
Consumer deposits	16	13 831 016	12 750 568
Employee benefit obligation	17	3 987 000	3 770 907
Other financial liabilities	18	10 017 935	11 710 278
Unspent conditional grants and receipts	19	16 850 005	8 462 474
Operating lease liability	9	84 888	59 839
Construction contracts and receivables/(payables)	7	-	2 529 369
		144 646 369	129 540 136
Non-Current Liabilities			
Employee benefit obligation	17	65 052 000	67 899 606
Other financial liabilities	18	107 948 337	117 966 271
Provisions	20	34 417 988	30 555 807
		207 418 325	216 421 684
		352 064 694	345 961 820
Total Liabilities			
Net Assets			
		2 393 783 185	2 265 271 982
Reserves			
Statutory funds	21	2 677	3 368
Reserves	22	199 505 121	191 815 807
Accumulated surplus	23	2 194 275 387	2 073 452 807
		2 393 783 185	2 265 271 982

* See Note 52, 54 and 51

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	24	454 718 635	405 799 868
Construction contracts	7	10 283 766	26 911 925
Rental of facilities and equipment	25	1 530 733	1 533 273
Agency services	67	3 940 171	4 373 231
Operational revenue	26	13 407 566	12 521 679
Interest received	27	47 342 034	41 983 574
Total revenue from exchange transactions		531 222 905	493 123 550
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	28	125 025 191	115 710 649
Interest received on rates receivables		637 614	798 137
Transfer revenue			
Government grants and subsidies	29	174 659 994	148 469 633
Public contributions and donations	30	1 937 960	316 747
Fines	31	22 745 065	27 702 812
Licences and permits	32	3 562 471	4 029 579
Donated property, plant and equipment		1 365 864	208 199
Total revenue from non-exchange transactions		329 934 159	297 235 756
Total revenue		861 157 064	790 359 306
Expenditure			
Employee related costs	33	220 617 326	193 951 925
Remuneration of councillors	34	10 890 659	10 369 397
Depreciation and amortisation	35	86 992 570	86 150 873
Finance costs	36	14 452 515	15 491 461
Bad debts written off	4	27 978 689	32 708 720
Bulk purchases	37	229 091 017	194 308 453
Contracted services	38	66 934 009	85 829 446
Grants and subsidies paid	39	3 878 972	2 565 194
Other materials	40	26 247 481	25 940 064
Operational cost	41	27 614 001	26 460 899
Total expenditure		714 697 239	673 776 432
Operating surplus		146 459 825	116 582 874
Gains on sale of fixed assets		498 856	1 468 768
Gains on sale of land		3 139 977	6 292 890
Gains on vesting of properties and equipment	42	9 924 321	5 199 553
Loss on property, plant and equipment		(7 923 767)	(5 983 905)
Impairment losses on assets and receivables	43	(21 741 664)	(7 858 078)
Inventory losses: Water losses		(1 846 349)	(2 561 851)
		(17 948 626)	(3 442 623)
Surplus for the year		128 511 199	113 140 251

* See Note 52, 54 and 51

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Net Assets

Figures in Rand	Statutory Fund	Capitalisation reserve	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	6 263	181 164 978	181 171 241	1 962 069 030	2 143 240 271
Adjustments					
Correction of errors	-	-	-	8 891 460	8 891 460
Balance at 01 July 2018 as restated*	6 263	181 164 978	181 171 241	1 970 960 490	2 152 131 731
Changes in net assets					
Transfer to Statutory Fund	(2 895)	-	(2 895)	2 895	-
Transfer to Capital Replacement Reserve	-	51 214 749	51 214 749	(51 214 749)	-
Property, plant and equipment purchased	-	(40 563 920)	(40 563 920)	40 563 920	-
Net income (losses) recognised directly in net assets	(2 895)	10 650 829	10 647 934	(10 647 934)	-
Surplus for the year	-	-	-	113 140 251	113 140 251
Total recognised income and expenses for the year	(2 895)	10 650 829	10 647 934	102 492 317	113 140 251
Total changes	(2 895)	10 650 829	10 647 934	102 492 317	113 140 251
Restated* Balance at 01 July 2019	3 368	191 815 807	191 819 175	2 073 452 811	2 265 271 986
Changes in net assets					
Surplus for the year	-	-	-	128 511 199	128 511 199
Transfer to Statutory Fund	(691)	-	(691)	691	-
Transfer to Capital Replacement Reserve	-	54 757 590	54 757 590	(54 757 590)	-
Property, plant and equipment purchased	-	(47 068 276)	(47 068 276)	47 068 276	-
Total changes	(691)	7 689 314	7 688 623	120 822 576	128 511 199
Balance at 30 June 2020	2 677	199 505 121	199 507 798	2 194 275 387	2 393 783 185
Note(s)	21	22			

* See Note 52, 54 and 51

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Interest income		47 701 077	42 123 738
Cash receipts from ratepayers, government and other		763 992 133	690 767 882
		<u>811 693 210</u>	<u>732 891 620</u>
Payments			
Finance costs		(14 452 515)	(14 277 679)
Cash paid to suppliers and employees		(574 736 597)	(553 888 946)
		<u>(589 189 112)</u>	<u>(568 166 625)</u>
Net cash flows from operating activities	45	222 504 098	164 724 995
Cash flows from investing activities			
Purchase of property, plant and equipment		(109 392 878)	(88 481 521)
Proceeds from sale of property, plant and equipment		498 856	1 468 768
Purchase of investment property		-	(2 294 480)
Proceeds from sale of investment property		3 139 977	-
Purchase of other intangible assets		-	(207 073)
Net cash flows from investing activities		(105 754 045)	(89 514 306)
Cash flows from financing activities			
Repayment of other financial liabilities		(11 710 277)	(10 686 087)
Finance lease receipts		691	2 895
Net cash flows from financing activities		(11 709 586)	(10 683 192)
Net increase/(decrease) in cash and cash equivalents		105 040 467	64 527 497
Cash and cash equivalents at the beginning of the year		525 325 430	460 797 933
Cash and cash equivalents at the end of the year	2	630 365 897	525 325 430

* See Note 52, 54 and 51

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis	Original Budget	Adjustments and Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	419 650 112	(1 826 983)	417 823 129	454 718 635	36 895 506	
Construction contracts	-	-	-	10 283 766	10 283 766	44.1
Rental of facilities and equipment	1 585 736	20 000	1 605 736	1 530 733	(75 003)	
Agency services	4 300 000	300 000	4 600 000	3 940 171	(659 829)	44.2
Operational revenue	11 364 468	214 804	11 579 272	13 407 566	1 828 294	44.3
Interest received	43 718 684	1 619 242	45 337 926	47 342 034	2 004 108	
Total revenue from exchange transactions	480 619 000	327 063	480 946 063	531 222 905	50 276 842	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	121 289 023	-	121 289 023	125 025 191	3 736 168	
Interest received on rates receivables	-	-	-	637 614	637 614	44.4
Transfer revenue						
Government grants & subsidies	179 826 895	17 096 940	196 923 835	174 659 994	(22 263 841)	44.5
Public contributions and donations	-	2 020 000	2 020 000	1 937 960	(82 040)	
Fines	32 799 635	-	32 799 635	22 745 065	(10 054 570)	44.6
Licences and permits	4 121 887	402 000	4 523 887	3 562 471	(961 416)	44.7
Donated property, plant and equipment	-	-	-	1 365 864	1 365 864	44.8
Total revenue from non-exchange transactions	338 037 440	19 518 940	357 556 380	329 934 159	(27 622 221)	
Total revenue	818 656 440	19 846 003	838 502 443	861 157 064	22 654 621	
Expenditure						
Employee related costs	217 513 980	3 788 560	221 302 540	220 617 326	(685 214)	
Remuneration of councillors	11 111 665	2 000	11 113 665	10 890 659	(223 006)	
Depreciation and amortisation	88 293 120	(5 550)	88 287 570	86 992 570	(1 295 000)	
Finance costs	18 581 231	(5 425 187)	13 156 044	14 452 515	1 296 471	
Bad debts written off	35 285 248	5 327 652	40 612 900	27 978 689	(12 634 211)	44.9
Bulk purchases	227 700 000	(300 000)	227 400 000	229 091 017	1 691 017	
Contracted Services	62 216 887	7 188 854	69 405 741	66 934 009	(2 471 732)	
Other materials	34 680 494	314 612	34 995 106	26 247 481	(8 747 625)	44.10
Transfers and subsidies	3 167 648	1 442 113	4 609 761	3 878 972	(730 789)	44.11
Operational costs	38 307 537	946 381	39 253 918	27 614 001	(11 639 917)	44.12
Total expenditure	736 857 810	13 279 435	750 137 245	714 697 239	(35 440 006)	
Operating surplus	81 798 630	6 566 568	88 365 198	146 459 825	58 094 627	
Loss on Property Plant and Equipment	(1 000 000)	(6 686 635)	(7 686 635)	(7 923 767)	(237 132)	
Gains on vesting of properties	-	-	-	9 924 321	9 924 321	44.13

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Original Budget	Adjustments and Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note Reference
Figures in Rand						
Impairment losses on assets and receivables	-	-	-	(21 741 664)	(21 741 664)	44.9
Inventory Losses: Water Losses	-	-	-	(1 846 349)	(1 846 349)	44.12
Gains on Sale of Fixed Assets	-	498 856	498 856	498 856	-	
Gains on Sale of Land	200 000	4 943 186	5 143 186	3 139 977	(2 003 209)	44.14
	(800 000)	(1 244 593)	(2 044 593)	(17 948 626)	(15 904 033)	
Surplus before taxation	80 998 630	5 321 975	86 320 605	128 511 199	42 190 594	
Capital Expenditure by Vote						
Corporate Services	128 000	2 099 803	2 227 803	123 610	(2 104 193)	44.15
Civil Services	82 932 072	(18 099 198)	64 832 874	59 354 324	(5 478 550)	
Council Revenue	10 000	(6 934)	3 066	2 431	(635)	
Electricity Services	19 883 650	3 335 000	23 218 650	20 883 631	(2 335 019)	
Financial Services	46 000	17 041	63 041	10 472 061	10 409 020	44.16
Development Services	39 846 000	8 919 090	48 765 090	29 770 539	(18 994 551)	44.17
Municipal Manager	10 000	(10 000)	-	-	-	
Protection Services	1 001 850	703 150	1 705 000	2 640 191	935 191	44.18
Total Capital Expenditure	143 857 572	(3 042 048)	140 815 524	123 246 787	(17 568 737)	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Original Budget	Adjustments and Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	15 694 393	3 294 761	18 989 154	14 671 437	(4 317 717)	44.19
Operating lease	-	-	-	77 335	77 335	
Construction contracts and receivables/(payables)	-	-	-	125 682	125 682	44.20
Finance lease receivables	-	47 341	47 341	784	(46 557)	
Consumer debtors	124 459 997	(11 381 964)	113 078 033	82 029 825	(31 048 208)	44.21
Other receivables	16 663 754	17 503 298	34 167 052	27 638 793	(6 528 259)	44.22
VAT receivable	-	-	-	2 496 242	2 496 242	44.22
Cash and cash equivalents	548 628 623	13 329 201	561 957 824	630 365 897	68 408 073	44.23
	705 446 767	22 792 637	728 239 404	757 405 995	29 166 591	
Non-Current Assets						
Investment property	48 620 719	(4 388 296)	44 232 423	35 170 391	(9 062 032)	44.24
Property, plant and equipment	1 961 379 404	8 472 833	1 969 852 237	1 951 232 900	(18 619 337)	
Intangible assets	188 118	338 437	526 555	916 800	390 245	44.25
Heritage assets	769 900	350 000	1 119 900	1 119 900	-	
Finance lease receivables	-	1 986	1 986	1 893	(93)	
	2 010 958 141	4 774 960	2 015 733 101	1 988 441 884	(27 291 217)	
Total Assets	2 716 404 908	27 567 597	2 743 972 505	2 745 847 879	1 875 374	
Liabilities						
Current Liabilities						
Other financial liabilities	13 297 798	(3 279 863)	10 017 935	10 017 935	-	
Operating lease liability	-	-	-	84 888	84 888	
Payables from exchange transactions	124 441 850	1 747 987	126 189 837	99 875 525	(26 314 312)	44.26
Consumer deposits	11 223 992	3 223 267	14 447 259	13 831 016	(616 243)	
Employee benefit obligation	-	-	-	3 987 000	3 987 000	44.26
Unspent conditional grants and receipts	-	-	-	16 850 005	16 850 005	44.26
Provisions	8 883 950	(1 401 926)	7 482 024	-	(7 482 024)	44.27
	157 847 590	289 465	158 137 055	144 646 369	(13 490 686)	
Non-Current Liabilities						
Other financial liabilities	151 735 165	(43 751 986)	107 983 179	107 948 337	(34 842)	
Employee benefit obligation	-	-	-	65 052 000	65 052 000	44.28
Provisions	76 555 799	26 259 234	102 815 033	34 417 988	(68 397 045)	44.28
	228 290 964	(17 492 752)	210 798 212	207 418 325	(3 379 887)	
Total Liabilities	386 138 554	(17 203 287)	368 935 267	352 064 694	(16 870 573)	
Net Assets	2 330 266 354	44 770 884	2 375 037 238	2 393 783 185	18 745 947	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Original Budget	Adjustments and Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note Reference
Figures in Rand						
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Statutory Funds	-	-	-	2 677	2 677	
Reserves	244 227 489	(46 772 839)	197 454 650	199 505 121	2 050 471	
Accumulated surplus	2 086 038 865	91 543 723	2 177 582 588	2 194 275 387	16 692 799	
Total Net Assets	2 330 266 354	44 770 884	2 375 037 238	2 393 783 185	18 745 947	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Original Budget	Adjustments and Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Cash receipts from rate payers, government and other	720 466 217	27 288 189	747 754 406	763 992 133	16 237 727	
Interest income	43 718 684	1 619 242	45 337 926	47 701 077	2 363 151	
	764 184 901	28 907 431	793 092 332	811 693 210	18 600 878	
Payments						
Finance costs	(18 581 231)	5 425 187	(13 156 044)	(14 452 515)	(1 296 471)	
Cash paid to suppliers and employee	(590 655 698)	(5 569 586)	(596 225 284)	(574 736 597)	21 488 687	
	(609 236 929)	(144 399)	(609 381 328)	(589 189 112)	20 192 216	
Net cash flows from operating activities	154 947 972	28 763 032	183 711 004	222 504 098	38 793 094	
Cash flows from investing activities						
Purchase of property, plant and equipment	(143 857 572)	3 042 048	(140 815 524)	(109 392 878)	31 422 646	44.29
Proceeds from sale of property, plant and equipment	200 000	331 710	531 710	498 856	(32 854)	
Proceeds from sale of investment property	-	-	-	3 139 977	3 139 977	44.30
Net cash flows from investing activities	(143 657 572)	3 373 758	(140 283 814)	(105 754 045)	34 529 769	
Cash flows from financing activities						
Proceeds from borrowings	50 000 000	(50 000 000)	-	-	-	
Repayment of borrowings	(13 297 798)	3 279 864	(10 017 934)	(11 710 277)	(1 692 343)	44.31
Increase (decrease) in consumer deposits	(1 568 371)	4 791 637	3 223 266	-	(3 223 266)	44.32
Decrease in long-term receivables	18 460	(20 446)	(1 986)	691	2 677	
Net cash flows from financing activities	35 152 291	(41 948 945)	(6 796 654)	(11 709 586)	(4 912 932)	
Net increase/(decrease) in cash and cash equivalents	46 442 691	(9 812 155)	36 630 536	105 040 467	68 409 931	44.23
Cash and cash equivalents at the beginning of the year	495 086 336	30 240 952	525 327 288	525 325 430	(1 858)	
Cash and cash equivalents at the end of the year	541 529 027	20 428 797	561 957 824	630 365 897	68 408 073	

Budget variances are discussed in Note 44.

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out below in note 1.1 changes in accounting policies, changes in estimates and errors.

1.1 Changes in accounting policies, changes in estimates and errors

Accounting Policies have been consistently applied, except where otherwise indicated. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

Standards that are not yet effective are included in policy 1.2 below. Accounting Standards implemented for the first time are listed in policy 1.3 below.

The municipality changes an accounting policy only in the following instances:

- if it is required by a Standard of GRAP; or
- if it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flow.

Changes in accounting policies that are affected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which a retrospective restatement is practicable. Refer to note 54 for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 52 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

1.2 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards were issued but are not yet effective and have not been early adopted by the municipality. The ASB Directive 5, paragraph 8, sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

- GRAP 18: Segment Reporting issued March 2017
- GRAP 110: Living and Non Living Resources issued March 2017
- IGRAP 20: Prior year Adjustments to Revenue

Standards as listed above will only be effective on 1 July 2020 for the municipality. Standards that have no impact on the operations and annual financial reporting of the municipality are not included.

Management has considered all of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality as the standards will only affect the presentation and disclosure of items in the annual financial statements.

Accounting Policies

1.2 Standards, amendments to standards and interpretations issued but not yet effective (continued)

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board or International Financial Reporting Standards. Where a standard of GRAP has been issued but is not yet in effect, the municipality may select to apply the principles established in that standard in developing an appropriate Accounting Policy dealing with a particular section or event before applying paragraph 11 of the Standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

1.3 Consistent and new accounting policies

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below.

The Standard of GRAP 32: Service Concession Arrangements: Grantor and IGRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset, are standards and interpretations that are also effective for the first time in 2019/20. These standards were early adopted in 2018/19 and are included in the policy for Service Concession Arrangements (1.33).

GRAP 20: Related Party Disclosures, GRAP 108: Statutory Receivables, and GRAP 109: Accounting by Principals and Agents are standards that are newly effective for the year ending 30 June 2020. These standards had no significant impact on the Statement of Financial Position, Statement of Financial Performance or Cash Flow Statement of the municipality as the standards only affected the presentation and disclosure of items in the annual financial statements. The transitional provisions of GRAP 108: Statutory Receivables were utilised.

IGRAP 18: Recognition and Derecognition of Land is an interpretation which provides guidance in terms of the timing when land (and other assets such as buildings) should be recognised or derecognised. IGRAP 19: Liabilities to Pay Levies is an interpretation which provides guidance as to the timing when certain legislated provisions should be recognised. IGRAP 20: Accounting for Adjustments to Revenue provides guidance as to how to account for adjustments to revenue recognised in a previous period. These interpretations do not change any existing recognition or measurement principles. No specific policies were developed for these effective interpretations as the accounting principles are not amended, only clarified.

The Guideline for Accounting for Arrangements Undertaken in terms of the National Housing Programme has resulted in the revision of the accounting for housing projects. The policy covers the application of GRAP 11: Construction Contracts (refer to policy 1.18 below), Assessing Arrangements in terms of GRAP 109: Accounting by Principals and Agents (refer to policy 1.32 below) as well as the detailed application of GRAP 9 and 23 for revenue from Exchange and Non-exchange transactions. The effect of the guideline is included under the note: 52 Correction of errors as the guideline has allowed the municipality to identify that the previous accounting treatment was incorrect.

1.4 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality and rounded off to the nearest Rand.

1.5 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

In assessing whether the going concern assumption is appropriate under the current economic climate resulting from the COVID-19 pandemic, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and, if necessary, potential sources of replacement funding.

1.6 Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the carrying amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates which may be material to the annual financial statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. If the revision affects future periods as well, the revision will be recognised when the estimate is revised.

The municipality strives toward ethical reporting thus transparent yet concise insights into the applied judgements and financial uncertainties, which the municipality faces as a result of the COVID-19 pandemic. The assessed impact of the lockdown on the current year has been included in Note 68 to the financial statements.

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

Revenue recognition

The Accounting Policy 1.23 on Revenue from Exchange Transactions and Accounting Policy 1.24 on Revenue from Non-exchange Transactions describe the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered or not. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Construction contracts are specifically excluded from the scope of GRAP 9: Revenue from Exchange Transactions. However since the nature of the construction contract revenue meets the definition of an "exchange transaction", the line item is disclosed under this header for presentation and disclosure purposes in the Statement of Financial Performance.

Financial assets and liabilities and statutory receivables

The classification of Financial Assets and Liabilities as well as Statutory Receivables require judgement. The accounting policy 1.15 on Financial Instruments: Classification as well as the accounting policy 1.16 on Statutory Receivables: Definitions describes the factors considered in applying management's judgement.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments and GRAP 108: Statutory Receivables.

A detailed assessment was done in order to determine whether grant related items: Unspent Grants and Construction Contracts, should be classified as a Financial Instrument or not. Specifically, the GRAP FAQ for Statutory Receivables was used whilst being cognisant of the requirements of both AG.29 and AG.29A of GRAP 104. After careful consideration of the specific facts applicable, the requirements of the FAQ were found to reflect the best version of events for Swartland Municipality. The facts and circumstances for municipalities may differ, resulting in different conclusions as to whether unspent grants and construction contracts should be considered a financial instrument. For Swartland Municipality, the majority of revenue is recognised based on the terms agreed rather than the underlying legislation which supports the grant. The majority of grant related funds are firstly based on a contract/arrangement falling within GRAP 104 and in these arrangements reference would be made to the relevant legislated requirements.

The dire economic outlook due to the lockdown as a measure to prevent the spread of the COVID 19 resulted in conditions under which management needed to relook at our methodology in order to calculate the provision for impairment losses. The previous methodology comprised identifying individual debtors that required impairment where after debtors would be impaired based on groupings as appropriate. In the current year, all debtors were individually assessed as a significant variability exists between households in terms of their resilience to the economic decline. The change in methodology was accounted for as a change in estimate (See Note 55).

Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)Impairment of Financial Assets

The accounting policy on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, management of the municipality considered the detailed criteria of impairment of Financial Assets as set out in GRAP 104 (Financial Instruments) and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. Management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

Impairment of Trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors. The total increase in estimation of the impairment of Receivables from Exchange Transactions and that of Receivables from Non-exchange Transactions are disclosed in Notes 3 and 4 to the Annual Financial Statements.

Impairment of Statutory receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such a receivable. Debtors are grouped into appropriate aggregated grouping levels when insufficient information is available to assess individual debtors. Aggregation is based on best practice and receivables are assessed on historic information available. Thereafter the past due, but not impaired debtors are subjected to a further impairment test taking into account the effect of time resulting in a discounting of debtors being included as a further factor for impairment of statutory receivables. Outstanding receivables that are past due are charged interest at prime +1% in terms of the municipal by-laws. This is considered the appropriate discount rate as it is market based. Only those receivables that are not subject to an interest charge would be assessed in terms of discounting as those that are subject to an interest charge would accumulate interest at the same rate as the discount rate.

Significant movements on impairments are defined as those movements that exceeds 10% of the gross balance of the relevant statutory receivable type at year end or R100 000, whichever is the greatest. Qualitative factors are considered with reference to exceptions to the normal process for identification of impairment losses. This implies disclosing losses incurred due to circumstances that are unique to the specified period or unique to the municipality in comparison to other municipalities with a similar capacity.

Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)**Impairment and useful lives: Write down of Property, Plant and Equipment, Investment property, Intangible assets, Heritage assets and Inventories**

As described in the accounting policies 1.9, 1.10, 1.11, 1.12 and 1.17 for these asset types the municipality depreciates / amortises its property, plant and equipment, intangible assets and investment property over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

The accounting policies 1.13 and 1.14 on Impairment of assets and accounting policy 1.17 on Inventory - Subsequent measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing and write down of Inventories to Net Realisable Values (NRV). Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lower of Cost and Net Realisable Value.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Cash generating Assets and GRAP 26: Impairment of non-Cash generating Assets. In particular, the calculation of the recoverable service amount for Property, plant and equipment, intangible assets and the NRV for inventories involves significant judgment by management.

Estimated impairments during the year to Inventory, Property, Plant and Equipment, Investment Property, Intangible Assets and Heritage Assets are disclosed in Notes 6, 11, 12, 13 and 14 to the Annual Financial Statements, as applicable.

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Water inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end. Refer to Note 6 to the Annual Financial Statements.

Defined Benefit Plan Liabilities

As described in the accounting policy on Employee Benefits (1.20), the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 17 to the Annual Financial Statements.

Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)**Provisions**

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities as set out in notes 20 and 49. Accounting policies pertaining to contingent assets and liabilities are disclosed under policies 1.21 and 1.36.

Staff leave and bonuses

The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the accrual of a guaranteed 13th cheque benefit only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made. The estimation is based on the current expected cost at the time of meeting the recognition criteria.

Leave and the guaranteed 13th cheque liabilities are estimates. However the nature of the balance is an accrual of unused benefits arising from past service and therefore this is classified as a payable from exchange transaction (excluded from the financial instruments).

Provisions and Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy (1.21), taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance. Changes in market values are capitalised while the unwinding of interest is recognised as a Finance Charges in the Statement of Financial Performance.

1.8 Net assets

Included in the net assets of the municipality, are the following statutory funds and reserves, apart from the Accumulated Surplus, that are maintained in terms of specific requirements:

Statutory Fund: Housing (HDF)

Sections 15(5) and 16 of the Housing Act (Act No107 of 1997), which came into operation on 1 April 1998, required that the municipality maintains a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund.

The Housing Development Fund was established in terms of the Housing Act. Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to this Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were transferred to this Fund. In terms of the Housing Act all proceeds from housing developments, which include rental income and sales of houses, must be paid into this Fund. Funds available in this Fund can only be utilised to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The HDF is backed by cash, receivables and assets. The cash funds in the HDF are invested in accordance with the Investment Policy of the municipality.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Net assets (continued)

Reserve: Capital Replacement (CRR)

In order to finance the provision of infrastructure and other property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR in terms of delegated powers. The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the investment policy of the Entity.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR.

1.9 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequently all property plant and equipment, including Infrastructure Assets, are measured at cost, less accumulated depreciation and accumulated impairment losses.

Repairs and Maintenance

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 46).

Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Swartland Municipality

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Accounting Policies

1.9 Property, plant and equipment (continued)

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

Depreciation only commences when the asset is available for use, unless stated otherwise.

Item	Depreciation method	Average useful life
Buildings	Straight line	5 - 50 years
Community Infrastructure	Straight line	10 - 60 years
Roads and paving	Straight line	10 - 100 years
Storm water	Straight line	50 years
Electricity	Straight line	10 - 50 years
Water	Straight line	10 - 100 years
Sewerage	Straight line	10 - 100 years
Landfill sites	Straight line	10 - 50 years
Movables assets		
Specialist vehicles	Straight line	5 - 20 years
Vehicles	Straight line	5 - 10 years
Office equipment	Straight line	3 - 10 years
Furniture and fittings	Straight line	5 - 20 years
Machinery and equipment	Straight line	5 - 15 years
Bins and containers	Straight line	30 years
Specialised vehicles	Straight line	20 years

The assets' residual values, estimated useful lives and depreciation methods are reviewed annually for indicators that these factors may have changed and adjusted prospectively, if appropriate, at each reporting date. The useful lives shall be deemed to be appropriate unless an event has occurred or conditions of use have changed, which may have an effect on the remaining useful lives of these assets.

Incomplete Construction Work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

Leased assets

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as similar items of Property, Plant and Equipment controlled by the entity or where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

Infrastructure Assets

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

If cost can however not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market. Depreciation shall be charged against such assets over their expected useful lives. The remaining useful life and residual value applied to Infrastructure assets shall be reviewed on an indication base.

Swartland Municipality

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Accounting Policies

1.9 Property, plant and equipment (continued)

Land

Land is not depreciated. The municipality assesses at each reporting date if there is an indication of impairment.

Land is recognised and derecognised based on evidence of control. Control over land is evidenced by legal ownership and/or the ability to direct access to the land and to restrict or deny the access of others to land.

In assessing the control criteria, any binding arrangements over properties will be considered. Binding agreements can be in written form, a verbal agreement or the result of best practice.

The loss of control will result in the derecognition of the property, despite legal title, while assets over which the municipality does not hold the legal title may be recognised as an asset if control over the property has been established.

Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. Disposals can be voluntary or involuntary of nature.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not included in revenue.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the proceeds from disposal are included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

1.10 Investment property

Initial recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality);
- A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties;
- Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

The rent earned does not have to be at a commercial basis or market related for the property to be classified as investment property.

Swartland Municipality

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Accounting Policies

1.10 Investment property (continued)

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment or Inventory as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- Property that is leased to another entity under a finance lease;
- Property held by council for strategic purposes or to meet service delivery objectives rather than to earn rental or for capital appreciation; and
- Where council has properties that are used both for administrative and commercial purposes and part of the properties cannot be sold separately these properties will not be classified as investment properties.

Repairs and maintenance

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the financial statements (see note 46).

Subsequent measurement - Cost model

Investment property is measured using the cost model. Investment Property is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. Land is not depreciated. The municipality assesses at each reporting date if there is an indication of impairment.

The assets' residual values, estimated useful lives and depreciation methods are reviewed annually for indicators that these factors may have changed and adjusted prospectively, if appropriate, at each reporting date. The useful lives shall be deemed to be appropriate unless an event has occurred or conditions of use have changed, which may have an effect on the remaining useful lives of these assets.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Derecognition

An Investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

1.11 Intangible assets

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- management intends to complete and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the asset during its development can be measured reliably.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as Intangible Assets and amortised from the point at which the asset is available for use. Development assets are tested for impairment annually, in accordance with GRAP 21 or GRAP 26.

Swartland Municipality

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Accounting Policies

1.11 Intangible assets (continued)

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance

The municipality separately discloses expenditure to repair and maintain intangible assets in the notes to the financial statements (see note 46).

Subsequent Measurement, Amortisation and Impairment

After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses.

In terms of GRAP 31, Intangible Assets are distinguished between internally generated Intangible Assets and other Intangible Assets. It is further distinguished between indefinite or finite useful lives.

Amortisation is charged on a straight-line basis over the intangible assets' useful lives. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes obtained by the municipality give the municipality access to land for specific purposes for an unlimited period - however, such intangible assets are subject to an annual impairment test.

The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists.

Amortisation only commences when the asset is available for use, unless stated otherwise. The amortisation rates are based on the following estimated useful lives:

Item	Depreciation method	Average useful life
Computer software / software licences	Straight line	5 - 10 years

Expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an Intangible Asset at a later date.

Intangible assets are annually tested for impairment, including intangible assets not yet available for use. Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified, except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the proceeds of disposal and the carrying value and is recognised in the Statement of Financial Performance.

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Accounting Policies

1.12 Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

Heritage Assets are not depreciated owing to uncertainty regarding to their estimated useful lives. The municipality assesses at each reporting date if there is an indication of impairment.

Initial measurement

Heritage assets are carried at cost less accumulated impairment losses.

The cost of an item of heritage assets is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

The cost of an item of heritage assets acquired in exchange for a non-monetary asset or monetary asset, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Repairs and maintenance

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 46).

Subsequent measurement

Subsequent expenditure relating to heritage assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

After recognition as an asset, a class of heritage assets is measured at cost less any accumulated impairment losses. Heritage assets are not depreciated.

Derecognition

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of heritage assets is included in surplus or deficit when the item is derecognised.

Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of assets.

1.13 Impairment of cash-generating assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash generating assets.

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

1.14 Impairment of non-cash-generating assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

Physical damage would trigger an impairment test when it results in a permanent or significant decline in the service potential of the asset. Judgement is needed to determine whether the decline is permanent or significant. In certain circumstances evidence may be available to demonstrate that the impairment will be temporary. In such circumstances, no impairment loss will be recognised.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss. The recoverable amount is assessed by either the Depreciated Replacement Cost, Restoration Cost and Service units approach. The selection of the approach is based on the circumstances as per management judgement of each impairment indicator of each asset.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.15 Financial instruments

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement. The municipality only recognises a Financial Instrument when it becomes a party to the contractual provisions of the instrument.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Effective Interest Rate Method

The Effective Interest Method is a method of calculating the amortised cost of a Financial Asset or a Financial Liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the Financial Instrument or, when appropriate, a shorter period to the net carrying amount of the Financial Asset or Financial Liability.

Amortised cost

Amortised Cost is the amount at which the Financial Asset or Financial Liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation, using the Effective Interest Rate Method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or collectability.

Fair value method and assumptions

The fair values of Financial Instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices; and
- If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Swartland Municipality

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Accounting Policies

1.15 Financial instruments (continued)

Classification

A Financial Asset is any asset that is cash, a contractual right to receive cash or another financial asset from another entity.

In accordance with GRAP 104 the Financial Assets and Financial Liabilities of the municipality are classified as follows into the three categories allowed by this standard:

- *Financial assets (or financial liabilities) at amortised cost* are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. Financial assets (or financial liabilities) at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. After initial recognition financial assets are measured at amortised cost, using the effective interest rate method less an allowance for impairment.
- *Financial assets (or financial liabilities) at fair value are financial instruments that meet either of the following conditions:*
 - a. derivatives;
 - b. combined instruments that are designated at fair value;
 - c. instruments held for trading;
 - d. non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
 - e. financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.
- Financial assets (or financial liabilities) at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Included under the major classes of financial instruments below, are line items that are separately disclosed in the notes that do not meet the definition of a financial instrument (such as Prepaid expenses, Payments made in advance etc.). The balances are clearly identifiable by the naming of the line items. Such items are excluded from the balances disclose in Notes 57 and 58. In rare instances, aggregation within a line item of a note might contain both financial instruments and balances that do not meet the definition of a financial instrument. In these cases the individual line items would be assessed with reference to its significance. Where insignificant, non-financial instruments would be included in the aggregated line items that would normally meet the definition of a financial instrument. this disclosure aggregation was specifically selected to ensure comprehensive classification.

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Cash and cash equivalents (*)	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Finance lease receivables	Financial asset measured at amortised cost

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks. Cash equivalents are both short-term highly liquid investments, readily convertible into known amounts of cash, and fixed term deposits that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash with banks and call deposits held with banks.

In accordance with GRAP 104 the Financial Assets of the municipality are all classified as financial assets at amortised cost, (*) except for cash floats and petty cash, which are classified as financial assets at fair value.

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

There are three main categories of Financial Liabilities, the classification determining how they are measured. Financial Liabilities may be measured at:

- Financial Liabilities measured at Fair Value;
- Financial Liabilities measured at Amortised Cost; or
- Financial Liabilities measured at Cost.

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.15 Financial instruments (continued)

Class

Other financial liabilities
 Payables from exchange transactions
 Consumer deposits
 Unspent conditional grants and receipts

Category

Financial liability measured at amortised cost
 Financial liability measured at amortised cost
 Financial liability measured at fair value
 Financial liability measured at amortised cost

In accordance with GRAP 104 the Financial Liabilities of the municipality are all classified as financial liabilities at amortised cost, except for Consumer deposits, which are classified as financial liabilities at fair value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Initial and subsequent measurement

Financial Assets

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

Trade and Other Receivables (excluding Value Added Taxation, Prepayments and Operating Lease receivables) and Loans that have fixed and determinable payments that are not quoted in an active market are classified as Financial Assets at Amortised Cost.

Financial Assets measured at Fair Value

Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

Financial Liabilities

Financial Liabilities measured at fair value

Financial Liabilities at Fair Value are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance.

Financial Liabilities held at Amortised Cost

Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in the Statement of Financial Performance by applying the effective interest rate.

Bank Borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the Accrual Basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Accounting Policies

1.15 Financial instruments (continued)**Subsequent measurement of financial assets and financial liabilities****Impairment and uncollectibility of financial assets**

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

An allowance for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Initially receivables from exchange and non-exchange transactions are valued at fair value and subsequently carried at amortised cost using the effective interest rate method, less an allowance for impairment. The allowance is made in accordance with GRAP 104, whereby the recoverability of receivables is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at year-end. Amounts are written off in the year during which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

Annual impairment testing is conducted on all Receivable balances. The effects of the annual impairment testing are accounted for against the Provision for Bad Debts Allowance. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance against the Reversal of Impairment Loss/(Impairment Loss) on Receivables. Accounts identified and written-off during the year is recognised against Bad Debts Written Off in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition**Financial assets**

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets and financial liabilities are only offset when the municipality has a legally enforceable right to do so and expects to settle or recover the instruments on a net basis.

Accounting Policies

1.15 Financial instruments (continued)**Financial liabilities**

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.16 Statutory receivables**Definitions and measurement principles**

Statutory Receivables are those receivables that arise from legislation as opposed to contractual deliverables. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments (1.15).

Statutory receivables are classified and recognised as exchange or non-exchange in accordance with the relevant standards on Revenue and essentially based on whether there is a supply of goods and services in exchange for economic benefits of similar value.

Initial Measurement

Statutory receivables are measured at their transaction amount in accordance with the relevant standards on revenue based on the classification between exchange and non-exchange (refer accounting policies 1.23&1.24 respectively).

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Subsequent measurement

Statutory Receivables are measured at cost, plus nominally accrued interest, less any impairment recognised.

Interest is calculated using the nominal interest rate as stipulated in legislation and municipal by-laws.

Impairment losses

Impairment is assessed on an annual basis based on objective evidence regarding expected recoverability.

Consumers are assessed based on groupings, risk profiles and payment history profiles.

Governmental debtors are not impaired unless there is evidence that such debtor is under significant financial difficulty such as business rescue or similar legal recourse indicating that the receivable is partially or completely irrecoverable.

The age of receivables is also considered as an indicator for impairment in terms of the materiality of the timing of cash flows using the risk-free interest rate to discount debtors.

If there is an indication that a statutory receivable may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable shall be reduced directly or through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

Significant movements on impairments are defined as those movements that exceeds 10% of the gross balance of the relevant statutory receivable type at year end or R100 000, whichever is the greatest. Qualitative factors are considered with reference to exceptions to the normal process for identification of impairment losses. This implies disclosing losses incurred due to circumstances that are unique to the specified period or unique to the municipality in comparison to other municipalities with a similar capacity.

Accounting Policies**1.16 Statutory receivables (continued)****Derecognition**

Statutory receivables are derecognised when the asset is extinguished, settled or through transferring of all significant risks and rewards to a third party.

Extinguishing the asset would usually be in terms of legislation or other similar means.

De-recognition also occurs where despite having retained some significant risks and rewards of ownership of the receivable, control of the receivable is transferred to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

The difference between the consideration received and amount derecognised shall be recognised in the surplus or deficit of the period of transfer.

Transitional provisions

Every effort is made to ensure compliance with the standard, but due to the risk of omission of some items due to a lack of experience with implementing this standard, the municipality is utilising the transitional provisions contained within Directive 4 that grant the municipality a period of three years in order to finalise the classification and impairment methods for Statutory Receivables.

The transitional period commences from 1 June 2019 and will be utilised until the period ending 30 June 2022.

1.17 Inventories

Inventories comprise of current assets held for sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Subsequent measurement**Consumable stores, raw materials, work-in-progress**

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that an entity expects to realise from the sale on inventory in the ordinary course of business). In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge or for consumption in the production process of goods to be distributed at no charge or for a nominal charge, they are valued at the lower of cost and current replacement cost.

Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

Water inventory

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water and purified effluent are therefore valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Accounting Policies**1.17 Inventories (continued)**

Water inventory is being measured by multiplying the cost per kilolitre of purified water by the amount of water in storage.

Unsold properties

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis.

Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

Other arrangements

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.18 Construction contracts and receivables/(payables)

Construction contracts are those contracts entered between the municipality and a customer (or third party) whereby the municipality delivers a constructed asset in terms of an agreement with such party. The construction can be done by the municipality or through the use of a sub-contractor. The benefit of the constructed item (or group of items) must be received by such party and not the municipality.

Revenue from such contracts shall comprise the agreed value in terms of the contract plus any agreed variations to such contract on the conditions that these variations will result in an inflow of economic resources that can be measured reliably (refer accounting policy 1.23).

Contract costs are costs that directly relate to the contract as well as costs that are attributable to the execution of the construction work and any additional costs as agreed between the municipality and the party obtaining the final goods. Attributable costs are only assigned to the contract costs if these can be assigned on a systematic and rational basis.

All of these contracts of the municipality are fixed price contracts. Revenue and costs are therefore recognised with reference to the stage of completion provided that the conditions for contract revenue and contract costs are met and the stage of contract completion can be measured.

In exceptional cases, if any, for a cost plus or cost based contract, the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits or service potential associated with the contract will flow to the entity and the contract costs can be clearly identified and measured reliably.

An expected deficit on a construction contract shall be recognised as an expense immediately based on the stage of completion. Future losses are only accounted for when these losses are incurred in terms of the stage of completion. This implies that only the proportional loss of a contract would be recognised based on the percentage of completion.

As the percentage or stage of completion is an estimate at year-end, any subsequent changes to the estimate would be accounted for as a change in estimate in terms of the relevant municipal accounting policy.

Classification of Transactions

Various transactions arise from the Housing Arrangements. Some fall within the ambit of GRAP 11: Construction Contracts, others with GRAP 9: Revenue from Exchange Transactions, GRAP 23: Revenue from Non-exchange Transactions and GRAP 109: Principal Agent Arrangements. The information below briefly outlines how transactions are recognised:

- Expenditure pertaining to the planning and civil services of a project is considered to be Grants and subsidies in terms of GRAP 23: Revenue from Non-exchange transactions
- Expenditure on the stand (also known as top structure expenditure) include the physical building, NHRBC fees and other expenses that are directly related to construction of houses that will be transferred to the beneficiary is accounted for as construction contract revenue and construction of low cost housing (contracted service expenses).

Swartland Municipality

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Accounting Policies

1.18 Construction contracts and receivables/(payables) (continued)

- Receipts directly attributable to the administration of beneficiaries are accounted for under Operational Revenue as Housing services rendered in terms of GRAP 9: Revenue from Exchange Transactions.
- Receipts that are received to register the title deed in the name of the beneficiary are regarded as receipts and payments on behalf of the beneficiaries in terms of GRAP 109: Principal Agent Arrangements.
- Land parcels purchased by means of receipts from the Provincial Department are assessed in terms of IGRAP 18: Recognition and Derecognition of Land. The portions of the expenditure that will remain under the control of the municipality is capitalised as Property, Plant and Equipment when the future use is determinable. When such future use cannot be determined, such land will be accounted for as Investment Property based on the municipal policy pertaining to such land. The portion of land expenditure that will be transferred to the beneficiaries are expensed once the contract is signed. The expense and receipts pertaining to land transactions are included under Loss on sale of Property, Plant and Equipment and Gains on Sale of Land respectively.

1.19 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the VAT Act No.89 of 1991.

The net amount of VAT recoverable from, or payable to SARS is included as part of receivables or payables in the Statement of Financial Position.

1.20 Employee benefits

Short-term employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay and for the 13th Cas an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Long Service Awards

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service) is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

Post-retirement benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

Swartland Municipality

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Accounting Policies

1.20 Employee benefits (continued)

Defined Contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined Benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the Municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in the Statement of Financial Performance.

1.21 Provisions

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

Accounting Policies

1.21 Provisions (continued)

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

When the outflow of economic benefits or service potential is no longer probable the provision will be derecognised.

1.22 Leases**The Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, finance leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment, using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The leased asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as revenue and the contractual payments received are recognised as an operating lease asset or liability.

Determining whether an Arrangement contains a Lease

At inception of an arrangement, the municipality determines whether such an arrangement is, or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the municipality the right to control the use of the underlying asset.

Accounting Policies

1.22 Leases (continued)

At inception, or upon reassessment of the arrangement, the municipality separates payments and other considerations required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the municipality concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the municipality's incremental borrowing rate.

1.23 Revenue from exchange transactions

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipality's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are normally read on a monthly basis and are recognised as revenue when invoiced. Where meters are not read monthly, provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month or a property is vacant.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly in arrears.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.23 Revenue from exchange transactions (continued)

Pre-paid electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. In respect of consumption between the last point of sale and the reporting date, an accrual is made based on the average daily consumption (for the period 1 July to 30 June) of consumers as per an internal system estimation report.

Finance income

Interest earned on investments is recognised in the Statement of Financial Performance when the interest is received.

Tariff Charges

Revenue arising from the application of the approved tariff policy is recognised when the relevant service is rendered by applying the relevant authorised tariff.

Income from Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of the principal has been quantified. The income recognised is in terms of the agency agreement.

Rentals

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Sale of goods (including houses)

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue arising from the use by others of municipal assets yielding interest and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Construction contract revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is recognised and measured in terms of GRAP 11: Construction Contracts rather than GRAP 9: Revenue from Exchange Transactions.

Swartland Municipality

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Accounting Policies

1.24 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction that meets the definition of an asset, is recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability is recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Debt forgiveness

All unclaimed deposits are initially recognised as a liability until 36 months expires, where after all unclaimed deposits, which were deposited into the Municipality's bank account, will be treated as revenue. This policy is in line with prescribed debt principle as enforced by the Prescribed Debt Act. Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Public contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Assets acquired from non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.24 Revenue from non-exchange transactions (continued)

Services in-kind

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period. No services in-kind were noted that is significant to the operations of the municipality.

1.25 Government grants and receipts

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transfer or, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transfer or has never been enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue. Often these unspent grant liabilities are cash backed.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are available for use.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the grantor it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.26 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.27 Grants and subsidies paid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase of sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given raise to the transfer occurred.

1.28 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted or is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). All expenditure relating to Unauthorised Expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

The definition of "vote" for Swartland Municipality is set at the Functional area within the respective department.

Where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Swartland Municipality

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Accounting Policies

1.29 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was incurred and is classified in accordance with the nature of the expense. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

Where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.30 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31 Material losses

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply with the legislative requirements governing Municipalities and Municipal Entities. Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the Weighted Average Method as defined by GRAP 12 (Inventories).

1.32 Accounting by principals and agents

A principal-agent arrangement exists where there is a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

The municipality can be either the agent or the principal in terms of the circumstances of the arrangement.

Where the municipality is considered the principal, all revenues, expenses, liabilities and assets are recorded in the records of municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or moneys due being recorded in terms of GRAP 104: Financial Instruments.

Identification

Special consideration is given to the classification of an agreement (once the standard is triggered) to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms
- Who receives the benefit from the transactions
- Is the municipality exposed to the variability of the outcome

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

Accounting Policies

1.32 Accounting by principals and agents (continued)**Binding arrangement**

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement. Substance over form is applied. Therefore the exact wording over contracts where the terms agent or acting on behalf are used are considered, but only to the extent that rights and obligations are substantially transferred. Where rights and obligations are not transferred, the transaction is considered a normal supplier/customer relationship and accounted for as such.

Administrative rights, such as those resulting from a collection agency agreement are not considered sufficient grounds for a principal agent relationship. The agent or principal arrangement needs to confer rights and obligations that give the counter party the ability to execute transactions as if it is acting on the other party's behalf. A collection agency only collects revenue and pays such revenue over to the municipality. It has no authority to deviate or alter on any significant terms and therefore is not considered an agent per the definition of the standard.

1.33 Service concession arrangements**Identification**

Service concession arrangements of the municipality include the provision of mandated functions on behalf of the municipality by the operator for a specified period of time, for which the operator is compensated for its services over the period of the service concession arrangement.

Initial recognition and measurement

Service concession assets are measured initially at fair value except where the assets are existing assets of the municipality in which case the assets are reclassified at their carrying amounts. Service concession assets will be identified separately.

The service concession liability is recognised and initially measured at:

- the same amount as the service concession asset,
- adjusted by the amount of any other consideration (e.g., cash) from the municipality to the operator, or from the operator to the municipality.

Subsequent measurement and derecognition

The municipality initially measures the service concession asset as follows:

- Where the asset is not an existing asset of the municipality, the asset is measured at its fair value.

After initial recognition, the municipality applies the measurement (including impairment) and derecognition principles to the service concession asset applicable to similar items of Property, Plant and Equipment, Intangible Assets or Heritage Assets.

The municipality accounts for the liability as a financial liability when the municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset.

The municipality allocates the payments to the operator and account for them according to their substance as a reduction in the service concession liability, a finance charge, and charges for services provided by the operator.

Other liabilities, contingent liabilities, contingent assets and revenues

The municipality accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and contingent assets and Financial instruments.

The municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the principles of Revenue from exchange transactions.

Dividing the arrangement

When the municipality pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

Accounting Policies

1.33 Service concession arrangements (continued)

Refer to note 66 for the disclosure of the service concession arrangement assets, liabilities, revenue and expenditure.

Recognition of the performance obligation and the right to receive a significant interest in a service concession asset

Where the municipality controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the municipality recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement. The value of the receivable at the end of the service concession arrangement, reflects the value of the service concession asset as if it were already in the age and in the condition expected at the end of the service concession arrangement.

1.34 Related parties

A related party is a person or an entity with the ability to control or jointly control the municipality, or exercise significant influence over the municipality, or vice versa, or an entity that is subject to common control.

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

An entity is related to the reporting entity where they are members of the same economic entity or controlled by the same group of individuals or related individuals who exercise significant influence over their operational and financial decision making (such as group, associate or Joint venture).

Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager and persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality such as:

- A person married to or live together in a relationship similar to a marriage.
- People who are separated by no more than two degrees of natural or legal consanguinity or affinity.

1.35 Events after reporting date

Events after the reporting date that are classified as adjusting events are accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

When events provide evidence of conditions that existed at year end and these conditions have an impact on the values presented, the event is considered an adjusting event. All other events are considered non-adjusting events.

Swartland Municipality

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Accounting Policies

1.36 Contingent assets, contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the Annual Financial Statements.

Contingent Liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality. A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality.

Commitments are future expenditure to which the municipality has committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are included in the disclosure Notes. A distinction is made between capital and current commitments.

Lease commitments as defined per GRAP 13: Leases are disclosed in note 9. Operating commitments are not disclosed as the municipal annual budget is available on the municipal website.

Commitments are disclosed for:

- Items are classified as capital commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Approved and contracted capital commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP; and
- Contracts to purchase, construct or develop assets or for repairs, maintenance or enhancements to assets, that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the Notes to the Annual Financial Statements;

1.37 Treatment of administrative overheads

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

1.38 Comparative information

Prior year comparatives:

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

With the adoption of mSCOA the municipality reclassified certain balances in order to comply with the instruction notes issued. The result of the reclassification is set out below and in the relevant Notes to the Annual Financial Statements.

Current year comparatives:

In accordance with GRAP 1 Budgeted Amounts have been provided and forms part of the Annual Financial Statements.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

Budget Information:

The annual budget figures have been prepared in accordance with GRAP 24 and are consistent with the Accounting Policies adopted by Council for the preparation of these Annual Financial Statements.

Budgeted amounts are scheduled as additional budget columns in the financial statements and explanatory comments are provided in the Statement of Comparison of Budget and Actual Amounts to the annual financial statements, giving motivations for overspending on line items.

The annual budget figures included in the financial statements are for Swartland Municipality and do not include budget information relating to any other entities. These figures are those approved by Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2019 to 30 June 2020.

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under spending on line items. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as material, provided that such variance exceeds R100 000. All variances less than R100 000 is considered immaterial.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts. This is based on paragraph 2 and 30 of GRAP 24. The classification of some items is however different (for example service consumers and other debtors compare to Receivables from Exchange and Non-Exchange).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash advances	19 265	21 431
Bank balances	630 346 632	525 303 999
	630 365 897	525 325 430

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings. The management of the municipality is of the opinion that the carrying value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2020	30 June 2019	30 June 2018	30 June 2020	30 June 2019	30 June 2018
Standard Bank of South Africa Limited: Account Number 372865100	616 685 973	522 252 587	454 160 508	630 346 632	525 303 999	460 781 903
OTM Account Number 372865119	-	1 700	-	-	-	-
TMT Fines Account Number 372865127	(120)	-	-	-	-	-
Total	616 685 853	522 254 287	454 160 508	630 346 632	525 303 999	460 781 903

The municipality also have the following bank accounts with Standard Bank South Africa Limited which had a zero balance at year end except as indicated below. All accounts balances are cleared to the main account on a daily basis except on weekends.

- 1) OTM Account Number 372865119 (Refer accounts above)
- 2) TMT Fines Account Number 372865127 (Refer accounts above)
- 3) Web Fines Account Number 372865135
- 4) Sundries Account Number 372865143
- 5) ACB Account Number 372865151
- 6) Municipal Traffic Account Number 372865178

For the purposes of the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments.

Call investment deposits are investments with a maturity period of less than 3 months which earn interest at a rate varying from 7.25 % per annum.

No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period.

Deposits of R 199 505 121 (2019: R 191 815 807) are attributable to the capital replacement reserve (Refer to Note 22).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

3. Receivables from exchange transactions

Electricity	39 384 939	36 317 973
Water	15 583 772	11 902 991
Sewerage	5 766 571	5 688 232
Refuse Removal	4 669 777	4 905 819
Housing rentals / instalments	67 377	50 119
Other	18 309 333	12 062 936
	83 781 769	70 928 070

Receivables from exchange transactions can be summarised as follows:

30 June 2020	Gross Balances	Collective Allowance for Impairment	Net Balances
Service Receivables			
Electricity	43 459 993	(4 075 054)	39 384 939
Water	27 633 016	(12 049 244)	15 583 772
Sewerage	22 306 177	(16 539 606)	5 766 571
Refuse Removal	15 161 724	(10 491 947)	4 669 777
Subtotal	108 560 910	(43 155 851)	65 405 059
Other Receivables			
Housing rentals / instalments	71 421	(4 044)	67 377
Other	18 934 333	(625 000)	18 309 333
	127 566 664	(43 784 895)	83 781 769

30 June 2019	Gross Balances	Collective Allowance for Impairment	Net Balances
Service Receivables			
Electricity	38 953 867	(2 635 894)	36 317 973
Water	17 489 928	(5 586 937)	11 902 991
Sewerage	13 376 552	(7 688 320)	5 688 232
Refuse Removal	9 576 058	(4 670 239)	4 905 819
Subtotal	79 396 405	(20 581 390)	58 815 015
Other Receivables			
Housing rentals / instalments	54 764	(4 645)	50 119
Other	12 232 079	(169 143)	12 062 936
	91 683 248	(20 755 178)	70 928 070

Receivables from Exchange Transactions are billed monthly, at the end of the month.

The average credit period for receivables from exchange transactions is 30 days. No interest is charged on receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at prime plus 1 % per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of receivables from exchange transactions.

Other Receivables include outstanding debtors for various other services, e.g. Chemical Oxygen Demand, Treated Waste Water, Bulk Dumping and Sundry Services like Escorting of heavy vehicles, Advertisement costs, Cleaning of stands, etc.

Of the Receivables balance at the end of the year, R 2 659 053 (2019: R 2 457 895) is due from Sasko (Pty) Ltd, the municipality's largest customer. There are no other receivables that represent more than 5% of the total balance of Receivables.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

3. Receivables from exchange transactions (continued)

The municipality receives applications for services that it provides. Deposits are required for all electricity and water accounts opened.

Management of the municipality is of the opinion that the carrying value of receivables approximate their amortised values.

No receivables from exchange transactions were pledged as security.

Credit quality of trade and other receivables

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's receivables.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 1 month past due are not considered to be impaired. At 30 June 2020, R 13 268 142 (2019: R 13 502 841) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

31 - 60 Days	5 440 081	5 899 717
61 - 90 Days	2 178 951	816 312
91 - 120 Days	1 957 039	669 955
121 - 150 Days	1 367 039	734 285
151 - 180 Days	879 329	666 195
181 - 365 Days	353 882	3 053 484
+ 1 Year	1 091 821	1 662 893
	13 268 142	13 502 841

Reconciliation of changes in Allowance Account

Opening balance	20 755 178	4 066 001
Electricity	1 439 160	1 357 299
Refuse removal	5 821 708	3 980 719
Sewerage	8 851 286	7 048 686
Water	6 462 307	4 344 088
Housing	(602)	1 005
Other Debtors	455 858	(42 620)
	43 784 895	20 755 178

Reconciliation of bad debts written- off: Exchange Transactions

Electricity	97 008	54 819
Refuse Removal	225 410	256 661
Sewerage	229 699	306 127
Water	2 547 813	2 342 835
Housing	12 419	6 905
Other Debtors	217 849	149 305
	3 330 198	3 116 652

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

3. Receivables from exchange transactions (continued)

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable.

The details of the ageing of receivables are disclosed in Note 5.

Derecognition of financial assets

No Financial Assets have been transferred to other parties during the year.

All Exchange receivables were reviewed and no terms were identified whereby receivable types would meet the definitions of a statutory instrument as defined by this standard.

Most levies charged are based on the municipal tariff by-laws. The origin of the transactions is based on contractual deliverables rather than legislation. The legislation in place therefore supports the value of recognition rather than giving rise to the occurrence of these transactions.

4. Receivables from non-exchange transactions

Payments made in advance	2 156 976	1 752 321
Property Rates	16 624 766	12 999 446
Sundry debtors	379 190	3 782 747
Traffic fines - TMT	6 725 917	9 016 723
	25 886 849	27 551 237

30 June 2020

	Gross Balances	Collective Allowance for Impairment	Net Balances
Payments made in advance	2 156 976	-	2 156 976
Property Rates	20 851 332	(4 226 566)	16 624 766
Sundry Debtors	379 190	-	379 190
Traffic Fines	32 119 947	(25 394 030)	6 725 917
	55 507 445	(29 620 596)	25 886 849

30 June 2019

	Gross Balances	Collective Allowance for Impairment	Total
Payments made in advance	1 752 321	-	1 752 321
Property Rates	15 779 006	(2 779 560)	12 999 446
Sundry Debtors	3 789 690	(6 943)	3 782 747
Traffic Fines	38 611 073	(29 594 350)	9 016 723
	59 932 090	(32 380 853)	27 551 237

Sundry Debtors include sundry deposits, unclaimed wages, accruals cash deposits made to Eskom for the supply of electricity and debits outstanding at year-end on normal business transactions entered into by the municipality, in respect of uncleared bank reconciliation items.

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Property Rates	16 624 766	12 999 446
Sundry debtors	379 190	3 782 747
Traffic Fines - TMT	6 725 917	9 016 723
	23 729 873	25 798 916

Swartland Municipality

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4. Receivables from non-exchange transactions (continued)

Other non-financial asset receivables included in receivables from non-exchange transactions above are as follows:
Payments made in advance (right to receive goods or services rather than cash)

2 156 976	1 752 321

Total receivables from non-exchange transactions	25 886 849	27 551 237

Statutory receivables general information

Receivable type	Revenue type	Legislation that give rise to the transactions	Rates and Interest charges	Impairment considerations
Property Rates	Non-exchange	Municipal Property Rates Act 6 of 2004	Municipal Tariff Policy, Interest Charged	Individual collection rates, interest charged at discount rate
Traffic Fines	Non-exchange	Administrative Adjudication of Road Traffic Offences Act, 1998	The Act determines rates, no interest is charge	Collection rate of the balance as a whole, thereafter discounting is considered in terms of materiality
Sundry Debtors	Exchange	Various different acts (aggregate amounts)	Municipal Tariff Policy, Interest Charged	Individual collection rates, interest charged at discount rate
VAT Receivables	Not applicable	Value Added Tax Act 89 of 1991	The Act determines rates and interest is charge	No impairment, balance expected to be fully recoverable

Interest or other charges levied/charged

Interest was only charged on outstanding rates accounts. All other statutory receivables were within normal credit terms and therefore no other receivables generated interest income. No other levies were charged.

Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as stipulated in the municipal by-laws (Prime plus 1%). This rate is also considered an appropriate discount rate.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

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4. Receivables from non-exchange transactions (continued)

Statutory receivables past due but not impaired

The ageing of Statutory Receivables is disclosed in Note 5. Statutory receivables which not current are considered past due. At 30 June 2020, R13 037 278 (2019: R13 825 552) were past due but not impaired.

No statutory receivables are pledged as security. Guarantees and Consumer Deposits are held for consumer debtors which includes balances of Rates and other Service Receivable types (refer Receivables from Exchange Transactions). These are disclosed in note 16 Consumer Deposits.

The ageing of amounts past due but not impaired is as follows:

	2020 Past Due	2019 Past Due	2020 Impaired	2019 Impaired	2020 Past due not impaired	2019 Past due not impaired
31 - 60 Days	2 405 764	2 760 040	-	-	2 405 764	2 760 040
61 - 90 Days	4 655 009	1 554 059	-	-	4 655 009	1 554 059
91 - 120 Days	2 078 084	1 931 513	(22 832)	-	2 055 252	1 931 513
121 - 150 Days	2 827 355	2 376 654	(2 393 550)	-	433 805	2 376 654
151 - 180 Days	1 902 945	1 804 489	(1 603 450)	-	299 495	1 804 489
181 - 365 Days	6 348 507	12 144 931	(6 098 725)	(8 746 134)	249 782	3 398 797
+ 1 Year	22 440 210	23 634 719	(19 502 039)	(23 634 719)	2 938 171	-
	42 657 874	46 206 405	(29 620 596)	(32 380 853)	13 037 278	13 825 552

Factors the entity considered in assessing statutory receivables past due but not impaired

Receivables are assessed in terms of their respective overall payment percentages. Some debtors are therefore past due, but the balances are still expected to be recoverable based on the payment percentages.

Reconciliation of provision for impairment for statutory receivables

Opening balance	32 380 853	41 211 951
Contributions/Reversal to Allowance		
Property rates	1 447 006	1 060 159
Traffic Fines	(4 207 263)	(9 854 467)
Sundry Receivables	-	(36 790)
	29 620 596	32 380 853

Reconciliation of bad debts written-off: Non-Exchange Transactions

Rates	414 466	162 573
Traffic Fines	24 234 025	29 413 918
Sundry Receivables	-	15 577
	24 648 491	29 592 068

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

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4. Receivables from non-exchange transactions (continued)

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: The national lockdown resulted in many employers and employees not being able to generate sufficient income to pay their municipal accounts for April to June 2020. Management accordingly improved the method in determining the impairment for the year resulting in a higher impairment based on the current market conditions.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage. The impairment loss is similar to our expectation, but quantitatively the impairment is significant and therefore disclosed separately.

All other receivable types' impairments losses recognised or reversed were not considered significant.

The credit quality of receivables from non- exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's receivables.

The allowance for impairment was calculated after grouping all the financial assets of similar nature and risk ratings, and by calculating the historical payment ratios for the groupings as well assuming that the future payment ratios would be similar to the historical payment ratios.

The claims instituted against the municipality's insurance company are supported by valid insurance claims that are claimable in terms of the insurance contract entered into by the municipality. The average waiting period depends on the nature of the claim. No interest is charged on outstanding insurance claims.

The average credit period for government grants and subsidies is dependent on the Government Department involved and the nature of claim. No interest is charged on outstanding government grants and subsidies. The subsidies are payable to the municipality per allocations made in the Division of Revenue Act or based on agreements between the municipality and the relevant departments. Government Grants and Subsidies receivable are past due and not impaired as management have no concerns over the credit quality of these assets.

The average credit period for receivables from non- exchange transactions is 30 days. No interest is charged on receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at prime plus one per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of receivables from non-exchange transactions. No receivables from non- exchange transactions were pledged as security.

The Allowance for impairment on Other Debtors (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were grouped together in the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non- exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's receivables.

Classification of Bad Debts

Exchange Receivables	3 330 198	3 116 652
Consumer Debtors	3 330 198	3 116 652
Non-exchange receivables	24 648 491	29 592 068
Other	24 648 491	29 592 068
Balance at end of year	27 978 689	32 708 720

Swartland Municipality

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5. Consumer debtors disclosure

Gross balances		
Property Rates	20 851 332	15 779 006
Electricity	43 459 993	38 953 867
Water	27 633 016	17 489 928
Sewerage	22 306 177	13 376 552
Refuse Removal	15 161 724	9 576 058
Housing rentals / instalments	71 421	54 764
Other	18 934 333	12 232 079
Payments made in advance *	2 156 976	1 752 321
Sundry Debtors *	379 190	3 789 690
Traffic Fines - TMT *	32 119 947	38 611 073
	183 074 109	151 615 338

Less: Allowance for impairment

Property Rates	(4 226 566)	(2 779 560)
Electricity	(4 075 054)	(2 635 894)
Water	(12 049 244)	(5 586 937)
Sewerage	(16 539 606)	(7 688 320)
Refuse Removal	(10 491 947)	(4 670 239)
Housing rentals / instalments	(4 044)	(4 645)
Other	(625 000)	(169 143)
Sundry Debtors *	-	(6 943)
Traffic Fines - TMT *	(25 394 030)	(29 594 350)
	(73 405 491)	(53 136 031)

Net balance

Property Rates	16 624 766	12 999 446
Electricity	39 384 939	36 317 973
Water	15 583 772	11 902 991
Sewerage	5 766 571	5 688 232
Refuse Removal	4 669 777	4 905 819
Housing rentals / instalments	67 377	50 119
Other	18 309 333	12 062 936
Payments made in advance *	2 156 976	1 752 321
Sundry Debtors *	379 190	3 782 747
Traffic Fines - TMT *	6 725 917	9 016 723
	109 668 618	98 479 307

Rates

Current (0 -30 days)	9 430 933	7 926 970
31 - 60 days	2 017 164	1 260 490
61 - 90 days	791 809	114 359
91 - 120 days	631 660	76 313
121 - 150 days	433 805	1 214 879
151 - 180 days	299 495	167 664
181 - 365 days	249 782	1 740 631
1 - 2 years	215 327	-
2 - 3 years	182 805	-
+ 3 years	6 598 552	3 277 700
Allowance for impairment	(4 226 566)	(2 779 560)
	16 624 766	12 999 446

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
5. Consumer debtors disclosure (continued)		
Electricity		
Current (0 -30 days)	35 519 028	33 850 521
31 - 60 days	2 240 095	2 605 709
61 - 90 days	548 277	54 632
91 - 120 days	312 445	42 123
121 - 150 days	127 221	61 355
151 - 180 days	83 232	26 290
181 - 365 days	57 959	346 911
1 - 2 years	154 804	33 536
2 - 3 years	69 999	12 703
+ 3 years	4 346 933	1 920 087
Allowance for impairment	(4 075 054)	(2 635 894)
	39 384 939	36 317 973
Water		
Current (0 -30 days)	11 612 889	7 294 075
31 - 60 days	1 196 526	1 548 328
61 - 90 days	703 545	383 583
91 - 120 days	898 116	339 704
121 - 150 days	708 845	310 318
151 - 180 days	466 342	390 300
181 - 365 days	341 600	1 154 159
1 - 2 years	1 465 206	598 215
2 - 3 years	1 040 271	480 053
+ 3 years	9 199 676	4 991 193
Allowance for impairment	(12 049 244)	(5 586 937)
	15 583 772	11 902 991
Sewerage		
Current (0 -30 days)	3 209 681	2 975 313
31 - 60 days	1 054 899	839 352
61 - 90 days	453 445	167 326
91 - 120 days	362 495	129 493
121 - 150 days	252 016	166 756
151 - 180 days	152 347	98 834
181 - 365 days	127 826	580 306
1 - 2 years	113 889	-
2 - 3 years	107 690	-
+ 3 years	16 471 889	8 419 172
Allowance for impairment	(16 539 606)	(7 688 320)
	5 766 571	5 688 232
Refuse Removal		
Current (0 -30 days)	2 443 408	2 242 985
31 - 60 days	781 252	650 391
61 - 90 days	373 629	139 262
91 - 120 days	309 326	115 928
121 - 150 days	223 888	153 809
151 - 180 days	138 924	95 203
181 - 365 days	121 113	758 276
1 - 2 years	696 129	255 601
2 - 3 years	396 399	322 128
+ 3 years	9 677 656	4 842 475
Allowance for impairment	(10 491 947)	(4 670 239)
	4 669 777	4 905 819

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
5. Consumer debtors disclosure (continued)		
Housing rentals / instalments		
Current (0 -30 days)	31 143	30 384
31 - 60 days	19 691	20 162
61 - 90 days	8 811	447
91 - 120 days	6 176	422
121 - 150 days	3 246	419
151 - 180 days	643	415
181 - 365 days	218	1 738
1 - 2 years	1 493	777
Allowance for impairment	(4 044)	(4 645)
	67 377	50 119
Other Exchange Debtors		
Current (0 -30 days)	17 380 805	11 031 954
31 - 60 days	147 618	235 775
61 - 90 days	91 245	71 061
91 - 120 days	68 479	42 285
121 - 150 days	53 513	41 628
151 - 180 days	38 483	55 153
181 - 365 days	49 475	212 094
1 - 2 years	253 076	93 070
2 - 3 years	186 914	151 403
+ 3 years	664 725	297 656
Allowance for impairment	(625 000)	(169 143)
	18 309 333	12 062 936
* Other Non-exchange Debtors		
Current (0 -30 days)	3 384 793	5 798 715
31 - 60 days	388 600	1 499 550
61 - 90 days	3 863 200	1 439 700
91 - 120 days	1 446 424	1 855 200
121 - 150 days	2 393 550	1 161 775
151 - 180 days	1 603 450	1 636 825
181 - 365 days	6 098 725	10 404 300
1 - 2 years	15 275 473	8 733 448
2 - 3 years	-	11 479 325
+ 3 years	201 898	144 246
Allowance for impairment	(25 394 030)	(29 601 293)
	9 262 083	14 551 791

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
5. Consumer debtors disclosure (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	48 132 148	53 281 027
31 - 60 days	6 628 433	6 961 653
61 - 90 days	6 388 328	2 291 081
91 - 120 days	3 746 585	2 532 961
121 - 150 days	4 051 145	3 021 633
151 - 180 days	2 631 784	2 295 287
181 - 365 days	6 886 612	14 832 656
1 - 2 years	17 957 707	9 672 236
2 - 3 years	1 893 108	12 421 994
+ 3 years	46 398 662	23 172 733
Subtotal	144 714 512	130 483 261
Less: Allowance for impairment	(72 592 502)	(50 932 653)
	72 122 010	79 550 608
Industrial/ commercial		
Current (0 -30 days)	17 076 041	16 654 143
31 - 60 days	1 090 186	1 592 015
61 - 90 days	381 918	70 903
91 - 120 days	228 977	61 319
121 - 150 days	116 300	79 499
151 - 180 days	128 925	169 287
181 - 365 days	138 501	118 190
1 - 2 years	197 066	42 384
2 - 3 years	76 304	22 875
+ 3 years	540 741	378 551
Subtotal	19 974 959	19 189 166
Less: Allowance for impairment	(812 990)	(2 203 378)
	19 161 969	16 985 788
National and provincial government		
Current (0 -30 days)	17 804 494	1 215 745
31 - 60 days	127 226	106 090
61 - 90 days	63 713	8 387
91 - 120 days	59 560	7 189
121 - 150 days	28 639	9 807
151 - 180 days	22 207	6 110
181 - 365 days	21 585	247 570
1 - 2 years	20 622	28
2 - 3 years	14 664	742
+ 3 years	221 927	341 243
	18 384 637	1 942 911

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
5. Consumer debtors disclosure (continued)		
Total		
Current (0 -30 days)	83 012 682	71 150 915
31 - 60 days	7 845 846	8 659 757
61 - 90 days	6 833 960	2 370 371
91 - 120 days	4 035 122	2 601 468
121 - 150 days	4 196 084	3 110 939
151 - 180 days	2 782 917	2 470 685
181 - 365 days	7 046 698	15 198 416
1 - 2 years	18 175 395	9 714 648
2 - 3 years	1 984 076	12 445 612
+ 3 years	47 161 329	23 892 527
Subtotal	183 074 109	151 615 338
Less: Allowance for impairment	(73 405 491)	(53 136 031)
	109 668 618	98 479 307
6. Inventories		
Consumable stores - at cost	7 016 906	10 675 254
Franking Machine and Postage	36 777	32 397
SMS Bundles	3 067	3 754
Stationery - at cost	276 170	183 237
Unsold properties held for resale - at cost	7 148 189	6 384 266
Water - at cost	190 328	228 364
	14 671 437	17 507 272
Inventories are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Net Realisable Value were required.		
The cost of water purchases for the year amounted to R 3.45 per kilolitre (2019: R 4.11 per kilolitre).		
No Inventories have been pledged as collateral for Liabilities of the municipality.		
The cost of inventories (excluding land inventories) recognised as expense and included in Other Materials (refer to Note 40).		
Water for distribution		
Opening balance	228 364	292 044
System input volume	14 905 299	15 508 104
Authorised consumption	(13 096 986)	(13 009 933)
Water losses	(1 846 349)	(2 561 851)
Closing balance	190 328	228 364

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

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Figures in Rand	2020	2019

7. Construction contracts and receivables/(payables)

Contracts in progress at statement of financial position date

Construction contracts and receivables/(payables)	125 682	(2 529 369)

Reconciliation of contracts for the year

Contract revenue for the year	10 283 766	26 911 925
Contract costs for the year	(10 283 766)	(26 911 925)
Advances received	(348 052)	(2 529 369)
Unpaid deliverables at year end	473 734	-
Balance at year end	125 682	(2 529 369)

Amounts due from/(prepaid by) customers

Opening balance of Advances Receivable	(2 529 369)	(459 287)
Progress billings for the period (with reference to stage of completion)	10 283 766	26 911 925
Advances received during the period	(7 628 715)	(28 982 007)
Amounts due from/(prepaid by) customers	125 682	(2 529 369)
Less Retentions held	-	-

Total due from/(prepaid by) customers

125 682	(2 529 369)

Contracts in progress at year end

Budgeted construction deliverables due at the beginning of the period	6 509 617	1 036 722
New deliverables due	7 973 809	32 384 820
Contract deliverables met	(10 283 766)	(26 911 925)
Total budgeted contract deliverables due	4 199 660	6 509 617
Project deliverables only due in the future	(3 851 608)	(3 980 248)
Less receivables due at year end	(473 734)	-

Total due (from)/prepaid by customers

(125 682)	2 529 369

Reconciliation of construction contracts balance

Opening Balance	(2 529 369)	(459 287)
Receipts for the year	(7 628 715)	(28 982 007)
Deliverables met (Revenue recognised)	10 283 766	26 911 925
	125 682	(2 529 369)

Contracts with the Provincial Department and its beneficiaries are not subject to any retention.

Swartland Municipality

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Notes to the Annual Financial Statements

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7. Construction contracts and receivables/(payables) (continued)

Housing Arrangements

Contract revenue is fixed based on the arrangement with the Provincial Department of Housing. Revenue is determined in terms of the stage of completion which is determined by the progress payments claimed by the sub-contractors received at year end.

The following projects were included in the balances reported above:

30 June 2020	Phola Park	Riebeek Wes	Riebeek Kasteel	Kalbaskraal	Sibanye
Opening Balance (due to)/from customers	(365 693)	(2 163 676)	-	-	-
Transfer from Assets	24 558	3 880 338	3 992 800	1 232 800	1 153 270
Collections	-	(1 242 929)	(3 992 800)	(1 232 800)	(1 160 187)
Subtotal	(341 135)	473 733	-	-	(6 917)
	(341 135)	473 733	-	-	(6 917)

30 June 2019

30 June 2019	Phola Park	Riebeek Wes	Riebeek Kasteel	Kalbaskraal	Sibanye
Opening Balance (due to)/from customers	(459 287)	-	-	-	-
Transfer from Assets	671 029	26 240 896	-	-	-
Collections	(577 435)	(28 404 572)	-	-	-
Subtotal	(365 693)	(2 163 676)	-	-	-
	(365 693)	(2 163 676)	-	-	-

8. VAT receivable

VAT	2 496 242	8 108 179

For statutory receivable information regarding VAT refer to Note 4.

9. Operating lease asset (accrual)

Current assets	77 335	47 342
Current liabilities	(84 888)	(59 839)
	(7 553)	(12 497)

The Municipality as lessee

Leasing arrangements:

Operating leases relate to Buildings, Computer and other equipment with lease terms of between one to five years. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

At the reporting date the municipality had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Buildings	1 263 749	2 308 222
Up to 1 year	1 205 385	1 156 048
1 to 5 years	58 364	1 152 174
Computer Equipment	409 056	807 518
Up to 1 year	398 630	398 546
1 to 5 years	10 426	408 972
Total operating lease commitments	1 672 805	3 115 740

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Notes to the Annual Financial Statements

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9. Operating lease asset (accrual) (continued)

Total Operating Lease Expenses - as Lessee	1 600 018	1 475 440

Operating leases are recognized on the straight-line basis over the lease term. In respect of non-cancellable Operating Leases the following asset/(liability) has been recognised:

Accrual as at 30 June		
Opening balance	(59 839)	(84 239)
Operating lease payments effected	1 574 969	1 499 840
Operating expenses recorded	(1 600 018)	(1 475 440)
Total Operating Lease Assets/(Liabilities)	(84 888)	(59 839)

No restrictions have been imposed on the Municipality in terms of the operating lease agreements.

The Municipality as Lessor:

Leasing arrangements:

Operating Leases relate to Investment Property owned by the municipality with lease terms of between 5 to 50 years. The lessee does not have an option to purchase the property at the expiry of the lease period.

At the reporting date the following lease receipts were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	551 467	883 651
1 to 5 years	713 946	689 746
More than 5 years	3 616	3 982
	1 269 029	1 577 379

This impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has resulted in an increase in current year's income of R 29 993.

Operating leases are recognized on the straight-line basis over the lease term. In respect of non-cancellable Operating Leases the following asset/(liability) has been recognised:

No restrictions have been imposed on the Municipality in terms of the lease agreements.

Accrual as a 30 June		
Opening balance	47 342	67 266
Operating lease payments received	(838 133)	(903 575)
Operating income recorded as revenue	868 125	883 651
Total Operating Lease Assets/(Liabilities)	77 334	47 342

Swartland Municipality

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Notes to the Annual Financial Statements

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10. Finance lease receivables

Housing selling scheme loans	2 677	3 368
Short term portion	(784)	(691)
Non-current Finance Lease Receivables	1 893	2 677

Gross investment in the lease due

- within one year	1 146	691
- in second to fifth year inclusive	2 284	2 677
	3 430	3 368
less: Unearned finance revenue	(753)	(1 208)
	2 677	2 160

Present value of minimum lease payments due

- within one year	784	691
- in second to fifth year inclusive	1 893	2 677
Total Finance Lease Receivables	2 677	3 368

Non-current assets	1 893	2 677
Current assets	784	691
	2 677	3 368

Loans were granted to the tenants of low cost housing erected by the Municipality with funds provided by the State, in order to enable them to purchase the houses they previously rent from the Municipality. Loans are repaid over a period of twenty years and at an interest rate of 13.50% per annum. The interest rates inherent to the leases are fixed at the contract date over the entire lease term. The instalments of interest and redemption recoverable from the purchasers are credited to the Housing Fund (see note 21).

Finance Lease Receivables are secured over the property leased. The municipality is not permitted to sell or repledge the collateral in the absence of default by the lessee.

Swartland Municipality

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11. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	74 900 755	(1 399 080)	73 501 675	68 996 390	(21 080)	68 975 310
Movable assets	108 071 655	(52 625 229)	55 446 426	101 388 266	(47 505 995)	53 882 271
Infrastructure	3 404 391 955	(1 750 802 203)	1 653 589 752	3 357 515 838	(1 691 743 383)	1 665 772 455
Community	295 090 251	(155 847 621)	139 242 630	256 685 386	(151 396 681)	105 288 705
Other assets	151 024 825	(121 572 408)	29 452 417	150 805 896	(119 817 494)	30 988 402
Total	4 033 479 441	(2 082 246 541)	1 951 232 900	3 935 391 776	(2 010 484 633)	1 924 907 143

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	68 975 310	7 868 043	(1 963 678)	-	(1 378 000)	73 501 675
Movable assets	53 882 271	8 166 296	(299 947)	(6 302 194)	-	55 446 426
Infrastructure	1 665 772 455	66 404 662	(4 481 142)	(74 106 223)	-	1 653 589 752
Community	105 288 705	38 639 356	(82 076)	(4 546 153)	(57 202)	139 242 630
Other assets	30 988 402	218 930	-	(1 754 915)	-	29 452 417
Total	1 924 907 143	121 297 287	(6 826 843)	(86 709 485)	(1 435 202)	1 951 232 900

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11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Land	68 072 932	2 100 378	(1 198 000)	-	68 975 310
Movable assets	49 554 899	11 420 817	(1 120 380)	(5 973 065)	53 882 271
Infrastructure	1 684 099 374	56 830 841	(1 368 200)	(73 789 560)	1 665 772 455
Community	89 328 529	20 366 158	(6 356)	(4 399 626)	105 288 705
Other assets	32 922 116	-	(208 262)	(1 725 452)	30 988 402
	1 923 977 850	90 718 194	(3 901 198)	(85 887 703)	1 924 907 143

The description: Other Assets relates to the traditional line for Buildings.

No Property, Plant and Equipment were retired from active use and held for disposal during the financial year. Compensation in the amount of R116 935 (2019: R 22 305), included in Operating Surplus, was received from the municipality's insurers for Property, Plant and Equipment lost during the year. None of the above assets are pledged as security.

As per Note 43, Impairment losses on Property, Plant and Equipment to the amount of R1 435 202 (2019: R 0) have been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance.

The estimation of the useful lives of assets is a matter of judgement based on the municipality's experience with similar assets.

Expenditure to repair and maintain assets is disclosed in Note 46.

The national lockdown resulted in some minor delays in the completion of work in progress. No projects with expenditure have been halted or delayed significantly. A project pertaining to the extension of a caravan park was cancelled, but no expenditure has been incurred to date. The cancellation is not as a direct result of the national lockdown.

Included in the total for Property, Plant and Equipment are assets that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. For details of the service concession arrangement refer to note 66.

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

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12. Investment property

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	38 486 440	(3 316 049)	35 170 391	37 790 287	(3 219 170)	34 571 117

Reconciliation of investment property - 2020

	Opening balance	Additions	Disposals	Impairments	Depreciation	Total
Investment property	34 571 117	1 949 500	(1 253 347)	(37 000)	(59 879)	35 170 391

Reconciliation of investment property - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Investment property	31 275 761	5 443 448	(2 082 709)	(65 383)	34 571 117

The municipality's Investment Properties are accounted for according to the cost model and therefore no fair value has been determined.

As per Note 43, impairment losses to the value of R37 000 (2019: R0) have been recognised on Investment Property of the municipality at the reporting date. No construction projects were entered into for Investment Property during the year.

Expenditure to repair and maintain assets is disclosed in Note 46.

All of the municipality's Investment Properties are held under freehold interests and none had been pledged as security for any liabilities of the municipality. There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on Investment Property.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	361 987	355 643

Expenditure

Direct operating expenses - investment property generating rental revenue	107 664	148 392
Direct operating expenses - investment property that do not generate rental revenue	2 576 720	2 212 413
	2 684 384	2 360 805

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13. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Software licences	4 566 459	(3 651 233)	915 226	5 232 771	(4 070 412)	1 162 359
Website development	69 704	(68 130)	1 574	69 704	(67 319)	2 385
Total	4 636 163	(3 719 363)	916 800	5 302 475	(4 137 731)	1 164 744

Reconciliation of intangible assets - 2020

	Opening balance	Disposals	Amortisation	Total
Software licences	1 162 359	(24 738)	(222 395)	915 226
Website development	2 385	-	(811)	1 574
	1 164 744	(24 738)	(223 206)	916 800

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Software licences	1 152 143	207 073	(196 857)	1 162 359
Website development	3 315	-	(930)	2 385
	1 155 458	207 073	(197 787)	1 164 744

The useful lives of Intangible Assets remain unchanged from the previous year, for which amortisation is charged on a straight-line basis over the Intangible Assets' useful lives.

The municipality amortises all its Intangible Assets apart from a life-long servitude. The benefit of this servitude far exceeds its cost.

No impairment losses have been recognised on Intangible Assets of the municipality at the reporting date.

Expenditure to repair and maintain assets is disclosed in Note 46.

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 35).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

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14. Heritage assets

	2020			2019		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	181 000	-	181 000	181 000	-	181 000
Historical buildings	586 266	-	586 266	586 266	-	586 266
Art Collections, antiquities and exhibits	352 634	-	352 634	352 634	-	352 634
Total	1 119 900	-	1 119 900	1 119 900	-	1 119 900

Reconciliation of heritage assets 2020

	Opening balance	Total
Historical monuments	181 000	181 000
Historical buildings	586 266	586 266
Art Collections, antiquities and exhibits	352 634	352 634
Total	1 119 900	1 119 900

Reconciliation of heritage assets 2019

	Opening balance	Total
Historical monuments	181 000	181 000
Historical buildings	586 266	586 266
Art Collections, antiquities and exhibits	352 634	352 634
Total	1 119 900	1 119 900

All of the municipality's Heritage Assets are held under freehold interests and no Heritage Assets had been pledged as security for any liabilities of the municipality.

No impairment losses have been recognised on Heritage Assets of the municipality at the reporting date.

The municipality's Heritage Assets are accounted for according to the cost model and therefore no fair value has been determined.

15. Payables from exchange transactions

Trade payables	66 579 930	63 092 096
Payments received in advanced	1 128 202	1 043 425
Retentions	2 495 879	3 913 384
Other payables	7 112 085	5 253 728
Staff leave	15 882 248	11 068 271
Other deposits	1 185 136	1 185 547
13th cheque accrual	5 492 045	4 700 250
Total	99 875 525	90 256 701

No interest is charged for the first 30 days from the date of receipt of the statement. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe. The carrying value of trade and other payables approximates its fair value. Retentions are usually payable after a period of 12 months.

The municipality did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the municipality. Discounting of trade and other payables on initial recognition is not deemed necessary.

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16. Consumer deposits

Electricity and Water	13 831 016	12 750 568

Guarantees amounting to R 628 600 (2019: R 662 653) are held in lieu of Electricity and Water Deposits.

Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the Council can utilise the deposit as payment for the outstanding account. No interest is paid on consumer deposits held.

The carrying value of consumer deposits approximates their fair value.

17. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value	2020	2019
Long Term: Post-Employment Health Care Benefit Liability	57 570 000	60 793 441
Current Portion: Post-Employment Health Care Benefit Liability	54 687 000	58 289 754
	2 883 000	2 503 687
	11 469 000	10 877 072
Long Term: Long Service Awards	10 365 000	9 609 852
Short Term: Long Service Awards	1 104 000	1 267 220
	69 039 000	71 670 513
Non-current liabilities	65 052 000	67 899 606
Current liabilities	3 987 000	3 770 907
	69 039 000	71 670 513

Post-Employment Health Care Benefit Liability

The Municipality provides certain post-retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The most recent actuarial valuations of the present value of the unfunded defined benefit obligation were carried out as at 30 June 2020 by ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other post retirement or long service benefits are provided by the municipality.

The Post Employment Health Care Benefit Plan is a defined benefit plan, consisting of the following number of members:

In-service members	293	267
Continuation members	60	56
	353	323

The liability in respect of past service has been estimated to be as follows:

In-service members	27 402 000	30 485 974
Continuation members	30 168 000	30 307 467
	57 570 000	60 793 441

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17. Employee benefit obligations (continued)

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Keyhealth
- Hosmed
- LA Health
- Samwumed

The future service cost for the ensuing year is established to be R 1 747 000, whereas the interest-cost for the next year is estimated to be R 5 774 000 (2019: R 2 015 198 and R 5 558 763 respectively).

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	60 793 441	60 903 057
Benefits paid	(2 686 442)	(2 335 504)
Net expense recognised in the statement of financial performance	(536 999)	2 225 888
	57 570 000	60 793 441

Net expense recognised in the statement of financial performance

Current service cost	2 015 198	2 680 869
Interest cost	5 587 633	5 733 675
Actuarial (gains) losses	(8 139 830)	(6 188 656)
	(536 999)	2 225 888

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.28 %	9.38 %
Health Care Cost Inflation	6.35 %	6.84 %
Net effective Discount Rate	3.70 %	2.38 %
Expected rate of salary increases (long term)	4.08 %	5.58 %
General Inflation rate (CPI)	4.85 %	5.34 %
Retirement Age	62	62

The history of experienced adjustments is as follows:

	One percentage point increase	One percentage point decrease
30 June 2020		
Effect on the aggregate of the service cost and interest cost	8 986 100	6 503 900
Effect on defined benefit obligation	65 478 000	51 050 000
30 June 2019		
Effect on the aggregate of the service cost and interest cost	9 948 100	7 186 400
Effect on defined benefit obligation	70 124 798	53 220 830

Amounts for the current and previous four years are as follows:

	2020 R	2019 R	2018 R	2017 R	2016 R
Defined benefit obligation	57 570 000	60 793 441	60 903 057	59 115 765	58 425 768
Experience adjustments on plan liabilities	3 737 170	3 009 266	(275 424)	2 264 246	1 047 819

The municipality expects to make a contribution of R 7 521 000 (2019: R 7 602 831) to the defined benefit plans during the next financial year.

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17. Employee benefit obligations (continued)

Refer to Note 63 "Multi- Employer Retirement Benefit Information" to the Annual Financial Statements for more information regarding the municipality's other retirement funds that are Provincially and Nationally administered.

Long Service Awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality (which includes their uninterrupted service with the former local authorities amalgamated in December 2000 to become Swartland Municipality). The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2020 may become entitled to in future, based on an actuarial valuation performed at that date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2020 by ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 70 (2019: 60) employees were paid Long-service Awards.

Eligible employees at the beginning of the year	544	544
New entrants	83	30
Members that exited	(21)	(30)
Eligible employees at the end of the year	606	544

The future service cost for the ensuing year is established to be R 950 000 whereas the interest-cost for the next year is estimated to be R 821 000 (2019: R 884 502 and R 840 987 respectively).

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	10 877 072	10 075 105
Benefits paid	(1 433 824)	(756 281)
Net expense recognised in the statement of financial performance	2 025 752	1 558 248
	11 469 000	10 877 072

Net expense recognised in the statement of financial performance

Current service cost	884 502	782 320
Interest cost	840 987	820 815
Actuarial (gains) losses	300 263	(44 887)
	2 025 752	1 558 248

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	7.51 %	8.20 %
Expected rate of salary increases	4.08 %	5.58 %
Net effective discount rate	3.30 %	2.48 %
General inflation rate	4.85 %	5.34 %
Average retirement age	62	62

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17. Employee benefit obligations (continued)

The history of experience adjustments

	One percentage point increase	One percentage point decrease
30 June 2020		
Effect on the aggregate of the service cost and interest cost	1 869 200	1 597 800
Effect on defined benefit obligation	12 243 000	10 771 000
30 June 2019		
Effect on the aggregate of the service cost and interest cost	1 732 900	1 487 500
Effect on defined benefit obligation	11 630 735	10 200 053

Amounts for the current and previous four years are as follows:

	2020 R	2019 R	2018 R	2017 R	2016 R
Defined benefit obligation	11 469 000	10 877 072	10 075 105	9 011 689	9 142 519
Experience adjustments on plan liabilities	897 263	47 103	1 130 575	(227 440)	(45 580)

18. Other financial liabilities

At amortised cost

Annuity loans	117 966 272	129 676 549

Summary of arrangements

Annuity Loans are repaid over periods varying from ten to twenty years (2019: ten to twenty years), and at interest rates varying from 8.60% to 10.96% (2019: 6.75% to 13.38%). Annuity Loans are not secured.

Included in the total for Borrowings are loans that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. For details of the service concession arrangement refer to note 66.

Refer to APPENDIX A for more detail on long-term liabilities.

Non-current liabilities

At amortised cost	107 948 337	117 966 271

Current liabilities

At amortised cost	10 017 935	11 710 278

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19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Afrisam (Indoor/outdoor Centre)	141 039	2 000 000
Community Development Workers	80 951	10 528
Community Safety: K9 Unit	2 590 540	3 987 215
Contributions Covid-19	75 000	-
Emergency Fire Kits	-	1 696
Financial Management Support Grant: Risk Management	-	45 322
Financial Management Support Grant: Student Bursaries	326 455	338 017
Financial Management Support: Graduate Internship Grant	-	61 081
Fire Damage Houses	97 252	97 252
Housing Project: Kalbaskraal	1 301 610	-
Housing: Riebeek Kasteel	7 062 454	-
Housing: Riebeek Wes	1 245 863	1 245 863
Housing: Sibanye	50 541	-
Library Service	4 247	-
Municipal Accreditation and Capacity Building	238 000	224 000
Regional Socio-economic project	3 186 291	-
Swartland Business Hive (Entrepreneurial Hub)	164 500	164 500
Title Restoration: Housing Projects	285 262	287 000
	16 850 005	8 462 474

The Unspent Grants are cash backed by term deposits. The municipality complied with the conditions applicable to all grants received to the extent of revenue recognised. No grants were withheld. The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 29 for reconciliation of grants by other spheres of government and Note 30 for Public Contributions (Other Receipts).

Swartland Municipality

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20. Provisions

Reconciliation of provisions - 2020

	Opening Balance	Change in discount factor	Increase/(Reduction) due to re-measurement	Total
Landfill Site	30 555 807	2 563 726	1 298 455	34 417 988

Reconciliation of provisions - 2019

	Opening Balance	Utilised during the year	Change in discount factor	Increase/(Reduction) due to re-measurement	Total
Landfill Site	30 686 699	(2 912 830)	1 213 730	1 568 208	30 555 807

Environmental rehabilitation provision

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R 34 417 988 (2019: R 30 555 807) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using the year end spot rate of a 20 year Government Bond and the average Consumer Price Index from March 2019 to March 2020.

Sites	Proposed Rehabilitation Date	Size (Square Meters)	Current Costs per Square (2020)	2020 Provision	2019 Provision
Heading					
Darling	2044/2045	32 717	596	5 554 542	1 830 740
Highlands	2045/2046	96 456	170	4 409 486	4 816 765
Koringberg	2023/2024	4 690	735	3 257 909	3 019 473
Moorreesburg	2039/2040	28 100	496	5 280 047	6 395 273
Riebeek Kasteel	2023/2024	22 118	595	12 439 180	11 449 730
Yzerfontein	2023/2024	27 400	134	3 476 824	3 043 826
		211 481	2 726	34 417 988	30 555 807

21. Statutory fund: Housing development

The Housing Development Fund has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter. No separate Unappropriated Surplus Account for housing transactions was kept.

The Housing Development Fund is represented by Housing Selling Scheme Loans (see Note 10).

Housing Development Fund	2 677	3 368

Analysis of the composition of the Housing Development Fund:

Housing Development Fund		
Loans extinguished by Government on 1 April 1998	2 677	3 368

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22. Reserves: Capital Replacement

The Capital Replacement Reserve is a reserve to finance future capital expenditure, is fully funded and invested in Financial Instruments.

Balance at the beginning of the year	191 815 807	181 164 978
Contribution from accumulated Surplus	53 056 507	50 000 000
Capital Contributions received	1 701 083	1 214 749
Funding Capital Projects	(47 068 276)	(40 563 920)
	199 505 121	191 815 807

23. Accumulated surplus

Accumulated surplus generated from operations	2 194 262 624	2 073 434 480

Accumulated Surplus has been restated to correctly classify amounts held by the municipality as indicated below. Refer to Note 52 "Correction of Error" for details of the restatements.

24. Service charges

Sale of electricity	300 364 052	264 789 219
Sale of water	71 325 856	63 756 266
Sewerage and sanitation charges	51 246 203	45 896 154
Refuse removal	31 782 524	31 358 229
	454 718 635	405 799 868

25. Rental of facilities and equipment

Rental Revenue from buildings	573 712	520 253
Rental Revenue from halls	210 841	351 640
Rental of equipment	746 180	661 380
	1 530 733	1 533 273

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26. Operational revenue		
Sale of goods and rendering of services		
Advertisements	256 210	254 945
Application Fees for Land Usage	9 470	15 183
Building Plan Approval	2 187 801	2 374 723
Bulk Waste Dumping	837 767	829 073
Camping Fees	2 451 396	2 869 755
Cemetery and Burial	671 488	649 315
Cleaning and Removal	596 919	669 876
Clearance Certificates	239 604	219 059
Development Charges	1 701 084	1 214 749
Encroachment Fees	590	590
Entrance Fees	353 117	384 250
Escort Fees	80 991	99 200
Housing (Boarding Services) - Staff	145 219	122 482
Occupation Certificates	246 754	285 965
Photocopies and Faxes	106 752	157 008
Removal of Restrictions	249 378	214 135
Sewerage Blockages	401 632	371 591
Rendering of Fire Services	14 273	12
Sub-division and Consolidation Fees	107 462	98 546
Tender Documents	89 910	82 437
Town Planning and Servitudes	866 475	203 672
Valuation Services	115 956	128 092
Housing Sales or Services Rendered	69 968	-
Other operational revenue		
Administrative Handling Fees	95 677	76 285
Application: Service Connections	280 164	262 548
Breakages and Losses Recovered	53 325	58 137
Discounts and Early Settlements	432 472	93 394
Housing Selling Schemes	1 394	4 550
Incidental cash surpluses	3 113	21 782
Insurance Refund	283 343	202 108
Merchandising, Jobbing and Contracts	63 873	90 661
Other Fees	4 612	4 312
Private Work	10 741	-
Registration Fees - Road and Transport	304 589	405 296
Transaction Handling Fees	74 047	57 948
	13 407 566	12 521 679

27. Interest received

Interest revenue		
Bank account	5 627 995	6 883 061
Interest earned - Investments	40 020 898	33 267 764
Interest earned - Land sales	75 855	13 863
Outstanding debtors: Exchange receivables	1 617 286	1 818 886
	47 342 034	41 983 574

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28. Property rates		
Rates received		
Residential	70 695 698	65 017 440
Commercial	11 334 237	10 451 005
State	10 614 254	9 630 848
Vacant land	7 888 791	7 395 654
Farm Properties: Agricultural Purposes	18 075 646	16 205 645
Industrial	7 321 343	6 636 118
Rural: Business	885 018	1 325 273
Less: Income forgone	(1 789 796)	(951 334)
	125 025 191	115 710 649
Valuation of Properties (R'000)		
Residential	11 492 271	11 372 372
Commercial	1 348 045	1 326 424
State	1 237 674	1 236 275
Vacant land	938 815	905 374
Farm Properties: Agricultural Purposes	10 525 958	10 543 358
Industrial	861 777	842 736
Rural: Business	221 281	202 856
	26 625 821	26 429 395

Assessment Rates are levied on the value of land and improvements, less R 15 000 for residential properties, which valuation must be performed every four years. Interim valuations are processed on a bi-annual basis in November and May of each year to take into account changes in individual property values due to alterations, consolidations and subdivisions. The last valuation came into effect on 1 July 2016.

Differential rates of 0.006490 c/R for residential properties and 0.008580 c/R for commercial, industrial, rural and state properties (2018/2019: 0.006490 and 0.008580 c/R) on land and building valuations were applied to determine assessment rates. A discount of 75 % (2018/2019: 75%) was granted on agricultural land. An exemption of R 15 000 on the value of the property is granted to residential property owners. A further R 300 000 (2018/2019: R 300 000) discount on the market value of the property, over and above the aforementioned R 15 000 is granted on the value of the property for residents 60 years and older on condition that they occupy the premises. Some additional relief was provided to qualifying consumers in order to assist families in need after the national lockdown as per note 68.

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29. Government grants and subsidies

Unconditional grants

Equitable Share	91 534 000	82 048 000

Conditional grants

Community Development: Workers	3 577	12 750
Community Safety: K9 Unit	3 396 675	12 785
COVID 19 - Food Parcels and Financial Support	969 000	-
Education, Training and Development Practices (Seta)	355 874	348 181
Emergency Fire Kit	1 696	191 565
Energy Efficiency and Demand Side Management Grant (EEDG)	4 000 000	3 000 000
Extended Public Works Programme	1 768 000	1 572 000
Financial Management Support Grant: CaseWare	-	73 071
Financial Management Support Grant: Graduate Internship Programme	61 081	10 919
Financial Management Support Grant: MSCOA	330 000	330 000
Financial Management Support Grant: Student Bursaries	139 151	221 803
Financial Management Support Grant: Risk Management	45 322	54 678
Greenest Town	140 000	-
Housing Project: Kalbaskraal	5 052 995	512 168
Housing Project: Malmesbury De Hoop	2 984 088	-
Housing Project: Riebeeck Kasteel	10 225 444	1 881 654
Housing Project: Sibanye-Moorreesburg	8 426 463	950 287
Integrated National Electrification Programme	5 000 000	4 000 000
Libraries	9 602 753	8 429 000
Local Government Financial Management Grant	1 550 000	1 550 000
Municipal Accreditation and Capacity Building	224 000	-
Municipal Infrastructure Grant	21 301 000	24 945 000
Proclaimed Roads Subsidies	6 317 905	9 534 000
Rebuilding of fire damaged houses	-	277 748
Regional Socio-Economic Project (RSEP)	813 709	8 316 114
Sondeza	95 523	91 910
Sports Development Grant	320 000	-
Thusong Centre Refurbishment	-	106 000
Title Restoration Housing	1 738	-
	83 125 994	66 421 633
	174 659 994	148 469 633

No funds destined for the municipality in terms of the annual Division or Revenue Act were delayed, withheld or withdrawn.

The municipality complied with the grant terms including the requirements of section 214(1) of the Constitution.

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Community Development: Workers

Balance unspent at beginning of year	10 528	23 278
Current-year receipts	74 000	-
Conditions met - transferred to revenue	(3 577)	(12 750)
	80 951	10 528

Conditions still to be met - remain liabilities (see note 19).

Funds made available for sundry expenditure and stationery for workers, under the control of the Municipality but remunerated by PAWC.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

29. Government grants and subsidies (continued)

Community Safety: K9 Units

Balance unspent at beginning of year	3 987 215	-
Current-year receipts	2 000 000	4 000 000
Conditions met - transferred to revenue	(3 396 675)	(12 785)
	2 590 540	3 987 215

Conditions still to be met - remain liabilities (see note 19).

Funds are for the establishment of a dog unit for detecting drugs.

COVID 19 - Food Parcels and Financial Support

Current-year receipts - conditional	969 000	-
Current-year receipts - unconditional (donations)	75 000	-
Conditions met - transferred to revenue (operational expenditure)	(119 000)	-
Conditions met - transferred to revenue (in-kind donations)	(850 000)	-
	75 000	-

Conditions still to be met - remain liabilities (see note 19).

Special government allocations received in order to assist those in need following the Covid-19 national lockdown. The balance remaining is expected to be refunded to the public during the 2020/21 financial year.

Emergency Fire Kit

Balance unspent at beginning of year	1 696	193 261
Conditions met - transferred to revenue	(1 696)	(191 565)
	-	1 696

Conditions still to be met - remain liabilities (see note 19).

Funds are utilised to support disaster victims that live in shelters.

Education, Training and Development Practices (Seta)

Current-year receipts	355 874	348 181
Conditions met - transferred to revenue	(355 874)	(348 181)
	-	-

Training of officials as well as unemployed persons utilised on projects under control of the Municipality.

Energy Efficiency and Demand Side Management Grant (EEDG)

Current-year receipts	4 000 000	3 000 000
Conditions met - transferred to revenue	(4 000 000)	(3 000 000)
	-	-

Installation of floodlights in public open spaces to ensure the safety of the community.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019

29. Government grants and subsidies (continued)

Extended Public Works Programme

Current-year receipts	1 768 000	1 572 000
Conditions met - transferred to revenue	(1 768 000)	(1 572 000)
	-	-

The grant is to enable the Municipality to create jobs.

Financial Management Support Grant: CaseWare

Balance unspent at beginning of year	-	(73 071)
Conditions met - transferred to revenue	-	73 071
	-	-

The grant is for the implementation of CaseWare to compile Financial Statements.

Financial Management Support Grant: Graduate Internship Programme

Balance unspent at beginning of year	61 081	-
Current-year receipts	-	72 000
Conditions met - transferred to revenue	(61 081)	(10 919)
	-	61 081

Conditions still to be met - remain liabilities (see note 19).

The funds are to enable the Municipality to capacitate graduate interns who are technically ready for possible consideration as employees within Municipalities.

Financial Management Support Grant: MSCOA

Current-year receipts	330 000	330 000
Conditions met - transferred to revenue	(330 000)	(330 000)
	-	-

The grant is for the Municipality to implement mSCOA.

Financial Management Support Grant: Student Bursaries

Balance unspent at beginning of year	338 017	199 820
Current-year receipts	379 000	360 000
Conditions met - transferred to revenue	(139 151)	(221 803)
Refunded to funder	(338 017)	-
Beneficiary refund received	86 606	-
	326 455	338 017

Conditions still to be met - remain liabilities (see note 19).

Municipal bursary programme that enable municipalities to attract top performing learners and learners with potential to succeed in Higher Education Institutions (HEI) in the areas such as finance, economics, accounting, supply chain management, internal audit, risk management, infrastructure, etc.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019

29. Government grants and subsidies (continued)

Financial Management Support Grant: Risk Management

Balance unspent at beginning of year	45 322	-
Current-year receipts	-	100 000
Conditions met - transferred to revenue	(45 322)	(54 678)
	-	45 322

Conditions still to be met - remain liabilities (see note 19).

The purpose of the grant is to implement a systematic and formalised process to identify, assess, manage and monitor risks by acquiring, configuring and utilising a Risk Management automated electronic system.

Greenest Town

Current-year receipts	140 000	-
Conditions met - transferred to revenue	(140 000)	-
	-	-

Prize money for achieving an award at the National Greenest Town Competition.

Housing Project: Kalbaskraal

Current-year receipts - Unspent Grant	6 050 360	167 814
Construction contracts current-year receipts	1 232 800	-
Current-year receipts considered to be GRAP 109 receipts o.b.o. Housing Beneficiaries	180 211	-
Current-year receipts - Operational Revenue: Housing Services	40 200	-
Conditions met - transferred to revenue: Government grants	(5 052 995)	(512 168)
Construction contracts revenue	(1 232 800)	-
GRAP 109 Payments o.b.o. Housing Beneficiaries	(180 211)	-
Operational Revenue: Housing Services	(40 200)	-
Reallocation of Land Receipts to Conditional Grant Balance	304 245	-
Transferred to debtors	-	344 354
	1 301 610	-

Conditions still to be met - remain liabilities (see note 19).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 7, 26 and 67.

Purchase of Land: Kalbaskraal

Conditions met - transferred to revenue	-	2 153 307
Transferred to debtors	-	(2 153 307)
Change in accounting policy: Sale of Land (gains and losses)	-	(2 153 307)
Change in accounting policy: Revenue included under debtors	-	2 153 307
	-	-

For the change in accounting policy refer to note 54. The balance included under receivables remains unchanged as the change in accounting policy would have resulted in a credit against the debtors with the new treatment resulting in an additional debit.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019

29. Government grants and subsidies (continued)

Housing: Phola Park

Balance unspent at beginning of year	-	459 287
Current-year receipts	-	577 435
Conditions met - transferred to revenue	-	(671 029)
Construction contracts revenue	24 558	-
Correction of error: Opening Balance considered to be Construction contracts	-	(459 287)
Correction of error: Current-year receipts considered to be Construction contracts	-	(577 435)
Correction of error: Conditions met considered to be Construction contracts	-	671 029
Construction contracts advances from customers	(24 558)	-
	-	-

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 7, 26 and 67.

Housing Project: Malmesbury De Hoop

Current-year receipts	2 886 621	-
Conditions met - transferred to revenue	(2 984 088)	-
Transferred to debtors	97 467	-
	-	-

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 7, 26 and 67.

Housing Project: Riebeek Kasteel

Current-year receipts	17 287 898	870 103
Construction contracts current-year receipts	3 992 800	-
Conditions met - transferred to revenue	(10 225 444)	(1 881 654)
Construction contracts revenue recognised	(3 992 800)	-
Transferred to debtors	-	1 011 551
	7 062 454	-

Conditions still to be met - remain liabilities (see note 19).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 7, 26 and 67.

Swartland Municipality

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Figures in Rand	2020	2019

29. Government grants and subsidies (continued)

Housing: Riebeek Wes

Balance unspent at beginning of year	1 245 863	1 245 863
Construction contracts opening balance	2 163 676	-
Current-year receipts	-	28 648 572
Conditions met - transferred to revenue	-	(24 637 621)
Correction of error: Conditions met transferred to revenue	-	(1 847 275)
Correction of error: Current-year receipts considered to be Construction contracts	-	(28 404 572)
Correction of error: Conditions met considered to be Construction contracts	-	26 240 896
Construction contracts current-year receipts	1 242 928	-
Construction contracts revenue	(3 880 337)	-
Construction contracts due from customers	473 733	-
	1 245 863	1 245 863

Conditions still to be met - remain liabilities (see note 19).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 7, 26 and 67.

Housing Project: Sibanye-Moorreesburg

Current-year receipts - Unspent Grant	8 477 004	950 287
Current-year receipts - Operational Revenue: Housing Services	29 768	-
Construction contracts current-year receipts	1 160 187	-
Current-year receipts considered to be GRAP 109 receipts o.b.o. Housing Beneficiaries	99 226	-
Conditions met - transferred to revenue: Government grants	(8 426 463)	(950 287)
Operational Revenue: Housing Services	(29 768)	-
Construction contracts revenue	(1 153 270)	-
GRAP 109 Payments o.b.o. Housing Beneficiaries	(99 226)	-
Construction contracts advances from customers	(6 917)	-
	50 541	-

Conditions still to be met - remain liabilities (see note 19).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 7, 26 and 67.

Integrated National Electrification Programme

Current-year receipts	5 000 000	4 000 000
Conditions met - transferred to revenue	(5 000 000)	(4 000 000)
	-	-

Funds made available for the electrical network to the proposed area where low cost houses are build and the electrification of these houses.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019

29. Government grants and subsidies (continued)

Libraries

Current-year receipts	9 607 000	8 429 000
Conditions met - transferred to revenue	(9 602 753)	(8 429 000)
	4 247	-

Conditions still to be met - remain liabilities (see note 19).

Grant provided for the partial funding of the operational and capital costs of libraries in the area under the jurisdiction of the Swartland Municipality.

Local Government Financial Management Grant

Current-year receipts	1 550 000	1 550 000
Conditions met - transferred to revenue	(1 550 000)	(1 550 000)
	-	-

The purpose of the grant is to enable the Municipality to modernise and improve its financial management activities entailing, among others, capacity building, the implementation of municipal finance management legislation and regulating policies and compliance with generally accepted municipal accounting practices.

Municipal Accreditation and Capacity Building

Balance unspent at beginning of year	224 000	-
Current-year receipts	238 000	224 000
Conditions met - transferred to revenue	(224 000)	-
	238 000	224 000

Conditions still to be met - remain liabilities (see note 19).

Funds received for the remuneration of an intern for the Department of Community Services.

Municipal Infrastructure Grant

Current-year receipts	21 301 000	24 945 000
Conditions met - transferred to revenue	(21 301 000)	(24 945 000)
	-	-

Funds utilised for the upgrading of existing infrastructure in its area of jurisdiction and/or the erection / construction of new amenities required for service delivery and the development of sport.

Proclaimed Roads Subsidies

Current-year receipts	6 317 905	9 534 000
Conditions met - transferred to revenue	(6 317 905)	(9 534 000)
	-	-

Expenditure incurred by the Municipality in connection with the maintenance of proclaimed main roads falling under the jurisdiction of the Municipality, in accordance with a budget approved by the PAWC, which costs are partly recoverable from the Administration.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

29. Government grants and subsidies (continued)

Rebuilding of fire damaged houses

Balance unspent at beginning of year	97 252	-
Current-year receipts	-	375 000
Conditions met - transferred to revenue	-	(277 748)
	97 252	97 252

Conditions still to be met - remain liabilities (see note 19).

Funds made available for the rebuilding of houses which burned down.

Regional Socio-Economic Project (RSEP)

Balance unspent at beginning of year	-	3 816 114
Current-year receipts	4 000 000	4 500 000
Conditions met - transferred to revenue	(813 709)	(8 316 114)
	3 186 291	-

Conditions still to be met - remain liabilities (see note 19).

Funds received from PAWC for the social upliftment in lower income areas to improve living conditions and combat crime.

Sondeza

Current-year receipts	95 523	91 910
Conditions met - transferred to revenue	(95 523)	(91 910)
	-	-

Funds received from PAWC for the hosting of a Youth Camp.

Sports Development Grant

Current-year receipts	320 000	-
Conditions met - transferred to revenue	(320 000)	-
	-	-

Funds received for the enhancement of existing sports ground.

Thusong Centre Refurbishment

Current-year receipts	-	106 000
Conditions met - transferred to revenue	-	(106 000)
	-	-

Funds received from PAWC for certain repairs to the Thusong Centre.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019

29. Government grants and subsidies (continued)

Title Restoration Housing

Balance unspent at beginning of year	287 000	42 000
Current-year receipts	-	245 000
Conditions met - transferred to revenue	(1 738)	-
	285 262	287 000

Conditions still to be met - remain liabilities (see note 19).

Funds utilised for the title deed restoration for owners of low cost housing.

Entrepreneurial Hub

Balance unspent at beginning of year	164 500	200 000
Current-year receipts	-	214 500
Conditions met - transferred to revenue	-	(250 000)
	164 500	164 500

Conditions still to be met - remain liabilities (see note 19).

Indoor/Outdoor Sport Centre - public contribution

Balance unspent at beginning of year	2 000 000	-
Current-year receipts	-	2 000 000
Conditions met - public contributions	(1 858 961)	-
	141 039	2 000 000

Conditions still to be met - remain liabilities (see note 19).

Reconciliation of grant allocation expenditure per vote (MFMA s123(c))

Vote 1 - Corporate Services	10 254 381	9 105 177
Vote 2 - Civil Services	29 194 185	38 857 737
Vote 4 - Electricity Services	9 140 000	7 100 414
Vote 5 - Financial Services	1 880 000	1 953 071
Vote 6 - Development Services	38 052 836	35 819 138
Vote 7 - Municipal Manager	45 322	54 678
Vote 8 - Protection Services	4 843 036	443 343
	93 409 760	93 333 558

The above revenue were recognised as follows:

Construction contracts	10 283 766	26 911 925
Government grants and subsidies	83 125 994	66 421 633
	93 409 760	93 333 558

30. Public contributions and donations

Entrepreneurial Hub	-	250 000
Sondeza (SLIMSUN)	53 300	36 000
Contribution Sondeza (Germany)	25 699	30 747
Indoor / Outdoor Sport Centre (Donation)	1 858 961	-
	1 937 960	316 747

Conditions still to be met - remain liabilities (see note 19).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

31. Fines, Penalties and Forfeits

Building Fines	86 484	98 340
Councillors Fines	43	-
Deposits	9 218	12 087
Illegal Connections	20 000	23 000
Library Abbotsdale	645	1 156
Library Chatsworth	607	1 012
Library Darling	3 413	5 125
Library Malmesbury	9 502	15 504
Library Moorreesburg	3 598	3 967
Library Riebeeck Kasteel	1 391	1 913
Library Riebeeck Wes	2 783	3 652
Library Wesbank	4 454	8 062
Prescribed Debt	9 130	-
Traffic Fines	22 593 797	27 528 994
	22 745 065	27 702 812

32. Licences and permits

Application: Driver Licenses	544 076	694 867
Application: Instruction Certificate	1 435	861
Application: Learner Licenses	170 121	195 429
Application: Special Permits	38 304	50 928
Application: Temporary Permits	86 196	97 482
Drivers Licenses: Issue	306 806	380 218
Drivers Licenses: Temporary	63 551	85 112
Film Shooting	200 178	203 435
Instruction Certificates: Issue	172	144
Learners License: Duplicate	3 961	3 616
Learners Licenses: Issue	47 722	54 925
Licences: Deregistration, Special and Other	26 100	33 400
Licenses: Trading	2 347	899
Professional Driver Permits	119 655	143 933
Registrations Vehicles	1 860 932	1 961 240
Registrations: Duplicate	90 915	123 090
	3 562 471	4 029 579

33. Employee related costs

Employee related costs - Salaries and Wages	131 083 139	119 081 309
Employee related costs - Contributions for UIF, pensions, medical aids and other contributions	37 303 771	32 283 619
Bonuses: 13th cheque	10 579 192	9 134 788
Contribution to leave gratuity	5 549 654	2 368 932
Housing benefits and allowances	1 511 103	1 389 714
Overtime payments	14 418 338	9 249 097
Performance bonus	605 602	532 222
Travel, motor car, accommodation, subsistence and other allowances	18 077 774	16 128 108
Contribution to provision for post- retirement medical aid benefits	(536 999)	2 225 888
Contribution to long-service provision	2 025 752	1 558 248
	220 617 326	193 951 925

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

33. Employee related costs (continued)

Remuneration of Municipal Manager

Annual Remuneration	1 387 909	1 381 701
Car Allowance	185 000	239 965
Performance Bonuses	254 649	226 190
Contributions to UIF, Medical and Pension Funds	444 945	362 149
Cellphone Allowance	40 800	40 800
	2 313 303	2 250 805

Remuneration of Chief Finance Officer

Allowance	88 053	87 506
Annual Remuneration	948 723	946 122
Car Allowance	72 000	131 433
Contributions to UIF, Medical and Pension Funds	260 885	247 314
Cellphone Allowance	40 800	40 800
Performance Bonuses	163 526	156 749
	1 573 987	1 609 924

Remuneration of Director: Corporate Services

Annual Remuneration	1 138 707	1 070 754
Car Allowance	60 177	72 321
Cellphone Allowance	40 800	40 800
Contributions to UIF, Medical and Pension Funds	289 788	256 838
Long Service Award	118 996	-
	1 648 468	1 440 713

Remuneration of Director: Civil Engineering Services

Annual Remuneration	934 838	911 204
Car Allowance	96 000	120 152
Performance Bonuses	163 526	149 283
Contributions to UIF, Medical and Pension Funds	247 770	229 556
Allowance	88 053	85 654
Cellphone Allowance	40 800	40 800
	1 570 987	1 536 649

Remuneration of Director: Electrical Engineering Services

Annual Remuneration	966 596	946 600
Car Allowance	148 137	172 291
Contributions to UIF, Medical and Pension Funds	347 100	261 472
Cellphone Allowance	40 800	40 800
Leave Pay	47 282	44 483
Bonuses: 13th Cheque	79 533	74 176
	1 629 448	1 539 822

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019

33. Employee related costs (continued)

Remuneration of Director: Development Services

Annual Remuneration	905 669	986 412
Car Allowance	120 000	169 295
Contributions to UIF, Medical and Pension Funds	249 370	241 378
Cellphone Allowance	40 800	29 450
Performance Bonus	23 900	-
Leave Pay	-	624 206
Housing Allowance	-	4 259
Allowance	58 473	11 489
	1 398 212	2 066 489

Remuneration of Director: Protection Services

Annual Remuneration	902 666	882 609
Car Allowance	228 000	263 070
Cellphone Allowance	40 800	40 800
Leave Pay	48 013	45 216
Bonuses: 13th Cheque	74 794	69 416
Long Service Award	96 026	-
Contributions to UIF, Medical and Pension Funds	320 477	242 588
	1 710 776	1 543 699

Remuneration of individual reporting directly to the Municipal Manager (Senior Manager: Strategic Services)

Annual Remuneration	921 744	864 038
Car Allowance	29 841	33 840
Cellphone Allowance	5 400	5 400
Long Service Award	-	34 596
Contributions to UIF, Medical and Pension Funds	226 741	217 501
	1 183 726	1 155 375

34. Remuneration of councillors

Executive Mayor	606 161	576 266
Deputy Executive Mayor	585 285	561 370
Mayoral Committee Members	1 810 880	1 745 617
Speaker	459 034	437 437
Councillors	3 763 180	3 492 228
Councillors' - travelling allowances	1 405 906	1 315 990
Councillors' - cellular and telephone	1 020 842	1 018 480
Councillors' - pension contribution	1 000 062	981 281
Councillors' - medical aid contribution	239 309	240 728
	10 890 659	10 369 397

In-kind benefits

The Councillors occupying the positions of Executive Mayor, Deputy Executive Mayor, Speaker and Executive Mayoral Committee Members of the Municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the Municipality in order to enable them to perform their official duties.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

35. Depreciation and amortisation

Property, plant and equipment	86 709 485	85 887 703
Investment property	59 879	65 383
Intangible assets	223 206	197 787
	86 992 570	86 150 873

36. Finance costs

Long term borrowings	13 154 060	14 277 679
Unwinding of interest for provisions	1 298 455	1 213 782
	14 452 515	15 491 461

37. Bulk purchases

Electricity - Eskom	229 091 017	194 308 453

Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom.

Distribution losses are disclosed in Note 59.

38. Contracted services

Outsourced Services

Actuaries	8 500	-
Alien Vegetation Control	48 500	61 750
Burial Services	1 175	1 828
Business and financial management	1 910 083	1 526 449
Catering Services	570 520	474 460
Cleaning Services	228 528	190 250
Clearing and Grass Cutting Services	54 199	79 998
Commissions and committees	31 730	-
Connection/ Disconnection - Water	771 141	165 050
Connection/Disconnection - Electricity	1 138 752	802 238
Dumping site	5 000 276	4 312 169
Electrical	176 420	141 965
Fire Protection	110 750	17 722
Forensic investigators	-	2 100
Human resources	-	40 417
Hygiene Services	99 830	60 628
Litter Picking and Street Cleaning	4 026 586	3 824 962
Meter Management	53 823	213 527
Mini Dumping Sites	165 466	203 366
Outsourced Services: Researcher	13 530	-
Professional Staff	-	18 260
Quality control	541 096	797 448
Refuse Removal	1 066 529	865 625
Research and advisory	2 344 891	2 539 723
Security Services	1 925 874	1 420 702
Stage and sound crew	11 500	10 900
Swimming Supervision	43 560	35 200
Traffic Fines Management	1 693 162	1 883 100
Translators, Scribes and Editors	52 564	50 821
Transport Services	284 942	265 330
Valuers and assessors	666 320	943 893

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019

38. Contracted services (continued)

Contractors

Artists and Performers	4 475	350
Audit committee	88 470	96 480
Building	-	607 733
Communications	83 200	67 133
Construction of Low Cost Housing	10 283 766	26 911 925
Employee Wellness	6 700	16 159
Engineering - Civil	2 249 353	2 399 423
Fire Protection	38 174	-
Forestry	342 014	368 824
Gardening Services	57 410	51 520
Gas	1 590	2 986
Laboratory services - Water	132 924	377 799
Legal costs	2 104 168	2 841 289
Maintenance of Assets	17 009 396	22 220 311
Maintenance of Buildings and Facilities	5 606 447	3 868 274
Maintenance of Equipment	4 545 617	3 972 599
Management of Informal Settlements	2 534	-
Medical Health Services	-	20 790
Medical Services	7 273	20 924
Organic and Building Refuse Removal	154 429	169 953
Other Housing Expenditure	71 706	-
Pest Control and Fumigation	17 337	13 141
Planning: Electrical Engineer	118 843	60 727
Planning: Mechanical Engineer	282 762	-
Planning: Town Planner	607 754	702 642
Plants, Flowers and Other Decorations	-	348
Risk Management	4 000	-
Traffic and Street Lights	72 427	87 385
Transportation	993	850
	66 934 009	85 829 446

Swartland Municipality

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Figures in Rand	2020	2019
39. Grants and subsidies paid		
Other subsidies		
Non-profit institution		
ACVV	100 000	-
Bergrivier Canoe Marathon	-	54 000
Darling Outreach	100 000	-
Goedgedacht Trust	100 000	-
National Sea Rescue Institute	82 456	47 687
SPCA	280 900	265 000
Yzerfontein Conservancy	68 380	65 000
Museums		
Darling	52 444	49 852
Malmesbury	52 444	49 852
Oude Kerk	52 444	49 852
Wheat Industry	-	49 852
Tourism		
Swartland and Coastal Area	766 656	766 656
* Social Upliftment		
COVID 19 Food Parcels (In-Kind)	855 963	-
Darling Focus	42 080	40 000
Darling Recycling	-	50 000
Elkana Childcare	47 340	45 000
HUB R27	34 882	17 659
Huis van Heerde	92 471	45 000
Jo Dolphin	52 600	50 000
Multi-Purpose Centre: Moorreesburg	42 080	40 000
Night Shelter	26 300	25 000
Old Age Homes	890 381	632 981
Student Bursaries	139 151	221 803
	3 878 972	2 565 194

Due to the need in the Swartland Municipal area for expert services and resources to support effective domestic animal management initiatives and controls, for which the Municipality does not have the resources, it is deemed necessary, from a perspective of serving the community, for the Municipality to contribute financially towards the operational costs of the SPCA.

The National Sea Recue Institute (NSRI) is a non-profit organisation dedicated to the preservation of all persons at sea. Their members provide their services on a voluntary basis and the organisation is dependent on donations and sponsorship from the public. The NSRI operates a base from Yzerfontein providing a rescue service to the commercial and recreational fishing boats as well as bathers in the vicinity. Financial assistance by the Municipality is intended to enable the organisation to fund some of its operations as the Municipality cannot offer this essential service.

The Yzerfontein Urban Conservancy came into being to preserve and promote, on a voluntary basis, the conservation of the environment and heritage in, specifically, the sensitive coastal region within the boundaries of the Yzerfontein Local Nature Reserve. Financial assistance by the Municipality is intended to enable the Organisation to fund its programmes.

Museums generally do not generate sufficient income from own resources, and are therefore dependent on financial aid from the public and organisations to meet their financial needs and obligations. The Municipality, consequently regards it appropriate to contribute financially to this end.

The aim of * Social Upliftment organisations entails the social upliftment of the poor and disadvantaged section of the community. Financial aid by the Municipality to these organisations, as well as assistance in counselling and advisory services, is intended to enable them to fulfil the said aim.

As a result to the national lockdown, many families needed urgent support to ensure that their families are fed. The amounts paid to Goedgedacht Trust, Darling Outreach and ACVV were payments made to Non-profit institutions in order to respond to the needs of those communities where these institutions are active. Further relief was provided through the issuance of food parcels directly to needy households as indicated.

Swartland Municipality

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40. Other Materials		
Sale of goods		
Consumables	4 439 955	3 533 797
Consumables: Zero Rated	7 765 998	8 397 367
Materials and Supplies	944 541	998 967
Inventory Consumed: Water	13 096 987	13 009 933
	26 247 481	25 940 064
41. Operational cost		
Advertising, publicity and marketing	1 463 163	1 277 457
Assets less than the capitalisation threshold	174 876	99 979
Bank Charges, facility and card fees	311 079	339 484
Bank charges, fleet cards	913 421	848 827
Cleaning services: Car valet and washing services	1 600	2 100
Cleaning services: Laundry services	1 220	1 590
Commission: Prepaid electricity	1 219 944	1 053 307
Commission: Third party vendors	471 085	359 082
Communication: Bulk message service	192 526	64 738
Communication: Cellular contract (Subscription and calls)	12 789	12 962
Communication: Licences (Radio and television)	17 466	15 567
Communication: Postage/Stamp/Franks machines	1 033 661	1 085 478
Communication: Telephone, fax, telegraph and telex	660 332	672 432
Deeds	36 764	49 650
Entertainment: Mayor	20 662	40 435
Entrance fees	78 007	73 287
External audit fees	2 587 864	2 747 963
External computer service	3 414 345	3 999 171
Full time union representative	79 199	76 994
Indigent relief	1 279 939	1 085 272
Insurance	1 920 511	1 451 756
Licences: Motor vehicle licence and registrations	688 562	652 404
Licences: Performing arts	45 529	44 512
Operating leases - Machinery, equipment and other	2 584 360	2 122 780
Other	17 970	20 721
Parking fees	78 249	82 596
Printing, publications and books	341 646	732 058
Professional bodies, membership and subscription	2 205 161	2 036 287
Registration fees	57 549	76 673
Remuneration to ward committees	364 023	358 887
Resettlement cost	127 500	21 513
Servitudes and land surveys	612 880	517 414
Signage	122 194	26 440
Skills development fund levy	1 544 777	1 654 825
Specialized computer services	-	35 100
Travel and subsistence	440 338	577 720
Uniform and protective clothing	2 240 432	2 012 543
Vehicle tracking	252 378	130 895
	27 614 001	26 460 899

Swartland Municipality

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42. Gains on vesting of properties and equipment

Properties vesting to the municipality	9 817 543	5 167 880
Vesting of equipment	106 778	31 673
	9 924 321	5 199 553

The above relates to property which was purchased and constructed or installed by private individuals that resulted in assets vesting to the municipality in terms of the municipal mandate to provide and maintain these assets.

Properties related to land portions that were constructed by developers for the establishment of new neighbourhoods. In terms of town planning certain spaces (public open spaces) as well the roads infrastructure however vests to the municipality in terms of IGRAP 18. Title deeds are usually registered in the name of the municipality. The gain is recognised at the point where the municipality demonstrates control over the land.

Equipment that vests pertain to meters that are installed by developers on properties developed and sold to private individuals. Gains are recognised once the new owner requests a service connection.

43. Impairment of assets and receivables

Impairment of fixed assets

Property, plant and equipment	1 435 202	-
Investment property	37 000	-
	1 472 202	-

Impairment of financial assets

Trade and other receivables	20 269 462	7 858 078

Total impairment losses recognised (reversed)

	21 741 664	7 858 078

44. Budget differences

Material differences between budget and actual amounts

Current assets: Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury. In the Budget Statement of Financial Position consumer debtors consist of receivables from exchange and non-exchange transactions. The budget format does not allow for various debtor balances to be disclosed separately. For this reason Operating leases and VAT are all incorporated under Other debtors whilst Property Rates are incorporated under Consumer Debtors.

Non-current assets: The current portion of Long- Term and Finance Leases Receivables are not included in Current Assets but the net of the Long Term and Finance Lease receivable portion. Heritage assets are incorporated under Other Non- Current Assets.

Current liabilities: Unspent conditional grants and receipts and Operating lease liabilities are included under Payables form Exchange Transactions. The current portion of VAT payable and the current portion of Employee benefit liabilities are incorporated in provisions.

Non-current liabilities: Current portion of Finance Lease liabilities are included in Finance Lease Liabilities. Employee benefits are incorporated in provisions. Finance lease liabilities are included in Long term borrowings. Statutory Funds are included in Reserves.

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44. Budget differences (continued)

Explanation of material variances:

Revenue:

44.1 Construction Contracts: This revenue arises from a new standard adopted, however the revenue was budgeted for under Government Grants and Subsidies.

44.2 Agency services: Agency fees are based on a monthly estimate of licenses that will be issued. As the traffic services office was closed during the lockdown, the receipts were less than budgeted.

44.3 Operational Revenue: Development charges (R1.7m) is not budgeted for as this item is ad-hoc in nature.

44.4 Interest received on rates receivables: Variance is due to a reclassification from the interest received under exchange to non-exchange.

44.5 Government grants and subsidies: The grant income is lower than budgeted as expenditure was delayed due to the lockdown. Some civil services could continue after the first month, but the housing and regional socio-economic project could only continue once the lockdown was lifted.

44.6 Fines: Our budgeted expectations were not materialised. Future budgets will be updated accordingly.

44.7 Licences and permits: As the traffic services office was closed during the lockdown period, the revenue was less than budgeted.

44.8 Donated Property, Plant and Equipment: This item is not budgeted for as it is non-cash and the ad-hoc nature of the line item.

Expenditure:

44.9 Bad Debts Written Off and Reversal of Impairment Loss/(Impairment Loss) on Receivables: The municipality budgets for debt impairment and write-offs as a single line while GRAP splits these. The difference in the combined amount pertains to the indigents' subsidy which is fully impaired. In the prior year an audit finding was raised regarding the validity of indigent debtors. In return, any indigent discounts granted may not be accounted for as a reduction of revenue or a discount against the debtor account. At year end, the municipality fully impair these debtor balances as the monies are not considered collectable given the nature of the debtor. The value of this impairment for 2020 is R18m.

44.10 Other materials: The variance is due to the refund from the District (water service concession arrangement) exceeding expectations.

44.11 Transfers and subsidies: Some grant projects did not materialise due to the lockdown (e.g. Berg River Canoe Marathon), whilst other projects could not continue due to late submission of supporting documents required from the earmarked institutions prior to the payments being made. Earmarked institutions projects that did not materialise were approximately R230 000 whilst the bursary allocation and food parcel expectations did not materialise to the value of R200 000 and R250 000 respectively.

44.12 Operational Costs and Water Losses: The budget for Workmans Compensation subscription as well as Water Losses is included under this line per the NT Budget prescripts (Total budgeted value of R5m) whilst savings were noted on external computer services (R2m) and insurance (R2m). The saving on the computer services was due to the service not being required whilst the negotiations with the insurer yielded better premiums than expected.

Gains and losses:

44.13 Gains on Vesting of Properties: This item is not budget for as it is non-cash and the ad-hoc nature of the line item.

44.14 Gains on Sale of Land: Certain expected land sales did not materialise as the deeds office was for the lockdown period which resulted in some backlogs in processing of transfers of title deeds.

Capital expenditure per vote:

44.15 Corporate Services: At the time of preparing the budget, the purchase of land for housing projects was still considered capital. Following the implementation of the housing guideline, this expenditure (R2m) was considered operational.

44.16 Financial Services: The R10m pertains to the gains of vesting of land which is not included in the budget.

44.17 Development Services: Housing and regional socio-economic project could only continue once the lockdown was lifted which resulted in a delay in the projects expenditure. For RSEP the tender prices far exceeded the budget.

44.18 Protection Services: The variance is due to donated traffic monitoring computer equipment which is on an ad-hoc (therefore unbudgeted) nature.

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44. Budget differences (continued)

Assets

44.19 Inventories: The lockdown has resulted in a lower rate of service requests and ample stock on hand for the post-lockdown service demand.

44.20 Construction contracts and receivables/payables: This line was not budgeted as the effects of adopting the policy on GRAP 11 was only obvious at year end. The balance was included under conditional grant receipts.

44.21 Consumer debtors: The municipality's adjustments budget (for the effects of COVID 19) expected a recovery rate on debtors of 85% instead of 95% which was actually achieved.

44.22 Other debtors and Vat receivables: The balance for Vat is included under this budget per the NT budget prescripts.

44.23 Cash and cash equivalents: The municipality's adjustments budget (for the effects of COVID 19) expected a recovery rate on debtors of 85% instead of 95% which was actually achieved.

44.24 Investment property: Overspent primarily pertains to the R10m for gains on vesting of properties.

44.25 Intangible assets: The budgeted amount was based on the original budget (in terms of the strategic plan) rather than the actual results of the prior year.

Liabilities:

44.26 Payables from exchange transactions, Current portion of employee Benefits and Unspent grants and receipts: The budgeted amount includes the current portion of the employee benefits and the budget for unspent grants and receipts per the NT prescribed budget format. Furthermore, as can be noted by the movement on the inventory balance in comparison to that of the prior year, purchases close to year end was less than prior years due to lower service requests from the public and adequate stock on hand to meet the post lockdown demand.

44.27 Current Provisions: Current Provisions was budgeted as the 13th Cheque accrual. In the current year this item was reclassified to Payables in terms of GRAP as the treatment is consistent with that of an accrual rather than a provision.

44.28 Employee benefit obligation and Non-current Provisions: Combined budget for provisions and employee benefits. In total the budget is reasonable in comparison to the actual result.

Cash flow from investing activities

44.29 Purchase of property, plant and equipment: As per the capital expenditure listed previously, the lockdown resulted in some delays of capital expenditure, but achieved result is considered appropriate.

44.30 Proceeds on sale of investment property: The prescripts of the NT budget do not have any allocation for proceeds on sale of Investment Property.

44.31 Repayment of borrowings: The budgeted amount was based on the original budget (in terms of the strategic plan) rather than the actual results of the prior year.

44.32 Increase (decrease) in consumer deposits: This line is included under Payments made for purposes of GRAP, whilst National Treasury's budget guideline treats the item differently.

Changes from the approved budget to the final budget

Changes between the original and final adjustments budget are due to budget adjustments that are approved by council. Furthermore, for operational and capital expenditure, some virements were approved based on the municipal delegation of authority. No material budget or significant virements were noted.

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45. Cash generated from operations

Surplus	128 511 199	113 140 251
Adjustments for:		
Depreciation and amortisation	86 992 570	86 150 873
Loss on sale of property, plant and equipment	4 783 790	(308 985)
Gain on sale of assets and liabilities	(498 856)	(1 468 768)
Movement in provisions	-	(2 912 830)
Unwinding of interest on landfill site provision	1 298 455	1 213 782
Gains on vesting of properties	(9 924 321)	(5 199 553)
Donated property, plant and equipment	(1 365 864)	(208 199)
Water losses	1 846 349	2 561 851
Impairment losses	1 472 202	-
Accrued interest	(278 571)	(657 973)
Movement on employee benefit provision	3 709 936	692 351
Changes in working capital:		
Inventories	1 170 648	(4 815 784)
Receivables from exchange transactions	(12 575 128)	(13 352 051)
Other receivables from non-exchange transactions	1 566 921	(3 363 238)
Construction contracts and receivables	(2 655 051)	2 529 369
Payables from exchange transactions	3 277 380	(8 402 740)
VAT	5 611 937	(4 054 100)
Unspent conditional grants and receipts	8 484 998	2 209 780
Consumer deposits	1 080 448	975 435
Movement in net operating leases	(4 944)	(4 476)
	222 504 098	164 724 995

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46. Repairs and maintenance expenditure		
Movable Assets	6 260 225	5 942 015
Furniture and Office Equipment	31 565	40 133
- Contracted Services	31 565	40 133
Machinery and Equipment	822 944	909 982
- Contracted Services	700 843	779 180
- Inventory Consumed	122 101	130 802
Transport Assets	5 105 385	4 772 410
- Contracted Services	5 105 385	4 772 410
Computer Equipment	300 331	219 490
- Contracted Services	291 831	195 164
- Other Operational Costs	8 500	24 326
Community Assets	2 491 533	2 261 054
- Contracted Services	2 491 533	2 261 054
Other Assets	3 593 278	1 823 978
- Contracted Services	3 593 278	1 823 978
Intangible Assets	1 586 653	2 121 139
- Contracted Services	1 586 653	2 121 139
Infrastructure Assets	39 409 651	42 212 040
Electrical Infrastructure	2 232 161	2 191 664
- Contracted Services	107 636	25 097
- Inventory Consumed	1 073 637	1 173 948
- Labour	1 050 888	985 736
- Other Operational Costs	-	6 883
Roads Infrastructure	10 566 651	16 167 811
- Contracted Services	10 566 651	16 167 811
Sanitation Infrastructure	3 255 064	2 557 512
- Contracted Services	3 255 064	2 557 512
Solid Waste Disposal Infrastructure	6 708 862	5 968 854
- Contracted Services	5 516 738	4 817 811
- Labour	1 188 738	1 145 395
- Other Operational Costs	3 386	5 648
Storm Water Infrastructure	15 454 765	14 251 258
- Contracted Services	669 166	293 958
- Inventory Consumed	26 604	20 945
- Labour	14 290 861	13 472 146
- Other Lease Expenditure	79 440	28 780
- Other Operational Costs	388 694	435 429
Water Supply Infrastructure	1 192 148	1 074 941
- Contracted Services	1 192 148	1 074 941
	53 341 340	54 360 226

47. Non-cash investing and financing transactions

The Municipality was engaged in exchange transactions of non-monetary assets during the year. Various municipal properties were exchanged for similar assets acquired from the registered owners.

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48. Capital commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment - Infrastructure	163 338 626	36 876 853
• Property, plant and equipment - Other	1 367 623	1 751 749
	164 706 249	38 628 602
Total capital commitments		
Already contracted for but not provided for	164 706 249	38 628 602
Non-cancellable Operating Lease Commitments are disclosed in Note 9.		
Amounts are exclusive of VAT and the amount for infrastructure includes escalation cost.		
49. Contingencies		
Guarantees in favour of Eskom	70 900	70 900
Guarantees in favour of South African Post Office Limited	100 000	100 000
	170 900	170 900

Bank guarantees provided to Eskom for the supply of electricity to the Municipality for distribution amongst consumers. The guarantees are covered to a large extent by cash deposits recovered from the individual consumers of electricity within the municipal area.

A bank guarantee has been obtained from ABSA Bank and issued to the SA Post Office which serves as security in respect of the payment for the monthly delivery of the municipal accounts.

The plaintiff, Cape Lifestyle Investments Ltd instituted an application in the High Court for eviction of illegal occupiers from private property known as the farm Groene Rivier No. 821 (Chatsworth). The municipality is the fourth respondent. The High Court eviction order was granted to applicant. However, based on technical grounds, the appeal was granted by the Supreme Court of Appeal, and an application for eviction is to be brought de novo by the applicants. The matter was heard on 26 April 2019, where (1) the application for citing of the provincial and national housing departments was postponed until 22 May 2019, and (2) a continuation case management meeting was scheduled for 28 June 2019 by Justice Baartman. The matter was postponed indefinitely (sine die) on 28 June 2019, pending the outcome of the application to cite the provincial and national housing departments. The joinder hearing took place on 9 March 2020, but was postponed until 1 September 2020.

The plaintiff, AC Appollis made an application at the Western Cape High Court for joinder of Municipality in a claim against Western Cape Health Department for payment of R1 482 145 as a result of WCHD's failure to inform 3rd respondent (fund administrator: Prosperity Management Africa (Pty) Ltd) of her early retirement. Joinder application based on alleged failure by the Municipality to inform the MEC of the terms and conditions of the contract with the fund administrator in terms of which monthly premiums were paid i.r.o. AC Appollis since 2007 when personal health services were transferred to the provincial government. A motion of intention to oppose the application was filed during November 2019, and reasons/objections filed on 3 December 2020. To date no hearing date has been set by the applicant.

The plaintiff, Mr MJ Philips instituted a claim in the Western Cape High Court on 25 May 2016 for compensation to be paid by Swartland Municipality, for alleged injuries suffered at Abbotsdale rugby field in the amount of R451 221. Pending the outcome of the case, the amount (if any) to be paid for compensation cannot be determined with sufficient reliability. Combined summons issued by plaintiff on 18 May 2016. Pleas in process of being prepared as at 10 June 2016. No hearing date set by claimant's attorneys as from 30 June 2018.

The plaintiff, Ms Samantha Demoreen Daniels instituted a claim in the High Court on behalf of her minor child for payment by Swartland Municipality of an amount of R5 000 000 (five million rand) plus interest thereon for loss of maintenance and support as a result of the death of Mr Sederic Owies, a former municipal employee during a shooting incident on 23 April 2013 whilst on duty. The claim against the Municipality is based on vicarious liability. Pending the outcome of the case, the amount (if any) to be paid for compensation cannot be determined with sufficient reliability. Matter pending. At 30 June 2016 not clear whether claimant is still going ahead with claim. No movement in matter since January 2015 after filing of special plea. Claimant's attorneys filed their Notice of Withdrawal during April 2019. This matter is now considered finalized.

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49. Contingencies (continued)

The plaintiff, Ms Leah Elizabeth Kay instituted a claim in the High Court for payment by Swartland Municipality of an amount of R2 200 000 (Two million two hundred thousand rand) plus interest thereon for loss of maintenance and support as a result of the death of her son, Mr Sederic Owies, a former municipal employee during a shooting incident on 23 April 2013 whilst on duty. The claim against the Municipality is based on vicarious liability. Pending the outcome of the case, the amount (if any) to be paid for compensation cannot be determined with sufficient reliability. Matter still pending. Not clear whether claimant is still going ahead with claim. No movement in matter since January 2015 after filing of special plea. Claimant's attorneys filed their Notice of Withdrawal during April 2019. This matter is now considered finalized.

The plaintiff, Paulus Smit N.O. instituted an application to WC High Court for order directing the municipality to, inter alia erect a wall between Mr Smit's farm property and that of the Municipality, and directing the municipality to take positive steps to protect the rights of the applicant as owner of Erf 2876, Moorreesburg. The hearing commenced on 25 April 2015 and will be continued on 5 June 2019, after an in loco inspection on same date. No further movement in matter since June 2019.

The plaintiff, Matilda Vries instituted a claim for damages instituted in Malmesbury Magistrate's Court for alleged breach of employment contract for cleaning services rendered in Moorreesburg. Pre-trial meeting took place on 16 May 2019 where claimant's attorneys were requested to submit particulars of alleged damage calculations as well as copies of certain outstanding documents. Trial date to be set once pre-trial issues have all been dealt with. No estimated outcome can be rendered at this stage.

Contingent asset

The municipality currently does not hold rights to any contingent assets. The municipality is involved in the following legal matters as the applicant/plaintiff:

The municipality instituted an application to the High Court to direct the 1st respondent (Auditor-General of South Africa) to amend its final audit report i.r.o. the Municipality's 2018 annual financial report (1) to remove the finding of material non-compliance with the MFMA; and (2) to reflect the audit outcome as a clean audit. The 1st respondent served a notice of its intention to oppose the matter on 18 April 2019 to Council's attorneys of record. Following the replacement of their attorneys of record (i.e. Fairbridges Wertheim Becker with Macrobert Incorporated), the Rule 53 record which was due on 24 April 2019, was received on 17 May 2019. No further progress to date.

The municipality also is involved in various individual building & land use matters, eviction applications, etc.

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50. Related parties

Relationships	
Accounting Officer	Refer to accounting officer's report note
Other spheres of government and other municipalities	
Councillors	
Members of key management	Refer to note 33

Services rendered to related parties

During the year the municipality rendered services to the following parties that are related to the municipality as indicated. All of the transactions are at arms-length and therefore disclosure is not required. Disclosure is included in order to ensure compliance with other laws and regulations as applicable.

The rates, service and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses had been recognised in respect of amounts owed by related parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 Personnel (managers directly accountable to the Municipal Manager). No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Services rendered to key management personnel occurred within normal supplier and customer relationships on terms and conditions no more or less favourable than those which the municipality is reasonable to expect to have adopted if dealing with the individual persons in the same circumstances. These terms and conditions are within the normal operating parameters established by the municipality's legal mandate.

No councillor was in arrears for more than 90 days.

30 June 2020	Rates	Service Charges	Other	Outstanding Balances
Councillors	81 902	421 233	(18 996)	37 026
Municipal Manager and Section 57 Personnel	33 455	141 151	(7 098)	14 628
	115 357	562 384	(26 094)	51 654

30 June 2019	Rates	Service Charges	Other	Outstanding Balances
Councillors	45 249	269 195	(444)	24 113
Municipal Manager and Section 57 Personnel	43 822	145 687	(2)	11 805
	89 071	414 882	(446)	35 918

Related Party Loans

Loans to Councillors and senior management employees are no longer permitted since 1 July 2004.

Purchases from Related Parties

No purchases were made from related parties that are considered to not be at arms-length. In terms of the municipal accounting policy, transactions and balances that are at arms-length will not be separately disclosed.

The water service concession arrangement would not have been entered into with any party other than a related party. The details of the water service concession arrangement are included in Note 66.

Compensation of key personnel

The compensation of key management personnel is set out in Note 33.

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51. Correction of Statement Financial Performance

The Guideline to Accounting for Arrangements in terms of the National Housing Programme became effective as of 1 July 2019. Furthermore, IGRAP 18: Recognition and Derecognition of Land, and GRAP 109: Accounting by Principals and Agents also became effective during the current year. The effect of these new standards is included in Note 54 where the land portion flowing from Housing Arrangement was accounted for in terms of the new standards as read with the guideline. The guideline also resulted in the adoption of GRAP 11: Construction Contracts. As this standard has been effective for many years, all transactions flowing from the adoption of this standard was regarded as a prior period error.

Other corrections to previous balances and classes of transactions were also identified. The effects of the correction of prior year figures are presented below:

REVENUE	Balance previously reported	Change in Accounting Policy	Balance before prior period error	Prior Period Error	Reclassification	Restated Balance
Property Rates	115 714 745	-	115 714 745	(4 096)	-	115 710 649
Interest received on rates receivables	-	-	-	-	798 137	798 137
Government Grants and Subsidies: Operating	48 045 174	-	48 045 174	-	(48 045 174)	-
Government Grants and Subsidies: Capital	45 838 416	-	45 838 416	-	(45 838 416)	-
Unconditional Government grants	82 048 000	-	82 048 000	-	(82 048 000)	-
Government grants & subsidies	-	(2 153 307)	(2 153 307)	(25 308 650)	175 931 590	148 469 633
Public Contributions and Donations	316 747	-	316 747	-	-	316 747
Donated Property, Plant and Equipment	208 199	-	208 199	-	-	208 199
Fines	27 702 812	-	27 702 812	-	-	27 702 812
Licences and permits	4 029 578	-	4 029 578	1	-	4 029 579
Service Charges	406 226 238	-	406 226 238	(426 370)	-	405 799 868
Construction contracts	-	-	-	26 911 925	-	26 911 925
Rental of Facilities and Equipment	1 528 965	-	1 528 965	4 308	-	1 533 273
Interest Earned - external investments	40 174 471	-	40 174 471	-	(40 174 471)	-
Interest Earned - outstanding receivables	2 614 542	-	2 614 542	-	(2 614 542)	-
Interest received	-	-	-	(9 891)	41 993 465	41 983 574
Income for Agency Services	4 373 231	-	4 373 231	-	-	4 373 231
Operational Revenue	12 368 544	-	12 368 544	133 419	19 716	12 521 679
Total Revenue	791 189 662	(2 153 307)	789 036 355	1 300 646	22 305	790 359 306
EXPENDITURE	Balance previously reported	Change in Accounting Policy	Reclassified balance before prior period error	Prior Period Error	Reclassification	Restated Balance
Employee related costs	193 951 925	-	193 951 925	-	-	193 951 925
Remuneration of Councillors	10 369 396	-	10 369 396	1	-	10 369 397
Bad debts written off	32 708 720	-	32 708 720	-	-	32 708 720
Depreciation and Amortisation	85 907 682	-	85 907 682	243 191	-	86 150 873
Finance costs	14 277 679	-	14 277 679	1 213 782	-	15 491 461
Bulk purchases	194 308 453	-	194 308 453	-	-	194 308 453
Other materials	25 940 064	-	25 940 064	-	-	25 940 064
Contracted services	86 073 565	-	86 073 565	(244 119)	-	85 829 446
Transfers and subsidies	2 565 193	-	2 565 193	1	-	2 565 194
Operational costs	26 023 886	-	26 023 886	437 013	-	26 460 899
Total Expenditure	672 126 563	-	672 126 563	1 649 869	-	673 776 432
Operating Surplus/(Deficit) for the Year	119 063 099	(2 153 307)	116 909 792	(349 223)	22 305	116 582 874

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Figures in Rand	2020				2019	
	Balance previously reported	Change in Accounting Policy	Reclassified balance before prior period error	Prior Period Error	Reclassification	Restated Balance
Impairment losses on assets and receivables	(7 858 078)	-	(7 858 078)	-	-	(7 858 078)
Gains on sale of fixed assets	1 468 768	-	1 468 768	-	-	1 468 768
Gains on sale of land	4 139 583	2 153 307	6 292 890	-	-	6 292 890
Gains on vesting of properties and equipment	5 170 654	-	5 170 654	31 673	(2 774)	5 199 553
Loss on property, plant and equipment	(4 645 446)	(1 318 109)	(5 963 555)	(819)	(19 531)	(5 983 905)
Inventory losses: Water losses	(2 561 851)	-	(2 561 851)	-	-	(2 561 851)
	(4 286 370)	835 198	(3 451 172)	30 854	(22 305)	(3 442 623)
NET SURPLUS/(DEFICIT) FOR THE YEAR	114 776 729	(1 318 109)	113 467 169	(318 369)	-	113 140 251

Refer to Note 52 details of the correction of error and corrections to the Statement of Financial Position. Some amounts were reclassified for presentation and disclosure purposes (combining several lines into a single line and a reallocation of insurance refund).

Property Rates

Adjustment per sub-note c): R4 095 + Rounding Difference R1, Total Restatements: R4 096.

Government grants & subsidies

Adjustment per sub-note e): (R27 461 957).

Licences and permits

Rounding difference: R1.

Service Charges

Adjustment per sub-note c): (R426 370).

Construction Contracts Revenue

Adjustment per sub-note e): R26 911 925.

Rental of Facilities and Equipment

Adjustment per sub-note c): R4 307 + Rounding Difference R1, Total Restatements: R4 308.

Interest received

Adjustment per sub-note c) for an amount of (R108) and sub-note d) for an amount of (R9 783). Total Restatements: (R9 891).

Operational Revenue

Adjustment per sub-note c): R133 417 + Rounding Difference R2, Total Restatements: R133 419.

For the correction of error on **Depreciation and Amortisation** refer to sub-note a) for the amounts of (R22 188), R1 420, R3 927, R196 978, R4 058 and R5 565 with an additional R2 766 and R50 665 disclosed in sub-note b). Other rounding errors amounted to R1. Total Restatements: R243 191.

For the correction of **finance costs**, refer to sub-note a). A reduction in the amount capitalised to Property, Plant and Equipment of R1 213 818 resulted in an increase in the Finance Costs, while the total movement on the Landfill Site Liability was classified as a reduction in interest (R 36). Total Restatements: R1 213 782.

For the correction of error on **Contracted Services** refer to sub-note c) for the amount of (R1 594), sub-note d) for the amount of R1 475 and to sub-note e) for the amount of (R244 000). Total Restatements: (R244 119).

For the correction of error on **Operational cost** refer to sub-note d). Also note a rounding difference of (R2). Total Restatements: R437 013

Gains on vesting of properties and equipment

Refer to sub-note a) for the movement on additions of R31 673.

Loss on property, plant and equipment

Refer to sub-note a) for the disposal of meters (R817) and a rounding difference of (R2). Total Restatements: (R819).

For the change in accounting policy refer to Note 54.

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52. Correction of Errors

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments.

Changes in Accounting Policies are disclosed in Note 54.

Statement of financial position

2019

	Note	As previously reported	Correction of error	Change in accounting policy	Re-classification	Restated
Current Assets		650 069 179	(600 958)	-	-	649 468 221
Cash and cash equivalents		525 326 888	(1 458)	-	-	525 325 430
Receivables from exchange transactions		70 072 635	855 435	-	-	70 928 070
Receivables from non-exchange transactions		27 817 388	(266 151)	-	-	27 551 237
Inventories		17 634 123	(126 851)	-	-	17 507 272
VAT receivable		9 170 112	(1 061 933)	-	-	8 108 179
Operating lease asset		47 342	-	-	-	47 342
Finance lease receivables - short term portion		691	-	-	-	691
Non-current Assets		1 968 321 723	(5 238 033)	(1 318 109)	-	1 961 765 581
Property, plant and equipment		1 920 323 022	3 788 529	195 592	-	1 924 907 143
Investment Property		45 091 092	(9 006 274)	(1 513 701)	-	34 571 117
Intangible Assets		1 185 032	(20 288)	-	-	1 164 744
Heritage Assets		1 119 900	-	-	-	1 119 900
Finance Lease Receivables		2 677	-	-	-	2 677
Total Assets		2 618 390 902	(5 838 991)	(1 318 109)	-	2 611 233 802
Current Liabilities		126 169 262	3 370 874	-	-	129 540 136
Payables from exchange transactions		80 338 303	5 218 148	-	4 700 250	90 256 701
Consumer Deposits		12 750 568	-	-	-	12 750 568
Employee benefit obligation		3 770 907	-	-	-	3 770 907
Other financial liability		11 710 278	-	-	-	11 710 278
Unspent conditional grants and receipts		12 839 117	(4 376 643)	-	-	8 462 474
Provisions		4 700 250	-	-	(4 700 250)	-
Operating Lease Liability		59 839	-	-	-	59 839
Construction contracts and receivables/(payables)		-	2 529 369	-	-	2 529 369
Non-current Liabilities		216 421 720	(36)	-	-	216 421 684
Employee benefit obligation		67 899 606	-	-	-	67 899 606
Other financial liabilities		117 966 271	-	-	-	117 966 271
Provisions		30 555 843	(36)	-	-	30 555 807
Total Liabilities		342 590 982	3 370 838	-	-	345 961 820
Net Assets		2 275 799 920	(9 209 829)	(1 318 109)	-	2 265 271 982
Statutory Funds		3 368	-	-	-	3 368
Reserves		191 815 807	-	-	-	191 815 807
Accumulated Surplus		2 083 980 745	(9 209 829)	(1 318 109)	-	2 073 452 807
Total Net Assets		2 275 799 920	(9 209 829)	(1 318 109)	-	2 265 271 982

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52. Correction of Errors (continued)

(a) Correction of Property Plant and Equipment

IGRAP 18: Recognition and Derecognition of Land as read with the Guideline: Accounting for Arrangements in respect of the Housing Programme as outlined in Change in Accounting Policy Note 54 resulted in an adjustment to the balances previously reported.

In accordance with IGRAP 2: Changes in Existing Decommissioning, Restoration and Similar Liabilities all movements on the provision was capitalised. In the current year it was discovered that the unwinding of the interest as per paragraph 8 of said interpretation was also capitalised and needed to be reversed. Accordingly, the depreciation charge for the prior period was also affected.

Furthermore, a comparison between the deeds, billing records, town planning records and spatial information (SG Codes), resulted in changes in the classification of land as well as some portions of land being derecognised as these were identified as being duplicated between the inventory lists or disposed in previous years.

The current year reconciliation of water meters and electricity meters included under Infrastructure, identified that some meters were originally included under the incorrect year's additions. An invoice from a supplier also included meters installed during the period ended 30 June 2019. Such invoice was only identified in the current year and therefore the trade payables was also restated by R41 664.

During our review of the depreciation charge for the year it was identified that some assets had very long useful lives. Our investigation identified that the assets' estimated useful lives were converted from months to days. The import of these estimated useful lives erroneously pulled the days in as number of months. The correction affected Property, plant and equipment, Investment Properties and Intangible Assets as described below and under sub-note b.

During the annual audit, movable assets (fire arms) were identified that was omitted from the asset register. An error was also identified whereby assets under construction (additions) for the 2017/18 financial period as included under Other Assets rather than Community assets.

Increase/(Decrease) in Property, Plant and Equipment

Change in accounting policy: Opening Cost	(280 440)
Change in accounting policy: Additions for the year	476 032
Adjustment to Landfill site provision: Additions for the year (Finance charges on unwinding of landfill site provision)	(1 213 818)
Adjustment to Landfill site provision: Depreciation for the year	22 188
Transfer of Investment property from Property, Plant and Equipment: Opening Cost	(1 039 004)
Transfer of Property, Plant and Equipment from Investment property: Opening Cost	6 526 039
Reversal of incorrect Impairment: Opening Accumulated depreciation and impairment (reversal)	66 909
Reversal of incorrect Impairment: Opening Accumulated depreciation and impairment (recognition of depreciation)	(7 103)
Reversal of incorrect Impairment: Depreciation charge for the year (recognition of depreciation)	(1 420)
Meters timing difference: Opening Cost	84 212
Meters timing difference: Cost Additions for the year	- 31 673
Meters timing difference: Disposals for the year	- (817)
Meters timing difference: Opening Accumulated Depreciation	- (34 424)
Meters timing difference: Depreciation for the year	- (3 927)
Correction of Incorrect EUL's applied in 2015: Opening Accumulated Depreciation	- (463 327)
Correction of Incorrect EUL's applied in 2015: Depreciation for the year	- (196 978)
Movable Assets omitted: Opening Cost	- 99 630
Movable Assets omitted: Opening Accumulated Depreciation	- (75 737)
Movable Assets omitted: Depreciation for the year	- (5 565)
Reclassification of Opening Balance: Community Assets Cost	- 398 199
Reclassification of Opening Balance: Other Assets Cost	- (398 199)
Other movements (rounding differences)	(2)
Total	3 984 121

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52. Correction of Errors (continued)

Decrease in Provision for Landfill Site

Adjustment to opening balance	(226)
Change in discount factor	4 064 474
Utilised during the year	46
Increase/(Decrease) due to re-measurement	(4 064 330)
	(36)

Increase/(Decrease) in Intangible Assets

Correction of Incorrect EUL's applied in 2015: Opening Accumulated Amortisation	(16 229)
Correction of Incorrect EUL's applied in 2015: Amortisation for the year	(4 058)
Other movements (rounding differences)	(1)
	(20 288)

(b) Correction of error - Investment Property

IGRAP 18: Recognition and Derecognition of Land as read with the Guideline: Accounting for Arrangements in respect of the Housing Programme as outlined in Change in Accounting Policy Note 54 resulted in an adjustment to the balances previously reported.

Furthermore, a comparison between the deeds, billing records, town planning records and spatial information (SG Codes), resulted in changes in the classification of land as well as some portions of land being derecognised as these were identified as being duplicated between the inventory lists or disposed in previous years.

Increase/(Decrease) in Investment Property

Change in accounting policy: Opening Cost	280 440
Change in accounting policy: Additions for the year	(476 032)
Reversal of depreciation on land: Opening Accumulated depreciation	1 435
Disposal of Investment property as duplicate parcel identified as inventory: Opening Cost	(3 711 529)
Change in accounting policy resulting in disposals: Prior year disposals	(1 318 109)
Transfer of Investment property from Property, Plant and Equipment: Opening Cost	1 039 004
Transfer of Property, Plant and Equipment from Investment property: Opening Cost	(6 526 039)
Land parcel included under the Building: Opening Accumulated Depreciation	384 901
Land parcel included under the Building: Depreciation charge for the year	(2 766)
Correction of Incorrect EUL's applied in 2015: Opening Accumulated Depreciation	(140 617)
Correction of Incorrect EUL's applied in 2015: Depreciation for the year	(50 665)
Other movements (rounding differences)	2
	(10 519 975)

Correction of Inventories

Disposal of duplicate land parcel identified as inventory: Opening Cost	(126 850)
Other movements (rounding differences)	(1)
	(126 851)

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52. Correction of Errors (continued)

(c) Correction of error - Receivables

It is common practice for a municipality to identify billing errors in the current year pertaining to accounts billed in the prior years. The effects of these prior year corrections are summarised below.

The opening balance of traffic fines erroneously included cancelled receipts as new a debtor balance.

Furthermore, annually a refund is receivable from/(payable to) the West Coast District Municipality pertaining to the Water Concession Arrangement as disclosed in Note 66. In the current year it was discovered the VAT treatment on this refund was omitted. The effect on the VAT receivable is disclosed in Note 52(d).

Lastly, during an investigation as to the prior year irregular expenditure, it was identified that an overpayment of R1 594 was made on a transversal contract to the supplier. In turn, the Contracted Services was overstated by same amount and an additional debtor for the recoverable amount needed to be recognised. The money was recovered from the supplier in the current period.

Receivables from Exchange transactions

Correction of Service Charges	(426 370)
Correction of Rental of facilities and equipment	4 308
Correction of Interest received	(108)
Correction of Operational Revenue	133 417
Adjustment to Other receivables in terms of Water Concession Arrangement for VAT due to SARS	1 144 191
Other movements (rounding differences)	(3)
	855 435

Receivables from Non-exchange transactions

Correction of Property rates	(4 095)
Correction of opening balance of traffic fines	(263 650)
Correction to Fruitless and Wasteful Expenditure (Contracted Services reduced)	1 594
	(266 151)

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52. Correction of Errors (continued)

(d) Correction of Payables from exchange transactions

Annual reviews of payments identify accruals that were not included in the prior year of trade payables. The effects of such accruals are listed below.

Other corrections, such as misallocations are also included below.

During the current year, planning for an additional housing project in the Chatsworth region commenced. During the negotiations with the Provincial Department, it was identified that money which was earmarked for the purchase of Land was used to fund civil services and top structure expansion. The receipt was accounted for in terms of an unspent conditional grant in 2012. The conditions attached to such grant receipts were considered to be met during the 2012 and 2013 financial periods. The Department requested that such monies be repaid as it was not spent on the item intended per the agreement. The receipt that needs to be repaid is considered to be a reversal of previously recognised revenue that is currently due and payable to the Provincial Department. After careful consideration, the amount due to the Provincial Department is classified as a payable (in contrast to a conditional unspent grant where we can utilise the receipt to meet future grant related conditions).

Payables from exchange transactions

Correction of accruals prior to 1 July 2018	145 952
Correction of accruals: Operating Costs	437 015
Correction of accruals: Contracted Services	1 475
Correction of Chatsworth Land Grant receipts to be refunded to the Provincial Department (prior to 1 July 2018)	4 500 000
VAT portion of Accrual corrections	92 043
Invoice pertaining to meters as sub note a)	- 41 664
Other movements (rounding differences)	(1)
	5 218 148

VAT receivable

VAT portion of Accrual corrections	92 043
VAT incorrectly accounted for as interest on land sales	(9 783)
Adjustment to VAT receivable in terms of Water Concession Arrangement for VAT due to SARS	(1 144 191)
Other movements (rounding differences)	(2)
	(1 061 933)

Cash and cash equivalents

Duplicate receipts reversed (against opening balance of surplus)	(1 458)

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52. Correction of Errors (continued)

(e) Correction of error - Housing Arrangements

During the year, the municipality adopted its accounting policy with respect to the treatment of Construction Contracts. The policy pertaining to Property, Plant and Equipment was also changed to include considerations applied in determining whether the municipality controls the land. In order to conform to the benchmark treatment in of GRAP 11: Construction Contracts, IGRAP 18: Recognition and Derecognition of Land, GRAP 109: Accounting by Principals and Agents as well as the Guideline: Accounting for Arrangements Undertaken in terms of the National Housing Programme. The below summarises the changes made in order to implement GRAP 11: Construction Contracts.

During the investigation to convert the accounting, it was also identified that the prior year revenue recognised on the Riebeeck Wes Housing project omitted the final payment and therefore the revenue recognised was restated.

Unspent Conditional Grants

Correction of Riebeeck Wes prior year revenue recognised	(1 847 275)
Transfer of Phola Park Unspent grant balance to Construction contracts as it related to expenditure on top structures	(365 693)
Transfer of Riebeeck Wes Unspent grant balance to Construction contracts as it related to expenditure on top structures	(2 163 676)
Other movements (rounding differences)	- 1
	(4 376 643)

Construction contracts receivables/payables

Transfer of Phola Park Unspent grant balance to Construction contracts as it related to expenditure on top structures	365 693
Transfer of Riebeeck Wes Unspent grant balance to Construction contracts as it related to expenditure on top structures	2 163 676
	2 529 369

Government grants and receipts

Change in accounting policy (Kalbaskraal Land disposal in terms of IGRAP 18)	(2 153 307)
Reversal of transfer fees received - considered to be GRAP 109: Receipts o.b.o. housing beneficiaries	(244 000)
Transfer of Phola Park Government grant and receipts to Construction contracts revenue as it related to expenditure on top structures	(671 029)
Transfer of Riebeeck Wes Government grant and receipts to Construction contracts revenue as it related to expenditure on top structures	(26 240 896)
Correction of Riebeeck Wes prior year revenue recognised	1 847 275
	(27 461 957)

Construction contracts revenue

Transfer of Phola Park Government grant and receipts to Construction contracts revenue as it related to expenditure on top structures	671 029
Transfer of Riebeeck Wes Government grant and receipts to Construction contracts revenue as it related to expenditure on top structures	26 240 896
	26 911 925

Swartland Municipality

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52. Correction of Errors (continued)

(f) Adjustment of surplus for the year

The aforementioned adjustments resulted in adjustments to the accumulated surplus for the year as follows:

Statement of financial position

Adjustment opening balance of accumulated surplus: a) Property, plant and equipment	5 099 302
Adjustment opening balance of accumulated surplus: b) Investment property	(9 079 695)
Adjustment opening balance of accumulated surplus: c) Receivables	(263 650)
Adjustment opening balance of accumulated surplus: d) Payables from exchange transactions	(4 647 410)
Other movements (rounding differences)	(7)
Total opening balance adjustments	(8 891 460)
Adjustments to Statement of Financial Performance (surplus for the year)	(1 636 478)
	(10 527 938)

Statement of financial performance

Adjustment to profit or loss for the year: Change in accounting policy	(1 318 109)
Adjustment to profit for the year: a) Property, plant and equipment	(1 372 686)
Adjustment to profit for the year: b) Investment property	(53 431)
Adjustment to profit for the year: c) Receivables	(291 255)
Adjustment to profit for the year: d) Payables from exchange transactions	(448 273)
Adjustment to profit for the year: e) Housing arrangements	1 847 275
Other movements (rounding differences)	- 1
	(1 636 478)

53. Transitional provisions

Transitional provision for Statutory Receivables

Every effort is made to ensure compliance with this standard, but due to the risk of omission of items due to a lack of experience with implementing this standard, the municipality is utilising the transitional provisions contained within Directive 4 that grant the municipality a period of three years in order to finalise the classification and impairment methods for Statutory Receivables.

The transitional period commences from 1 July 2019 and will be utilised until the period ending 30 June 2022.

54. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

- GRAP 20: Related Party Disclosures
- GRAP 32: Service Concession Assets
- GRAP 108: Statutory Receivables
- GRAP 109: Accounting by Principals and Agents
- IGRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
- IGRAP 18: Recognition and Derecognition of Land
- IGRAP 19: Liabilities to Pay Levies
- Guideline: Accounting for Arrangements Undertaken in terms of the National Housing Programme

GRAP 20: Related Parties

During the year, the municipality changed its accounting policy with respect to the treatment of Related Parties in order to conform to the benchmark treatment in of GRAP 20. The update to this standard resulted in additional clarity in terms of the accounting policy. The disclosure note for related parties remains unchanged (refer note 50).

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54. Changes in accounting policy (continued)

GRAP 32 and IGRAP 17: Service Concessions

This standard and interpretation was early adopted in 2018/19.

GRAP 108: Statutory Receivables

During the year, the municipality adopted its accounting policy with respect to the treatment of GRAP 108: Statutory Receivables. The significant judgements were also updated accordingly. The standard does not significantly impact measurement of these receivables, but resulted in additional disclosures as per Note 4.

GRAP 109: Accounting by Principals and Agents

During the year, the municipality adopted its accounting policy with respect to the considerations whether a relationship would result in a Principal or Agent arrangement in order to conform to the benchmark treatment of GRAP 109. The municipality now discloses all transactions for which it regards itself as a Principal or an Agent in Note 67.

IGRAP 18 and Housing Guideline

During the year, the municipality adopted its accounting policy with respect to the treatment of Construction Contracts. The policy pertaining to Property, Plant and Equipment was also change to include considerations applied in determining whether the municipality controls the land. In order to conform to the benchmark treatment in of GRAP 11: Construction Contracts, IGRAP 18: Recognition and Derecognition of Land, GRAP 109: Accounting by Principals and Agents as well as the Guideline: Accounting for Arrangements Undertaken in terms of the National Housing Programme. The effect of IGRAP 18: Recognition and Derecognition of Land on transaction other than those arising from Housing Arrangements were negligible. The impact of IGRAP 18 on the Housing Arrangements resulted therein that some properties were disposed in the prior year (not previously reported). The disposal is proportionate as a portion of the land will remain the property of the municipality in the form of road remainders and public open spaces. Land portions that are made available for other public or private services such as clinics, churches or crèches will be recorded as inventory when the intention to sell is clear or alternatively as Investment Property when the intention to rent the land becomes clear. The adoption of GRAP 11 is considered to be a prior period error and disclosed in Note 52.

IGRAP 19: Liabilities to Pay Levies

This interpretation has no impact on the financial results of the municipality and therefore no changes in the accounting policies were adopted when the interpretation becoming effective.

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54. Changes in accounting policy (continued)

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2019 is as follows:

Statement of financial position

Property, plant and equipment

Transfer from Investment Property as Land is controlled with the aim of disposal for use in a Housing Arrangement	476 032
Transfer to Investment Property as Land is controlled with no future determinable use following a Housing arrangement	(280 440)
	195 592

Investment Property

Transfer from Investment Property as Land is controlled with the aim of disposal for use in a Housing Arrangement	(476 032)
Transfer from Property, Plant and Equipment as Land is controlled with no future determinable use following a Housing arrangement	280 440
Derecognition of Land due to the application of IGRAP 18 and the Housing Arrangements	(1 318 109)
	(1 513 701)

Receivables from non-exchange transactions

Reversal of GRAP 23 Accounting for purchase of Kalbaskraal Land	(2 153 307)
Recognition of Kalbaskraal land in terms of GRAP 9	2 153 307
	-

Accumulated surplus

Adjustment to net surplus for the year - cost of land disposed	(1 318 109)

Statement of Financial Performance

Gains on Sale of Land

Recognition of GRAP 9 revenue due to deemed Kalbaskraal Land disposal in terms of IGRAP 18	2 153 307

Government grants and subsidies

Reversal of GRAP 23 revenue recognition as IGRAP 18 deems the land to be disposed	(2 153 307)

Loss on Property Plant and Equipment

Cost of IGRAP 18 Kalbaskraal land (proportional disposal)	(1 318 109)

Net surplus for the year

Adjustment to profit for the year - cost of land disposed	(1 318 109)

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55. Change in estimate

Property, plant and equipment

The Municipality has reassessed the useful lives of Property, plant and equipment, Intangible assets and residual values of Property, plant and equipment which resulted in changes in depreciation and amortisation charges, the carrying value of property plant and equipment as well as accumulated depreciation. The effect of the change in accounting estimate has resulted in the following movements for the current and future periods on the affected capital assets.

Movement in depreciation	2020	2021	2022	2023
Before change in estimate	4 831 614	6 079 386	2 878 692	2 287 626
After change in estimate	(3 250 740)	(3 845 311)	(3 688 248)	(1 330 395)
Net effect: decrease/(increase) in depreciation charge for the period	1 580 874	2 234 075	(809 556)	957 231

Property, plant and equipment - Review of Landfill Site Available Airspace

During the year experts were appointed to evaluate the available airspace remaining on the landfill sites being used by the municipality to store solid waste. The review of the airspace resulted in a reduction of the estimated number of years for the Darling and Highlands sites from 60 to 25 years and 29 to 26 years respectively. This reduction resulted in an increase of depreciation for each of the future periods as follows:

Movement in depreciation	2020	2021	2022	2023
Before change in estimate	(3 275 878)	(2 469 133)	(2 469 133)	(2 469 133)
After change in estimate	3 408 520	2 601 775	2 601 775	2 601 775
	132 642	132 642	132 642	132 642

Provision for Bad Debts

The provision for bad debts was previously estimated based on the payment rates each of the wards within the municipality. This method was deemed appropriate as the annual amounts for bad debts written off was similar to that of the impairment recognised in previous years. As a consequence of the National Lockdown, households were severely impacted and the approach was changed to ensure that the individual account holders were assessed individually. The effect of this change on future periods cannot yet be estimated, but the impact of the change on the provision for impairment for the current period is indicated below. The impact is limited to Consumer Debtors inclusive of Rates.

Change in estimated Provision for Bad Debts

	2020	2019
Under group basis	(71 868 584)	-
Under individual basis	73 405 492	-

Effect of change in estimate

1 536 908	-

56. Comparative figures

Certain comparative figures have been reclassified as indicated in Notes 51 and 52. These reclassifications were made to simplify the presentation and disclosure.

Swartland Municipality

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57. Financial instruments disclosure

Categories of financial instruments

2020

Financial assets

	At fair value	At amortised cost	Total
Cash and cash equivalents	19 265	630 346 632	630 365 897
Receivables from exchange transactions	-	83 781 769	83 781 769
Construction contracts	-	125 682	125 682
Finance lease receivables	-	2 677	2 677
	19 265	714 256 760	714 276 025

Financial liabilities

	At fair value	At amortised cost	Total
Payables from exchange transactions	-	77 373 031	77 373 031
Consumer Deposits	13 831 016	-	13 831 016
Unspent conditional grants and receipts	-	16 850 005	16 850 005
Other financial liabilities	-	117 966 272	117 966 272
	13 831 016	212 189 308	226 020 324

2019

Financial assets

	At fair value	At amortised cost	Total
Cash and cash equivalents	21 431	525 303 999	525 325 430
Receivables from exchange transactions	-	70 928 070	70 928 070
Finance lease receivables	-	3 368	3 368
	21 431	596 235 437	596 256 868

Financial liabilities

	At fair value	At amortised cost	Total
Payables from exchange transactions	-	73 444 754	73 444 754
Consumer Deposits	12 750 568	-	12 750 568
Unspent conditional grants and receipts	-	8 462 474	8 462 474
Other financial liabilities	-	129 676 549	129 676 549
Construction contracts	-	2 529 369	2 529 369
	12 750 568	214 113 146	226 863 714

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58. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits, implement controls and monitor adherence.

Due to the large non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by internal auditors on a continuous basis, and by external auditors annually. The entity does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports quarterly to the municipality's Performance and Risk Audit committee, an independent body that monitors the effectiveness of the internal audit function.

The highest risk indicator for the current year was the national lockdown which resulted in higher impairment rates in comparison to previous years.

Liquidity risk

Liquidity risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation. A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed below.

Consumer Deposits (*) are disclosed at the value that could be repayable in the following year. It is unlikely that the full balance would become payable as consumer accounts are expected to remain similar year to year. By implication, if the consumer deposit is paid, a similar receipt from a different customer would be expected. The balance is however disclosed in order to indicate a conservative liquidity risk.

Previously, the Other financial liabilities' maturity analysis was disclosed inclusive of interest payable. Upon reconsideration, it was thought more prudent to disclose only the capital portion due as this balance affects the liquidity as at 30 June 2020. The balance at year end is therefore comparable to the maturity analysis. Only the capital is due as at year end, while interest only accrues in the future (future costs not taken into account).

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Cash flow forecasts are prepared and management expects adequate cash on hand to meet the municipality's obligations. The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain its current debt to equity ratio. This will be achieved by means of the increasing in tariffs and the continuous utilisation.

Swartland Municipality

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58. Risk management (continued)

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	77 373 031	-	-	-
Consumer deposits (*)	13 831 016	-	-	-
Unspent conditional grants and receipts	16 850 005	-	-	-
Other financial liabilities	10 017 935	8 463 163	26 847 895	72 637 279

At 30 June 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	73 444 754	-	-	-
Consumer deposits (*)	12 750 568	-	-	-
Unspent conditional grants and receipts	8 462 474	-	-	-
Other financial liabilities	11 710 277	10 017 935	8 463 163	99 485 174
Construction contracts	2 529 369	-	-	-

Credit risk

Credit risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities. Maximum exposure to credit risk is not covered by collateral unless otherwise specified. Each class of financial instrument is disclosed separately.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The municipality exposure to the credit risk is wide-spread, but a single significant debtor, Sasko (Pty) Ltd can be noted as disclosed in Note 3.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2020	2019
Cash and cash equivalent	630 365 897	525 325 430
Receivables from exchange transactions	83 781 769	70 928 070
Construction contracts	125 682	-
Finance lease receivables	2 677	3 368

The municipality is exposed to a number of guarantees for the overdraft facilities of economic entities and for guarantees issued in favour of the creditors of A (Pty) Ltd. Refer to note 49 for additional details.

The gross balance from receivables has been grouped into risk groupings (Group 1-3). Group 1 are those debtors with a high certainty of timely payment. Risk of non- payment is considered to be low as these receivables maintained a payment rate of more than 70 %. Group 2 are those debtors with a reasonable certainty of timely payment. The risk of non- payment is considered to be moderate as these receivables maintained a payment rate of 50 - 70 % during the year. Group 3 are those debtors for which the risk factors of non- payment are larger as these receivables had a payment rate of below 50 % during the year.

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58. Risk management (continued)

Gross balances of receivables from exchange transactions	2020	2019
Group 1	71 584 381	55 926 392
Group 2	4 816 980	677 046
Group 3	51 165 303	35 079 810
	127 566 664	91 683 248

Market risk

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term debtors, consumer debtors, other debtors, and bank and cash balances.

The municipality is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

At 30 June 2020, if interest rates on Rand-denominated borrowings had been 2% higher/lower (200 basis points) with all other variables held constant, post-tax surplus for the year would have been R 11 272 577 (2019: R 8 687 140) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

59. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	-	-
Current year subscription / fee	2 403 347	2 135 153
Amount paid - current year	(22 237)	(2 092 655)
Amount paid - previous years	-	(42 498)
Balance unpaid (included in creditors)	2 381 110	-

Audit fees

Opening balance	530 706	-
Current year subscription / fee	2 976 044	3 189 874
Amount paid - current year	(2 976 044)	(2 659 168)
Amount paid - previous years	(530 706)	-
Balance unpaid (included in creditors)	-	530 706

VAT

VAT receivable	2 496 242	8 108 179

VAT output payables and VAT input receivables are shown in Note 8.

All VAT returns have been submitted by the due date throughout the year.

PAYE and UIF

Opening balance	-	-
Current year subscription / fee	35 401 062	30 340 934
Amount paid - current year	(35 401 062)	(30 340 934)
Balance unpaid (included in creditors)	-	-

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59. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Opening balance	-	-
Current year subscription / fee	57 712 364	50 181 677
Amount paid - current year	(57 712 364)	(50 181 677)
Balance unpaid (included in creditors)	-	-

Councillors' arrear consumer accounts

During the financial year under review no Councillor was in arrears with the settlement of their municipal accounts.

Non-compliance with Chapter 11 of the Municipal Finance Management Act

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The incidents as listed below have been condoned.

Incident		
Deviations above R30 000 due to Emergencies (occurrences: 22 (2019: 7))	2 079 903	490 175
Deviations above R30 000 due to Sole Supplier deviations (occurrences: 6 (2019: 4))	394 116	274 620
Deviations above R30 000 emanating from responses to COVID 19 (occurrences: 13)	1 258 256	-
Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes - Attorneys (occurrences: 46 (2019: 1))	2 085 888	2 767 769
Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes - special goods/services (occurrences: 3 (2019: 7))	588 744	3 010 170
Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes - repairs and services to specialised equipment or vehicles (occurrences: 378 (2019: 3))	3 252 197	3 494 748
Deviations below R30 000 (occurrences: 425 (2019: 407))	3 660 424	3 447 452
Deviations below R30 000 emanating from responses to COVID 19 Related (occurrences: 13)	144 886	-
	13 464 414	13 484 934

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59. Additional disclosure in terms of Municipal Finance Management Act (continued)

Material losses: Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

Electricity Losses		
Units purchased	201 260 105	197 240 434
Units sold	(189 163 586)	(186 155 146)
Units lost during distribution	12 096 519	11 085 288
	6,01%	5,62%

Electricity Losses occur due to inter alia, technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing occurrence, with regular actions being taken against defaulters. Faulty meters are replaced as soon as it is reported.

Water distribution losses

Kilolitres purchased	4 317 323	3 774 907
Kilolitres sold	(3 537 873)	(3 143 764)
Kilolitres lost during distribution	779 450	631 143
Percentage lost during distribution	18,05%	16,72%

Water Losses occur due to inter alia evaporation, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing occurrence, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as it is reported.

Disclosure of awards of more than R2 000 to a person who is a family member of a person in the service of the state in terms of section 45 of the Municipal Supply Chain Regulations:

Service Provider	Relation to Service Provider	Name of Relation in the Employment of the Organ of State	Organ of State	Position of the person in the employment of the Organ of State	Value of Transaction 2020 R	Value of Transaction 2019 R
Neil Lyners and Associates (RF)	Brother	H Lyner	WCGTPW	Chief Engineer	1 362 645	2 765 033
WJ Cotter Electrical (J Cotter)	Father in law	T van Essen	Swartland Municipality	Mayor	311 237	301 079
WJ Cotter Electrical (R Crawford)	Father in law	T van Essen	Swartland Municipality	Mayor		
Lumico (Pty) Ltd (D Malherbe)	Father in law	L Fourie	Swartland Municipality	Strategic management	98 900	73 361
Euraf Agencies CC (P Fourie)	Spouse	R Fourie	Department of Correctional Services	Financial Manager	224 945	140 865
Golden Rewards 1873 cc t/a Futasia	Spouse	R De Jager	Department of Education	Teacher	34 300	121 245
Caterers (Suenelle De Jager)	Son	Bjorn	Swartland Municipality	General Worker	40 200	42 070
Jonathan Wayne Lawrence t/a J Lawrence (J Lawrence)	Spouse	J Minnie	City of Cape Town	Head : Disaster Operations Centre	1 734 891	641 955

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59. Additional disclosure in terms of Municipal Finance Management Act (continued)						
Aurecon South Africa (B Esterhuizen)	Parent	HG Esterhuizen	West Coast District Municipality	Senior Manager - Roads	10 116 701	4 307 166
Aurecon South Africa (M Botha)	Parent	T Botha	Oudtshoorn Municipality	Technical Manager		
Aurecon South Africa (CJ Barry)	Parent	CJ Barry	City of Cape Town	Transport Department - Head of Finance		
Aurecon South Africa (LR Bleazard)	Sibling	KA Bleazard	Department: Western Cape Government Transport & Public Works	Chief Architect		
Aurecon South Africa (D Maduray)	Spouse	R Reddy-Maduray	Development Bank Southern Africa	Project Preparation Specialist		
Aurecon South Africa (M Mayekiso)	Uncle	D Mayekiso	Department of Local Government and Traditional Affairs	Assistant Director		
Aurecon South Africa (N Ntsebeza)	Spouse	D Ntsebeza	Buffalo City Metropolitan Municipality	Sanitation Engineering Manager		
Aurecon South Africa (N Ntsebeza)	Sibling	M Ntsebeza	Gauteng Department of Health: Springs Hospital	Doctor		
Aurecon South Africa (N Ntsebeza)	Cousin	N Ntsebeza	Intsika Yethu Municipality	Admin Clerk		
Aurecon South Africa (CA Jacobs)	Spouse	J Jacobs	Department of Education - Eastern Cape	Assistant to Chief Director		
Aurecon South Africa (SM Grobbelaar)	Parent	SM Grobbelaar	Northern Cape Department of Cooperative Governance	Town and Regional Planner		
Aurecon South Africa (H Pansegrouw)	Spouse	PW Pansegrouw	Drakenstein Municipality	Senior Manager: Technical Services and Project Management		
Aurecon South Africa (BJ Kriegler)	Parent	BJ Kriegler	Cape Winelands District Municipality & Breede Valley Municipality	Councillor		
Aurecon South Africa (M Vermeulen)	Parent	PC Vermeulen	City of Cape Town	Superintendent: Building Maintenance		

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59. Additional disclosure in terms of Municipal Finance Management Act (continued)						
Aurecon South Africa (JE Venter)	Spouse	ZC Venter	Department of Health - Eastern Cape	Deputy Director - Employment Relations		
Aurecon South Africa (FJ Heyns)	Parent	A Heyns	Stellenbosch Municipality	Assistant Superintendent - Workshop Engineering Roads		
Aurecon South Africa (JG Robertson)	Parent	JM Robertson	Ekurhuleni Metropolitan Municipality	Engineer		
Aurecon South Africa (KP Nadasen)	Wife	K Nadasen	National Department of Public Works	Director: Key Account Management		
Aurecon South Africa (LP O'Connell)	Spouse	SM O'Connell	Sol Plaatje Municipality	Librarian		
Aurecon South Africa (N Govender)	Child	T Govender	Umgenti Water	Fleet Maintenance Administrator - Asset Management Program		
Aurecon South Africa (DL Erasmus)	Spouse	WZ Erasmus	Cape Nature	Manager		
Aurecon South Africa (RJ Ahlschlager)	Spouse	HC Ahlschlager	Special Investigating Unit	Legal Representative		
Aurecon South Africa (ME Higgs)	Spouse	JH Higgs	SARS	Regional Manager		
Aurecon South Africa (VA Hougaard)	Spouse	A Hougaard	Department of Correctional Services	Principal Network Controller		
Aurecon South Africa (DJ Moore)	Parent	AJ Moore	Department of Water Affairs	Chief Engineer		
Aurecon South Africa (S Pretorius)	Parent	PS Pretorius	Sol Plaatje Municipality	Chief Officer - Community Services		
Aurecon South Africa (E Riekert)	Spouse	JH Riekert	SA Reserve Bank	Manager: Operations		
Aurecon South Africa (I Gasant)	Sister	S Seegers	City of Cape Town	Head of Security Architecture		
Aurecon South Africa (TJ Duvenhage)	Spouse	Dr M Skead	Nelson Mandela Bay Metropolitan Municipality	Senior Manager		
Aurecon South Africa (L Tebane)	Parent	R Tebane	Ekurhuleni Metropolitan Municipality	Executive Manager		
Aurecon South Africa (E Tredoux)	Spouse	J Tredoux	Department of Water Affairs	Deputy Director - Accounts Payable		
Aurecon South Africa (JL Du Plessis)	Father-in-law	M Van Rensburg	Eskom	Executive at Transmission Department		

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COVID-19 Response expenditure

On 23rd March 2020 President Cyril Ramaphosa announced the nationwide lockdown. On 30th March 2020 the Minister of Finance issued a conditional Exemption Notice in terms of section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), in order to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster. The additional measures gave rise to additional government receipts (no similar grants were receipts in the comparative period).

On 23 July 2020, President Cyril Ramaphosa stated that there have been allegations regarding fraudulent UIF claims, overpricing of goods and services, violation of emergency procurement regulations, collusion between officials and service providers, abuse of food parcel distribution and the creation of fake non-profit organisations to access relief funding. The disclosure below is therefore provided in order to present the COVID 19 expenditure as transparent as possible to the communities we serve.

The table below indicates the total Covid-19 response expenditure for the period ending 30 June 2020:

Summary per expense objective

As at 30 September 2020 the municipal total Covid-19 expenditure (year-to-date) amounted to R6 149 053. The movement from 30 June 2020 is mainly due to the overtime worked by the Protection Services (R2 215 354 for the three months ended 30 September 2020).

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59. Additional disclosure in terms of Municipal Finance Management Act (continued)

The above expenditure pertained to the following items

General		
Disaster Relief Grant: Personal protective clothing and other items	119 000	-
General - Other	371 572	-
Overtime	1 787 467	-
Protective clothing, masks	151 930	-
Sanitising of buildings	16 601	-
Community and social services		
Chemical toilets for the homeless	13 927	-
Community and awareness campaigns	14 000	-
Feeding of the homeless and issuance of food parcels	1 155 963	-
Public services		
Public safety - other	36 837	-
Health		
Cost of screening and testing	739	-
	3 668 036	-

Note: General-other consist of purchasing of sanitizers, thermometers, office screens, etc.

The above expenditure was funded by a special Covid-19 grant income (R850 000 + R119 000), the municipality's own funds (R2 693 073) and a private donation of R5 963.

60. Unauthorised expenditure

Opening balance as previously reported	9 666 715	6 665 365
Opening balance as restated	9 666 715	6 665 365
Add: Expenditure identified - current	1 107 201	9 666 715
Less: Approved/condoned/authorised by council	(9 666 715)	(6 665 365)
Closing balance	1 107 201	9 666 715

The department of Development services budget was overspend by an amount of (2019: R9 373 213). The revenue has increased accordingly. The Department received funding for Housing Top Structure from the Department of Human Settlement. Due to a misinterpretation of the circular, the expense occurred which was not budgeted for. After consultation with Provincial Administration Western Cape it was decided that the expenditure was for the account of the Municipality which resulted in the overspending of the amount as it was not budgeted.

The department of Corporate Services budget was overspend by an amount of (2019: R293 502) due to the Deprecation expenses not budgeted correctly. This is a non- cash transaction.

The department of Financial services budget was overspend by an amount of R1 107 201 (2019: R0). This is mainly as a result of the deemed capital expenditure due to the vesting of properties. The revenue has increased accordingly. This is a non- cash transaction.

61. Fruitless and wasteful expenditure

Opening balance as previously reported	6 496	2 940
Opening balance as restated	6 496	2 940
Add: Expenditure identified - current	20 000	4 902
Less: Amounts recovered - prior period	(2 594)	-
Less: Amount written off - current	(15 000)	-
Less: Amount written off - prior period	(3 902)	(2 940)
Add: Irregular Expenditure - considered to be fruitless expenditure	-	1 594
Closing balance	5 000	6 496

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61. Fruitless and wasteful expenditure (continued)

The prior year expenditure related to a double payment which the ex-employee was due to repay. To date, only R1 000 was recovered and the rest of the amount was written off by council after attempts to recover the outstanding balance failed.

The current year expenditure pertains to excess payments following damages to municipal vehicles. Three instances was noted, but only in two of the cases and excess was payable. The first case, damages to a frontend loader was investigated and it was agreed the employee is not responsible resulting in the amount be written off. The remaining case is still under investigation at year end.

Furthermore, an amount of R1 594 was previously considered to be irregular. Following an investigation as to the irregular expenditure it was identified that the municipality overpaid an invoice. This amount was subsequently recovered from the supplier in June 2020.

62. Irregular expenditure

Opening balance as previously reported	9 051 726	-
Opening balance as restated	9 051 726	-
Add: Irregular Expenditure - current	17 131 429	953 705
Add: Irregular Expenditure - prior period	15 729 151	8 099 615
Less: Approved/Condoned by Council - prior period	(9 051 726)	-
Less: Irregular Expenditure - considered to be fruitless expenditure	-	(1 594)
Closing balance	32 860 580	9 051 726

Included under the current year irregular expenditure incurred are two transactions relating to emergency procurement where the suppliers failed to update their tax compliance status prior to the goods being delivered. The total amount for these transactions were R534 525. The municipality had to continue to procure these goods as the goods were needed to ensure timeous response to the needs of the community following the COVID 19 lockdown regulations. The expenditure pertained to the provision of food to poor households and additional access to water.

The remainder of the value disclosed as 2019/20 irregular expenditure incurred for both the current (R 16 596 904) and prior period (R15 729 151) is the consequence of sub-delegation of approval of all expenditure ranging from R2 000 to R30 000. This sub-delegation was not approved by council resulting in the expenditure being considered irregular. Controls were in place to review the expenditure, at the appropriate level of delegation, subsequent to it being approved. The sub-delegation was done in order to ensure timeous delivery of goods and services to the public.

The prior year expenditure was incurred on alternative emergency water sources whereby SCM Regulation 32 was utilised as management deemed the requirements of said regulation appropriate to not follow a competitive bidding process given the specific set of circumstances that existed and experienced during the water crises and the declared disaster in 2017-2018. The auditor has in the current year, pursuant to two court cases in Kwazulu Natal and the Eastern Cape, found the expenditure to fall short of Regulation 32 as new contracts were entered into with the service providers procured under Drakenstein Municipality tenders for water and the Cape Winelands Municipality for training.

Insufficient grounds existed to regard the expenditure as irregular and it is therefore recommended to Council that it does not warrant a full investigation to determine if any official of the municipality committed an act of financial misconduct.

Furthermore, an amount of R1 594 was previously considered to be irregular. Following an investigation as to the irregular expenditure it was identified that the municipality overpaid an invoice. This amount was subsequently recovered from the supplier in June 2020.

63. Multi-employer retirement benefit information

The personnel of the Swartland Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Local Authority Retirement Fund, The Consolidated Retirement Fund for Local Government, The National Municipal and Related Services Employee Retirement Fund and The National Fund for Municipal Workers are defined contribution plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not nationally allocated to each of the participating employers.

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63. Multi-employer retirement benefit information (continued)

- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

- The rate of contributions is provided below under each fund.

Each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality in respect of the defined contribution plans is to make the specified contributions.

LOCAL AUTHORITY RETIREMENT FUND

The Local Authority Retirement Fund operates as a defined contribution scheme.

The defined contribution scheme is a multi-employer plan and the contribution rate payable is 9,00% by the members and 18,00% by Council. The last valuations performed for the year ended 30 June 2019 (30 June 2016) had an overall funding level of 103,50% (2016: 106,10%) and is in a sound financial position. The next interim actuarial valuation will be as at 30 June 2020.

CONSOLIDATED RETIREMENT FUND FOR LOCAL GOVERNMENT

The contribution rate paid by the members (9,00% by employees, 7,50% by section 57 employees and 12,00% by councillors) and by Council (18,00% for employees, 19,50% for section 57 employees and 15,00 % for councillors) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2019 (30 June 2016) revealed that the fund had a funding level of 100,30% (100,50%). Certified to be of a sound financial position as at 30 June 2019.

NATIONAL MUNICIPAL AND RELATED SERVICES EMPLOYEE RETIREMENT FUND

The contribution rate payable is 7,50% by the members 18% by Council. Actuarial valuation on this fund is performed every three years, and the last valuation performed for the year ended 30 June 2014 (30 June 2011) certified that the fund is in a sound financial state. The funding level was 111,70% at valuating date (2011: 111,10%).

NATIONAL FUND FOR MUNICIPAL WORKERS

The above mentioned fund is a Defined Contribution Fund and the contribution rate paid by the members is 9,00% and 7,50% by section 57 employees and that of council 18,00% and 19,50% respectively. The latest statutory valuation was done on 30 June 2018 (30 June 2015). As at 30 June 2018 the results state that the funding level was 100,46% (2015: 100,42%).

Employers do not have any liability for any fund's performances or deficits. None of the above mentioned plans are state plans.

64. In-kind donations and assistance

The municipality received services in-kind under voluntary or non-voluntary schemes which included free training, workshops and technical assistance from government departments and entities. These services in-kind have not been recognised as they were assessed not to be significant to the municipality's operations and/or basic service delivery objectives and are not measurable.

65. Utilisation of Long-term liabilities reconciliation

Long-term liabilities (See Note)	117 966 272	129 676 549
Used to finance property, plant and equipment	(117 966 272)	(129 676 549)
Subtotal	-	-
Cash set aside for the repayment of long-term liabilities	10 017 935	11 710 278
Cash invested for repayment of long-term liabilities	10 017 935	11 710 278

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that the upcoming annual payment for long-term liabilities can be made.

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66. Service Concession Arrangements

In terms of the Municipal Systems Act, Bulk Water service falls under the domain of the District Municipality which would mean that these assets would fall under West Coast District Municipality, however authority was given by way of a Government Gazette notice whereby the Local Municipalities of Bergrivier, Swartland and Saldanha Bay would be given Water Service Authority Status and be responsible for the provision of the Bulk Water Function. (Refer to the section on the legislative framework for further details with regards to legislative and regulatory environment)

This effectively meant that this function was taken over from the District Municipality. At this stage the assets should in effect have been transferred to the Local Municipalities.

In terms of the Section 78 Study dated August 2005 a decision was made to maintain the status quo, whereby West Coast District Municipality would continue to operate the water function on behalf of the three local municipalities (Swartland, Saldanha bay and Bergrivier), the agreement was for a period of 10 years and the function ultimately remains that of the Local Municipalities. Currently the agreement is cancellable by either of the parties, but it is unlikely that the agreement would be terminated in the foreseeable future. No changes to the arrangement were made during the current or previous financial periods, but minor administrative matters are constantly being addressed (e.g. procurement strategies). No breaches by either or the parties have been identified to date.

In return for operating the Bulk Water service function the District would receive compensation as follows:

- Monthly Tariff Fee
- Administrative fee equal to 10% of the operating costs

The Local Municipalities are thus in control of the Bulk Water assets, and as a result these assets should be recognised, measured and disclosed in our financial records.

The effect of the service concession arrangement in the financial statements of the municipality can be summarised as follows:

Property Plant and Equipment		
Infrastructure (Water)	101 286 035	104 301 705
Borrowings		
Long term loans	(8 249 496)	(16 353 730)
Expenditure relating to the Service Concession Arrangement		
Depreciation	3 195 478	3 186 046
Impairment of Property, plant and Equipment	10 197	-
Finance Charges	967 079	1 727 867
Total Water Purchased from District	14 501 005	15 229 303
Purchased at agreed rate	27 759 264	22 849 576
Adjusted for Distribution (Gains)/Losses	(13 258 259)	(7 620 273)

No revenue is receivable by the municipality in terms of the arrangement. The municipality's water purchases are generated through this arrangement.

The loans are registered in the name of West Coast District Municipality, but have been entered into solely to finance the purchase or upgrade of the service concession assets. For this purpose, the loans have been apportioned to each municipality within the district in relation to the approximate value of the infrastructure assets purchased by the operator (West Coast District Municipality).

Service Concession Assets

Included in the total for Property, Plant and Equipment are assets that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. The carrying values of these assets are disclosed below:

Infrastructure: Water	101 286 035	104 301 705

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66. Service Concession Arrangements (continued)

Reconciliation of Carrying Amounts of Service Concession Assets

Opening Balance (Carrying Value)	104 301 705	107 437 357
Additions	190 005	50 394
Depreciation	(3 195 478)	(3 186 046)
Impairment of assets	(10 197)	-
Total Carrying Amounts of Service Concession Assets	101 286 035	104 301 705

Service Concession Borrowings

Included in the total for Borrowings are loans that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. The carrying values of these liabilities are disclosed below:

Loan Name	Redemption date		
Development Bank 6100 7028	31/12/2022	3 000 000	3 834 990
Development Bank 6100 1005	30/06/2020	-	1 025 315
Development Bank 6100 1006	30/06/2020	-	5 400 000
ABSA	01/02/2021	2 249 496	6 093 425
Total Carrying Amounts of Service Concession Borrowings		5 249 496	16 353 730

The loans bear variable interest rates between 8.61% and 10.87% (2019: 6% and 13%) per annum.

67. Accounting by principals and agents

The entity is a party to principal-agent arrangements.

Details of the arrangements are as follows:

Licensing fees collected on behalf of the Provincial Department

The municipality collects licencing fees on behalf of the Provincial Department of Transport and Public Works. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end are included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts). Monies are paid to the department every 5 days (or first business day thereafter).

Housing Arrangements

The Department of Housing has the mandate to provide basic housing to all citizens. The Provincial Department of Housing has entered into arrangements with the municipality in order to provide housing to those in need. In terms of the Guideline: Accounting for Arrangements in respect of the National Housing Programme, each individual transaction and arrangement is carefully considered in order to ensure the correct accounting treatment. Some deliverables meet the requirements of Construction Contracts (as we are considered the principal in these deliverables) whilst other deliverables are for the benefit of the municipality in the form of funding to install civil services. Furthermore, other deliverables are for the benefit of the beneficiaries of the housing. The installation of civil services is accounted for in terms of GRAP 23: Revenue from Non-exchange transactions, as conditional grants. Other deliverables for the benefit of the municipality results in the acquisition of land which is accounted for in terms of GRAP 9: Revenue from Exchange Transactions. Certain transactions meets the definition of services rendered and are accounted for as Other Revenue. The sale of land forms part of gains and losses disclosed. Other deliverables are not for the benefit of the municipality, but rather directly received and paid for the benefit of the beneficiaries of the housing project. These expenses are not accounted for by the municipality as per the principles of GRAP 109.

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67. Accounting by principals and agents (continued)

Other Arrangements

The municipality has entered into arrangements with service providers where they provide services to the public on behalf of the municipality. The nature of these arrangements was assessed and since the municipality collects all revenues in full, the transactions are not considered to be those within the scope of GRAP 109. The types of arrangements considered for this purpose are:

- Traffic fines are issued on our behalf by a service provider.
- Various prepaid electricity vendors sell electricity on our behalf. The software used results in all transactions being recorded in our sub-system. We collect the cash receipts from the vendors daily. Prepaid vendors earn commission on the value of each transaction with a maximum limit in place.

For conditional grant receipts, kindly refer to Note 29.

Commission to Prepaid vendors and expenditure relating to services rendered by the traffic services vendor are disclosed in Note 38.

No other resources are held by these vendors on behalf of the municipality. As no resources are held, except the daily cash-ups, no significant risks have been transferred to these vendors.

Entity as agent

Additional information

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Category(ies) of revenue received or to be received on behalf of the principal, are:

Categories

Licencing fees

Transfer Fees received on behalf of the Beneficiaries from Housing Projects

Additional details

The municipality receives a commission on collection of Licencing Fees on behalf of the Provincial Department of Transport and Public Works. The municipality accounts for its portion as Income from Agency Services and the net amount due to the Provincial Department is transferred to such department.

Fees received from the Provincial Department of Housing for registering the owner at the deeds office are considered to not be for the benefit of the municipality and is not directly accounted for as part of the construction contracts. To this extent, the municipality is regarded as the agent and expenses are accounted for on a net basis.

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67. Accounting by principals and agents (continued)

Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

Reconciliation of the carrying amount of payables

Motor Vehicle Licenses

Opening balance	470 910	395 709
Revenue that principal is entitled to	28 894 218	32 070 362
Cash repaid to the principal	(24 590 907)	(27 621 880)
Income from agency service	(3 940 171)	(4 373 281)
	834 050	470 910

The amount due to the Department is included under Payables from exchange Transactions.

Transfer Fees received on behalf of the Beneficiaries from Housing Projects

Receipts from Provincial Department	279 437	244 000
Payments made o.b.o. beneficiaries	(279 437)	(244 000)
	-	-

Details regarding transactions where the municipality is considered the principal, are disclosed in Notes 7, 19, 26 and 29.

Gains or losses on the acquisition of land is included under gains and losses in the Statement of Financial Performance as similar transactions are entered into with the public on an ongoing basis.

All infrastructure and land that arises from Housing Arrangements are included under Property, Plant and Equipment or Investment Property as appropriate. Land acquired by means of Housing Arrangements for which the future use is not yet determined, is accounted for as Investment Property when the municipality is unable to determine the future use of the Land. Once the use is determined or determinable in terms of Town Planning, the land will be transferred to Property, Plant and Equipment or disposed as per the requirements of the Guideline. History has shown that some Land portions could be purchased and retained indefinitely resulting in a different accounting treatment than that outlined by the Guideline with regards to Land being included under Investment Property. In terms of the Municipal Asset Management Policy, only once the use of vacant land has been determined in terms of a Council decision, may vacant land be accounted for as Property, Plant and Equipment.

68. Events after the reporting date

No events having financial implications requiring disclosure occurred subsequent to 30 June 2020.

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68. Events after the reporting date (continued)

Effects of COVID 19

As a result of the outbreak of the coronavirus pandemic (COVID 19), a national state of disaster was declared. Various regulatory requirements were instituted in order to ensure that the impact of the spread of the virus is limited. The impact has been devastating to the most vulnerable in our community. Due to the robust financial model applied by the municipality, the overall going concern and financial position remains relatively unchanged due to the continued support by those members of the community who can afford to do so.

The below illustrates how these regulations had impacted the current year financial results of the municipality.

Current Assets: Limited consequences were noted regarding the valuation of current assets. The recoverable rate of receivables has remained largely unchanged. The municipality has however adopted a new approach as to how to calculate the provision for impairment of debtors. Previously, debtors were impaired on a group basis. The annual value of bad debts written off was very similar to that of provision recognised for each of the years. The methodology was therefore considered appropriate. Under the current conditions, the municipality extended this methodology to consider each individual household as this approach was deemed more conservative. As a consequence, the provision for bad debts on service debtors and corresponding expense, Impairment Loss on Receivables has increased significantly as indicated under Note 55. Other current assets were not affected.

Non-current assets: Non-current assets are all stated based on cost. The majority of the municipal asset base is also non-cash generating, which results therein that changes in discount rates does not affect the value of assets. Investment Property was compared to the valuation roll as the latest valuation which became effective as of 1 July 2020. This implies that non-current assets would only be affected by impairment indicators. To date of publishing, no significant adverse changes were noted in the valuation of these assets in comparison to their costs.

There have been no major changes in future acquisition projects and therefore the pandemic has not had any significant impact on the useful lives of assets as the current utilisation rates are expected to remain similar to those prior to the outbreak. The municipality will continue to strive towards excellent infrastructure that meets the requirements of the communities we deliver services to. The pandemic had negative consequences for all of us, but the focus of the municipality towards service delivery and necessary capital expansion remains unwavering.

Liabilities: No terms were renegotiated with lenders and therefore the valuation of liabilities remains unaffected by the current economic conditions. The Employee Benefits and Landfill site provision were adverse affected by the increase in the 20 year bond rates due to the increased cost of debt for the country as a whole. To date of publishing, no other significant adverse changes were noted in the valuation of liabilities in comparison to their amortised cost as disclosed.

Service charges and Rates: Special Concessions were made effective from 1 April 2020 to reduce the impact of national lockdown on those most vulnerable to the adverse economic conditions. A special additional R20 000 rebate on the valuation of properties were granted to registered indigents. Furthermore, a rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R300 000 was granted to qualifying senior citizens and disabled persons.

Grants received: The municipality received special allocations in order to assist communities in need to the value of R1 044 000. Of this, R850 000 was received from National Government for food parcels, an additional R119 000 to mitigate the financial impact of the virus from National Government, R50 000 from the District Municipality and R25 000 from private individuals for relief to communities.

Expenses: Due to the implication of TERS, the employer did not deduct or incur the monthly charges for Skills Development Levies (SDL) for the month of May 2020 and June 2020. The impact hereof is negligible. Additional overtime was required from employees delivering protective services to the value of R1 787 467 as a direct result of the amended lockdown regulations. An amount of R642 502 is included under inventory consumed which directly relates to personal protective equipment and sanitising agents to protect our employees. The Contracted Services also included expenses for sanitation of the offices and medical expenses (screening of employees). Lastly, under transfer payments, payments to the value of R300 000 was made to non-profit institutions in order to assist those in need whilst R855 963 worth of food parcels was distributed to households in need.

Provincial treasury requested detailed expenditure reports are provided on a weekly basis in order to assist with oversight of the Covid-19 expenditure. In this regards, monthly totals are reported in Note 59.

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68. Events after the reporting date (continued)

The full impact of national lockdown and consequential reduction in cash flow for periods after 30 June 2020 cannot yet be determined reliably. The council has approved our revised budget for 2020/21 which includes various concessions in order to further mitigate the economic impact of the virus on our communities. Early estimates as outlined in our published budget indicate a sound financial position for 30 June 2021 and periods beyond.

69. Going concern

We draw attention to the fact that at 30 June 2020, the municipality had an accumulated surplus (deficit) of R 2 194 275 387 and that the municipality's total assets exceed its liabilities by R 2 393 783 185.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

In assessing whether the going concern assumption is appropriate under the current economic climate resulting from the COVID-19 pandemic, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and, if necessary, potential sources of replacement funding.

70. B-BBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

Swartland Municipality

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Appendix A: Schedule of External Loans

	Loan Number	Redeemable	Balance at 30/06/2019	Received/ Transferred during the period	Interest capitalised during the period	Redeemed written off during the period	Balance 30/06/2020
EXTERNAL LOANS							
LONG- TERM LOANS							
Development Bank		2028/12/29	30 712 203	16 105	-	2 081 603	28 614 495
Development Bank		2023/12/29	1 078 273	571	-	200 912	876 790
Development Bank		2031/12/31	58 183 126	33 981	-	2 344 704	55 804 441
Sanlam		2031/06/30	28 656 998	17 200	-	1 218 749	27 421 049
West Coast District Municipality							
West Coast District Municipality: Development Bank 6100 7028		2022/12/31	4 201 980	1 980	-	1 200 000	3 000 000
West Coast District Municipality: Development Bank 6100 1005		2020/06/30	2 041 518	-	-	2 041 518	-
West Coast District Municipality: Development Bank 6100 1006		3020/06/30	529 669	-	-	529 669	-
West Coast District Municipality: ABSA		2021/02/01	4 272 782	182 709	96 804	1 937 381	2 249 496
Total Long- Term Loans			129 676 549	252 546	96 804	11 554 536	117 966 271
TOTAL EXTERNAL LOANS							
			129 676 549	252 546	96 804	11 554 536	117 966 271

Swartland Municipality

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Appendix B: Analysis of Property, Plant and Equipment

	Cost/Revaluation						Accumulated Depreciation						Carrying Value
	Opening Balance	Transfers	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Transfers	Additions	Impairment	Disposals	Closing Balance	
Land													
Undeveloped Land	63 313 762	5 682 627	7 868 043	-	1 963 678	74 900 754	21 080	-	-	1 378 000	-	1 399 080	73 501 674
	63 313 762	5 682 627	7 868 043	-	1 963 678	74 900 754	21 080	-	-	1 378 000	-	1 399 080	73 501 674
Infrastructure													
Roads	921 737 784	-	17 897 023	997 911	-	940 632 718	513 662 219	-	22 896 909	-	-	536 559 128	404 073 590
Sanitation	704 090 566	36 869	1 093	14 454 020	-	718 582 548	322 140 786	-	15 765 432	-	-	337 906 218	380 676 330
Stormwater	223 761 404	-	-	1 819 998	-	225 581 402	95 429 340	-	4 551 840	-	-	99 981 180	125 600 222
Electricity													
Capital Spares	6 862 613	-	-	-	-	6 862 613	873 686	-	212 271	-	-	1 085 957	5 776 656
HV Transmission Conductors	1 536 706	-	-	-	-	1 536 706	325 290	-	36 195	-	-	361 485	1 175 221
LV Networks	100 633 925	-	2 185 099	-	198 314	102 620 710	43 970 223	-	2 468 744	-	69 969	46 368 998	56 251 712
MV Networks	360 212 540	(2 240 081)	5 974 621	-	1 323 607	362 623 473	177 221 156	-	7 014 711	-	1 183 775	183 052 092	179 571 381
MV Substations	92 866 343	2 240 081	4 638 635	-	4 870 974	94 874 085	37 131 433	-	1 959 052	-	3 290 974	35 799 511	59 074 574
MV Switching Station	41 948 508	-	291 360	-	-	42 239 868	18 996 177	-	1 153 013	-	-	20 149 190	22 090 678
Power plants	48 976	-	-	-	-	48 976	17 552	-	2 638	-	-	20 190	28 786
Water													
Reservoirs	138 744 798	8 478 592	236 277	-	2 286 000	145 173 667	67 845 478	-	2 284 623	-	2 286 000	67 844 101	77 329 566
Boreholes	355 643	-	-	-	-	355 643	167 292	-	14 308	-	-	181 600	174 043
Bulk Mains	22 088 074	1 253 786	37 159	-	-	23 379 019	2 923 293	-	1 175 614	-	-	4 098 907	19 280 112
Dams an weirs	30 855 234	-	-	-	-	30 855 234	28 652 859	-	266 544	-	-	28 919 403	1 935 831
Distribution	639 835 573	(10 254 078)	8 904 184	1 547 162	994 986	639 037 855	341 807 061	-	9 900 180	-	782 256	350 924 985	288 112 870
Pump stations	17 359 345	2 417 682	-	-	-	19 777 027	9 937 073	-	561 719	-	-	10 498 792	9 278 235
Water Treatment Works	4 957 805	(1 932 851)	14 369	-	-	3 039 323	3 213 404	-	81 263	-	-	3 294 667	(255 344)
Solid Waste													
Landfill Sites	10 312 444	-	4 842 021	-	-	15 154 465	6 180 214	-	352 644	-	-	6 532 858	8 621 607
	39 307 561	-	2 563 727	-	9 854 665	32 016 623	21 248 847	-	3 408 520	-	7 434 430	17 222 937	14 793 686
	3 357 515 842	-	47 585 568	18 819 091	19 528 546	3 404 391 955	1 691 743 383	-	74 106 220	-	15 047 404	1 750 802 199	1 653 589 756

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Appendix B: Analysis of Property, Plant and Equipment

	Cost/Revaluation						Accumulated Depreciation						Carrying Value
	Opening Balance	Transfers	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Transfers	Additions	Impairment	Disposals	Closing Balance	
Community Assets													
Community Assets	211 841 893	398 199	7 729 715	30 909 642	234 491	250 644 958	117 617 104	-	4 058 115	57 202	152 415	121 580 006	129 064 952
Libraries	44 445 293	-	-	-	-	44 445 293	33 779 577	-	488 038	-	-	34 267 615	10 177 678
	256 287 186	398 199	7 729 715	30 909 642	234 491	295 090 251	151 396 681	-	4 546 153	57 202	152 415	155 847 621	139 242 630
Movable Assets													
Machinery and Equipment	24 550 758	-	3 167 723	95 551	464 622	27 349 410	14 068 487	-	1 614 371	-	416 417	15 266 441	12 082 969
Furniture and Office Equipment	8 537 626	-	343 988	-	129 722	8 751 892	6 381 923	-	523 399	-	116 256	6 789 066	1 962 826
Transport Assets	56 269 938	-	2 884 705	-	442 004	58 712 639	18 652 831	-	3 117 375	-	257 420	21 512 786	37 199 853
Computer Equipment	12 029 943	-	1 674 329	-	446 559	13 257 713	8 402 755	-	1 047 048	-	392 867	9 056 936	4 200 777
	101 388 265	-	8 070 745	95 551	1 482 907	108 071 654	47 505 996	-	6 302 193	-	1 182 960	52 625 229	55 446 425
Other Assets													
Municipal Buildings	151 204 095	(398 199)	218 928	-	-	151 024 824	119 817 494	-	1 754 915	-	-	121 572 409	29 452 415
	151 204 095	(398 199)	218 928	-	-	151 024 824	119 817 494	-	1 754 915	-	-	121 572 409	29 452 415
Total: Property, Plant and Equipment	3 929 709 150	5 682 627	71 472 999	49 824 284	23 209 622	4 033 479 438	2 010 484 634	-	86 709 481	1 435 202	16 382 779	2 082 246 538	1 951 232 900

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Appendix B: Analysis of Investment Property, Intangible Assets and Heritage Assets

	Cost/Revaluation						Accumulated Depreciation						Carrying Value
	Opening Balance	Transfers	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Transfers	Additions	Impairment	Disposals	Closing Balance	
Investment Properties													
Dwellings	4 647 311	(474 542)	-	-	-	4 172 769	3 219 170	-	59 879	-	-	3 279 049	893 720
Undeveloped Land	38 825 603	(5 208 085)	1 949 500	-	1 253 347	34 313 671	-	-	-	37 000	-	37 000	34 276 671
Intangible Assets													
Computer Software	5 114 355	-	-	-	666 312	4 448 043	4 137 729	-	223 206	-	641 574	3 719 361	728 682
Servitudes and Land Rights	188 118	-	-	-	-	188 118	-	-	-	-	-	-	188 118
Heritage Assets													
Historical Buildings	586 266	-	-	-	-	586 266	-	-	-	-	-	-	586 266
Monuments	181 000	-	-	-	-	181 000	-	-	-	-	-	-	181 000
Work of Art	352 634	-	-	-	-	352 634	-	-	-	-	-	-	352 634
Total	49 895 287	(5 682 627)	1 949 500	-	1 919 659	44 242 501	7 356 899	-	283 085	37 000	641 574	7 035 410	37 207 091
Grand Total	3 979 604 437	-	73 422 499	49 824 284	25 129 281	4 077 721 939	2 017 841 533	-	86 992 566	1 472 202	17 024 353	2 089 281 948	1 988 439 991

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Appendix C: Segmental Analysis of Assets

	Cost/Revaluation						Accumulated Depreciation						Carrying Value
	Opening Balance	Transfers	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Transfers	Additions	Impairment	Disposals	Closing Balance	
Occupational Health and Safety	87 247		-	-	-	87 247	47 351		5 463	-	-	52 814	34 433
Administration Civil	1 077 520		7 770	-	4 368	1 080 922	417 890		57 667	-	4 183	471 374	609 548
Administration Development Services	1 240 465		13 508	-	4 653	1 249 320	640 230		39 756	-	4 074	675 912	573 408
Administration Corporate Services	8 489 907		14 726	-	481 296	8 023 337	2 864 713		53 916	-	200 049	2 718 580	5 304 757
Administration Financial Services	8 254 898		61 563	-	675 189	7 641 272	6 418 659		346 432	-	656 848	6 108 243	1 533 029
Administration Municipal Manager	69 746		-	-	-	69 746	45 922		6 264	-	-	52 186	17 560
Administration Protection Services	19 493		6 358	-	-	25 851	8 670		3 215	-	-	11 885	13 966
Building Control	80 982		-	-	828	80 154	57 231		6 990	-	744	63 478	16 676
Caravan Park - Yzerfontein	1 692 558		371 065	-	1 757	2 061 866	188 711		50 949	-	611	239 049	1 822 817
Cemeteries	7 376 004		-	-	114 316	7 261 688	4 748 977		227 252	-	-	4 976 229	2 285 459
Community Development	642 863		-	752 852	-	1 395 715	26 762		2 465	-	-	29 227	1 366 488
Council	505 724		2 431	-	1 200	506 955	250 934		31 590	-	1 024	281 500	225 455
Planning and Valuation	85 397		10 773	-	-	96 170	64 331		5 667	-	-	69 998	26 172
Electricity Distribution	612 108 958		18 133 247	-	6 620 810	623 621 395	284 373 640		13 552 258	-	4 682 645	293 243 253	330 378 142
Fire Fighting	5 471 402		230 647	-	81 159	5 620 890	885 351		206 792	-	75 966	1 016 177	4 604 713
Housing	51 405 200		2 325	18 262 527	31 043	69 639 009	4 373 856		1 123 884	-	5 871	5 491 869	64 147 140
Human Resources	45 700		-	-	-	45 700	26 660		3 329	-	-	29 989	15 711
Internal Audit	24 407		-	-	-	24 407	12 344		4 098	-	-	16 442	7 965
IT Services	10 499 720		2 057 398	-	80 456	12 476 662	6 496 242		1 114 939	-	60 357	7 550 824	4 925 838
Libraries	9 819 887		55 503	-	23 415	9 851 975	2 569 492		486 421	-	11 372	3 044 541	6 807 434
Licencing and Traffic Services	3 084 108		138 613	-	280 833	2 941 888	1 907 125		203 150	-	209 803	1 900 472	1 041 416
Multi- Purpose Centre	249 555		11 208	9 381 590	-	9 642 353	41 715		33 949	-	-	75 664	9 566 689
Municipal Property	376 041 792		14 002 825	386 901	2 998 484	387 433 034	219 018 614		3 464 193	1 415 000	133 116	223 764 691	163 668 343
Parks and Recreational Areas	27 656 019		612 085	1 859 972	268 297	29 859 779	6 082 484		572 345	54 080	196 576	6 512 333	23 347 446
Policing and Law Enforcement	4 799 226		2 035 614	-	205 257	6 629 583	1 641 573		502 328	-	190 921	1 952 981	4 676 602
Refuse Removal	80 900 674		7 423 932	95 551	9 857 525	78 562 632	40 236 374		4 922 820	-	7 436 955	37 722 239	40 840 393
Sewerage	707 906 094		41 582	14 454 021	41 963	722 359 734	326 326 882		16 134 374	-	29 102	342 432 154	379 927 580
Sportgrounds	72 876 459		320 000	265 799	-	73 462 258	37 651 126		1 767 173	3 122	-	39 421 421	34 040 837
Supply Chain Management	32 282		1 478	-	-	33 760	15 687		4 435	-	-	20 122	13 638
Streets and Stormwater	1 133 442 499		18 529 873	2 817 909	73 106	1 154 717 175	613 759 111		27 592 930	-	53 641	641 298 400	513 418 775
Swimming Pools	19 223		-	-	-	19 223	16 553		620	-	-	17 173	2 050
Tourism	15 036		-	-	-	15 036	13 563		418	-	-	13 981	1 055
Town and Community Halls	322 982		53 380	-	-	376 362	180 343		26 786	-	-	207 129	169 233
Water Services	853 260 410		9 284 595	1 547 162	3 283 326	860 808 841	456 432 417		14 437 698	-	3 070 497	467 799 618	393 009 223
TOTAL	3 979 604 437	-	73 422 499	49 824 284	25 129 281	4 077 721 939	2 017 841 533	-	86 992 566	1 472 202	17 024 353	2 089 281 948	1 988 439 991

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Appendix D: Segmental Statement of Financial Performance

2019	2019	2019		2020	2020	2020
Restated	Restated	Restated		Actual	Actual	Surplus/
Actual	Actual	Surplus/		Income	Expenditure	(Deficit)
Income	Expenditure	(Deficit)		Income	Expenditure	(Deficit)
R	R	R		R	R	R
633 503	34 393 931	(33 760 428)	Executive and Council	644 652	36 231 844	(35 587 192)
201 252 939	76 399 303	124 853 636	Finance and Administration	225 414 896	85 368 111	140 046 785
3 648 348	12 465 240	(8 816 892)	Planning and Development	4 278 050	13 623 475	(9 345 425)
14 766 837	18 890 275	(4 123 438)	Community and Social Services	13 137 414	20 381 768	(7 244 354)
31 239 510	30 101 965	1 137 545	Housing	37 454 332	13 367 429	24 086 903
28 023 888	48 713 609	(20 689 721)	Public Safety	27 499 902	63 362 765	(35 862 863)
7 435 555	21 560 245	(14 124 690)	Sport and Recreation	2 290 832	22 562 670	(20 271 838)
-	-	-	Environmental Protection	-	-	-
73 913 431	50 047 857	23 865 574	Waste Water Management	74 588 152	52 678 856	21 909 296
44 411 557	36 570 921	7 840 636	Waste Management	47 452 556	42 433 036	5 019 520
18 334 366	71 947 440	(53 613 074)	Road Transport	14 157 063	67 043 130	(52 886 067)
95 860 777	56 706 594	39 154 183	Water	105 186 277	59 418 434	45 767 843
283 799 806	232 382 886	51 416 920	Electricity	322 616 092	269 737 501	52 878 591
803 320 517	690 180 266	113 140 251	Total	874 720 218	746 209 019	128 511 199

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Appendix E: Disclosure of Grants and Subsidies in terms of Section 123 of the MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly expenditure				Grants and Subsidies delayed / withheld				Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act
		September	December	March	June	September	December	March	June	September	December	March	June		
Community Safety: K9 Unit	Provincial Department of Community Safety	-	2 000 000	-	-	-	146 864	787 571	2 462 240	-	-	-	-	None	Yes
Community Development Workers	Provincial Department of Local Government	-	-	74 000	-	3 127	-	-	450	-	-	-	-	None	Yes
Emergency Fire Kits	Provincial Department of Human Settlements	-	-	-	-	1 696	-	-	-	-	-	-	-	None	Yes
Energy Efficiency And Demandside Management		2 000 000	1 000 000	1 000 000	-	-	-	2 909 945	1 090 055	-	-	-	-	None	Yes
Equitable Share	National Department of Cooperative Governance and Traditional Affairs	38 139 000	30 511 000	22 884 000	-	38 139 000	30 511 000	22 884 000	-	-	-	-	-	None	Yes
Extended Public Works Programme	National Department of Public Works	442 000	796 000	530 000	86 605	229 170	206 020	272 063	1 060 747	-	-	-	-	None	Yes
Financial Management Support Grant: Caseware	Provincial Department of Finance	-	-	-	-	-	-	-	-	-	-	-	-	None	Yes
Financial Management Support Grant: SCOA	Provincial Department of Finance	-	330 000	-	-	43 200	86 800	149 842	50 158	-	-	-	-	None	Yes
Financial Management Support Grant: Student Bursaries	Provincial Department of Finance	-	-	379 000	-	9 111	-	122 576	7 464	-	-	-	-	None	Yes
Financial Management Support Grant: Risk Management	Provincial Department of Finance	-	-	-	-	44 862	460	-	-	-	-	-	-	None	Yes
Greenest Municipality	Provincial Department of Environmental Affairs and Development Planning	-	-	140 000	-	-	-	-	140 000	-	-	-	-	None	Yes
Graduate Internship Grant		-	-	-	-	-	-	52 857	8 224	-	-	-	-	None	Yes

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Appendix E: Disclosure of Grants and Subsidies in terms of Section 123 of the MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly expenditure				Grants and Subsidies delayed / withheld				Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act
		September	December	March	June	September	December	March	June	September	December	March	June		
															Yes / No
Housing De Hoop	Provincial Department of Human Settlements	-	2 886 621	-	-	-	-	2 521 443	462 645	-	-	-	-	None	Yes
Housing Phola Park	Provincial Department of Human Settlements	-	-	-	-	-	-	-	-	-	-	-	-	None	Yes
Housing Riebeeck Wes	Provincial Department of Human Settlements	-	-	-	-	-	-	-	-	-	-	-	-	None	Yes
Housing Project: Riebeeck Kasteel	Provincial Department of Human Settlements	-	8 966 603	6 621 296	1 700 000	-	5 769 094	58 995	4 397 355	-	-	-	-	None	Yes
Housing Project Kalbaskraal	Provincial Department of Human Settlements	-	4 641 392	593 861	1 119 353	-	2 863 003	747 607	1 442 385	-	-	-	-	None	Yes
Housing Project Sibanye-Moorreesburg	Provincial Department of Human Settlements	-	1 798 675	6 678 329	-	-	2 697 415	2 767 612	2 961 436	-	-	-	-	None	Yes
Integrated National Electrification Programme	National Department of Energy	2 000 000	3 000 000	-	-	1 439 322	2 412 653	958 037	189 988	-	-	-	-	None	Yes
Library	Provincial Department of Cultural Affairs and Sport	3 202 334	3 202 333	3 202 333	-	1 904 178	2 441 525	2 298 389	2 958 661	-	-	-	-	None	Yes
Local Government Financial Management Grant	National Treasury	1 550 000	-	-	-	273 098	189 426	148 476	939 000	-	-	-	-	None	Yes
Local Government Seta	Local Government Seta	105 611	56 364	104 614	89 283	325 425	30 449	-	-	-	-	-	-	None	Yes
Local Government Support Grant	Provincial Department of Local Government	-	-	-	850 000	-	-	-	850 000	-	-	-	-	None	Yes
Municipal Disaster Relief	National Department of Cooperative Governance and Traditional Affairs	-	-	-	119 000	-	-	-	119 000	-	-	-	-	None	Yes
Municipal Infrastructure Grant	National Department of Cooperative Governance and Traditional Affairs	4 800 000	8 000 000	-	8 501 000	1 878 626	8 899 901	778 355	9 744 118	-	-	-	-	None	Yes

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Appendix E: Disclosure of Grants and Subsidies in terms of Section 123 of the MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly expenditure				Grants and Subsidies delayed / withheld				Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act
		September	December	March	June	September	December	March	June	September	December	March	June		
															Yes / No
Municipal Accreditation And Capacity Building		-	-	-	238 000	-	-	-	224 000					None	Yes
Proclaimed Roads Subsidy	Provincial Department of Transport and Public Works	-	-	6 317 905	-	-	-	4 442 154	1 875 751	-	-	-	-	None	Yes
Purchase of Land: Kalbaskraal	Provincial Department of Housing	-	-	-	-	-	-	-	-	-	-	-	-	None	Yes
Regional Socio - Economic Project (RSEP)	Provincial Department of Environmental Affairs and Development Planning	-	4 000 000	-	-	-	-	161 252	652 457	-	-	-	-	None	Yes
Sondeza	Provincial Department of Local Government	35 841	29 841	29 841	-	-	95 523	-	-	-	-	-	-	None	Yes
Title Restoration: Housing Projects	Provincial Department of Human Settlements	-	-	-	-	-	-	-	1 738	-	-	-	-	None	Yes
Rebuilding Of 4 Damaged		-	-	-	-	-	-	-	-	-	-	-	-	None	Yes
Thusong Centre Refurbishment		-	-	-	-	-	-	-	-	-	-	-	-	None	Yes
Sport Development	Provincial Department of Cultural Affairs and Sport	320 000	-	-	-	-	21 000	269 449	29 551	-	-	-	-	None	Yes
Total		52 594 786	71 218 829	48 555 179	12 703 241	44 290 815	56 371 133	42 330 623	31 667 423	-	-	-	-		