

A unified Cape Winelands of Excellence!

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

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COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD



At the Cape Winelands District Municipality our goal is straight forward: We strive to provide the best in excellent service delivery, hence our vision is to be "A Unified Cape Winelands of Excellence!"

By focusing on the needs of our citizens, we implement programmes and projects that will enhance not only the living conditions of our citizens, but also develop our constituency, foster relationships with all stakeholders and ensure that all structures of the Cape Winelands cooperate in achieving effective, efficient and economically sustainable development.

Our core values are largely shaped by the moral fibre of the administrative and political leadership of our District Municipality and guided by the Batho Pele service delivery principles and the strategic compass provided to us by the Western Cape Provincial Government through its Draft Strategic Plan, which reflects the core values of the Provincial Government.

The following core values reflect the character and organisational culture of the District Municipality:

- Commitment to the development of people;
- Integrity in the performance of our duty;
- Respect for our natural resources;
- Transparency in accounting for our actions;
- Regular consultation with customers on the level of quality of services;
- Higher levels of courtesy and professionalism in the workplace;
- Efficient spending and responsible utilisation of municipal assets; and
- Celebrating diversity.

This model, well executed, is a unique strategy that underlines performance and opportunity to our stakeholders.

The 2012/2013 financial year also signified the successful completion of the organisational redesign structure that the District Municipality embarked on to address its concern about the increasing salary costs. When the project started, the Cape Winelands District Municipality's structure consisted of the Office of the Municipal Manager and six departments. Upon conclusion of the project, our structure is now made up of the Office of the Municipal Manager and three departments. This simply means that we commit ourselves to do more with less! No services or programmes will suffer as a result of this organisational redesign.

Through its special projects programme, the former Rural and Social Development Services Department continued to do wonders for our people. For the first time in the history of not only the Cape Winelands District Municipality, but also in the education arena, all the matriculants that achieved the highest marks at their school were honoured at an event celebrating their outstanding performance.

Aid was provided to the disabled in the form of wheelchairs, hearing and visual aids. Various programmes were offered to educate and develop the youth, women and children who fall under the most vulnerable in our society. The video productions against substance abuse are being used at various government offices and clinics around the district to educate our citizens on the dangers of substance abuse.

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In addressing the electricity shortage problem that South Africa faces, the Department: Infrastructure Development Services installed solar power in houses in rural areas. Together with farmers and other stakeholders, water and sanitation has been brought to some farm schools.

Roads have been upgraded to not only improve it for our communities, but were constructed to improve infrastructure attracting tourists to our wine route. These are only a few accomplishments that I've highlighted. The report will do justice to the rest.

In addressing the need for proper public participation, various new and innovative ideas have been put to the test this past financial year. It was decided to cluster the B-Municipalities and the District IDP meetings together. This proved to be very successful. We've also opened up to social media, we have an active Facebook page, our website is updated and apart from the traditional print media, we have engaged in monthly radio slots where we informed the public on the programmes and projects that the Cape Winelands District Municipality offers.

Achieving this success going forward is wholly dependent on combining the strengths of the Cape Winelands District Municipality and its partnerships. Together we can achieve so much more.

I am very proud to be leading a municipality with a rich service delivery history and a future filled with opportunity. This Annual Report of the Cape Winelands District Municipality is a true reflection of good governance and pure commitment to deliver excellent services to our people.

**EXECUTIVE MAYOR
ALD CA DE BRUYN**

COMPONENT A: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW



The 2012/2013 financial year has indeed been a successful one for the Cape Winelands District Municipality.

In his foreword, the Executive Mayor mentions that the District Municipality embarked on an extensive organisational redesign process in order to address the growing concern regarding the cost of staff salaries.

Without having to compromise any services, the process was concluded and the structure changed from six departments to three departments. This made a significant impact on the budget and the process could not have been done in a more inclusive and sufficient manner. All employees were involved and informed about the organisational redesigning process on a regular basis and feedback was of the utmost importance to the management team.

This Annual Report highlights the District Municipality's service delivery for the 2012/2013 financial year. In responding to the multiple challenges we have faced, we have taken deliberate actions to reduce our costs and work smarter with the resources to our disposal to ensure financial sustainability for the District Municipality.

In the drive to enhance meaningful public participation, the Cape Winelands District Municipality opted to partner with the five B-Municipalities on their IDP meetings. In order to improve communication and feedback from the community, radio talk shows were utilised as well as various social media platforms. This ensures that one gets a broader scope of engagement with the community.

The District Municipality continued to support development programmes from the Seed Funding project, and also provided support to small farmers and for tourism projects. A big focus was placed on the most vulnerable, such as women, children and the youth.

We acknowledge that change is constant and accelerating within the governmental sphere, and we embrace it. We view this as an opportunity to distinguish ourselves to remain one of the top performing municipalities in the country.

I am grateful to the political leadership, administration and our partners who worked so hard over the past year. I look forward to working with them to build on the successes as we continue to make a difference in our community. We now enter a new year of challenges and opportunity with new momentum and clear commitment to create "A Unified Cape Winelands of Excellence!".

**MUNICIPAL MANAGER
MR M MGAJO**

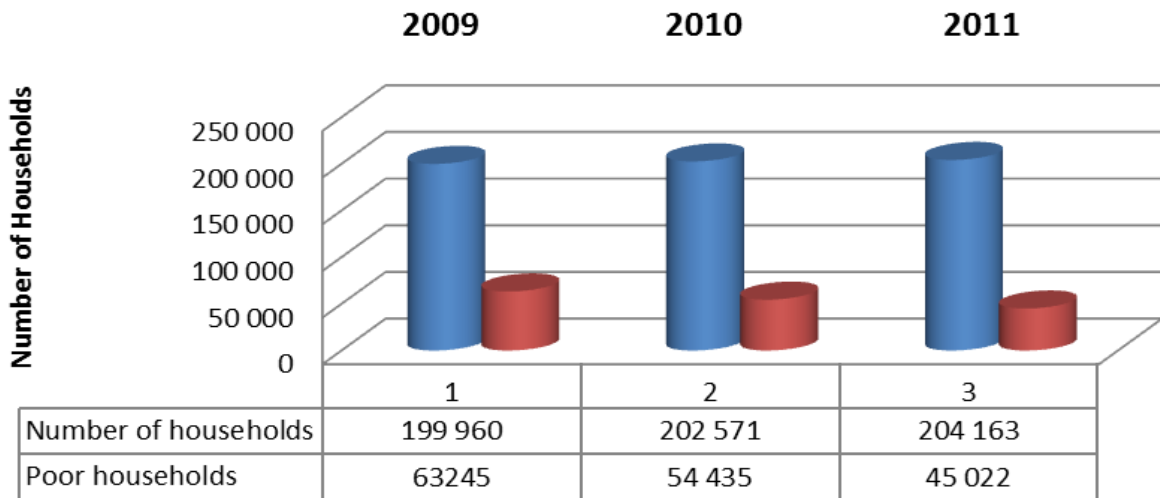
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CHAPTER 1

1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

POPULATION									
Age	Population in '000			Population in '000			Population in '000		
	2009/2010			2010/2011			2012/2013		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0-4	36 415	36 659	73 075	37 098	37 352	74 450	37 708	37 962	75 669
Age: 5-9	32 499	32 884	65 382	33 089	33 553	66 642	33 732	34 248	67 980
Age: 10-14	30 779	30 997	61 776	31 123	31 447	62 570	31 597	32 004	63 601
Age: 15-19	32 945	34 294	67 239	33 037	34 094	67 131	33 106	33 923	67 029
Age: 20-24	37 377	38 974	76 351	37 516	38 981	76 497	37 403	38 599	76 002
Age: 25-29	33 582	33 858	67 440	34 478	34 435	68 913	35 063	34 897	69 961
Age: 30-34	29 556	30 818	60 374	29 850	30 806	60 656	30 315	30 917	61 231
Age: 35-39	28 106	29 038	57 143	28 379	29 548	57 927	28 593	29 987	58 580
Age: 40-44	26 185	26 805	52 990	26 983	27 479	54 462	27 671	28 139	55 810
Age: 45-49	22 049	23 065	45 114	22 776	23 736	46 512	23 423	24 329	47 751
Age: 50-54	16 981	18 488	35 469	17 644	19 381	37 025	18 290	20 188	38 478
Age: 55-59	13 166	14 385	27 551	13 659	14 977	28 636	14 177	15 613	29 790
Age: 60-64	9 899	10 881	20 781	10 301	11 371	21 671	10 677	11 847	22 524
Age: 65-69	7 238	8 334	15 572	7 413	8 593	16 006	7 591	8 888	16 479
Age: 70-74	4 914	6 326	11 240	5 015	6 564	11 579	5 121	6 791	11 912
Age: 75+	5 209	7 561	12 770	5 446	7 915	13 362	5 664	8 278	13 942
Total	366 901	383 367	750 267	373 807	390 232	764 039	380 131	396 609	776 740
Source: IHS Global Insight Regional Explorer									T1.2.2

Households

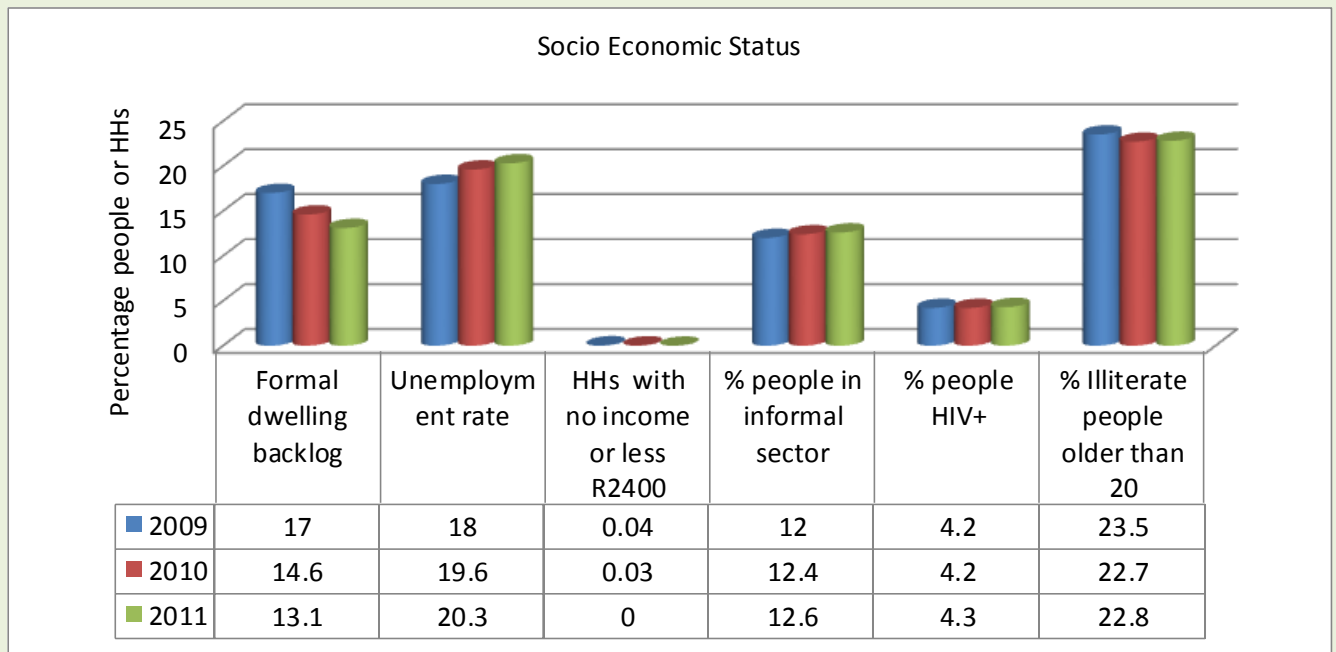


T1.2.3

SOCIO-ECONOMIC STATUS						
Year	Formal dwelling backlog: % of HHs not living in formal dwelling	Unemployment rate	Proportion of HHs with no income to R2400	% of people working in informal sector	% of population HIV+	% of illiterate people older than 20+
2009/2010	17.0%	18.0%	0.04%	12.0%	4.2%	23.5%
2010/2011	14.6%	19.6%	0.03%	12.4%	4.2%	22.7%
2012/2013	13.1%	20.3%	0.00%	12.6%	4.3%	22.8%

Source: IHS Global Insight Regional Explorer T1.2.4

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T 1.2.5

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POPULATION											
	Formal residential	Informal residential	Traditional residential	Farms	Parks and recreation	Collective living quarters	Industrial	Small holdings	Vacant	Commercial	Total
DC2: Cape Winelands	508404	39786	0	194809	241	19668	2075	14196	1364	6947	787490
WC022: Witzenberg	54196	5747	0	53607	15	484	689	295	290	623	115946
Witzenberg NU	0	0	0	52200	0	0	0	0	0	0	52200
Op-die-berg	1531	0	0	0	0	0	0	0	0	0	1531
Meulstroom	0	0	0	1084	0	0	0	0	0	0	1084
Tulbagh	7526	1235	0	0	0	0	0	0	0	207	8969
Prince Alfred Hamlet	5614	736	0	324	0	0	136	0	0	0	6810
Bella Vista	13304	0	0	0	0	0	156	0	0	0	13460
Ceres	8938	0	0	0	15	227	397	295	215	326	10413
eNduli	6091	3003	0	0	0	257	0	0	0	0	9351
Wolseley	1438	0	0	0	0	0	0	0	0	90	1528
Pine Valley	3493	773	0	0	0	0	0	0	75	0	4340
Montana	6262	0	0	0	0	0	0	0	0	0	6262
WC023: Drakenstein	194768	6440	0	36648	226	5596	762	5673	103	1046	251262
Saron	7843	0	0	0	0	0	0	0	0	0	7843
Drakenstein NU	123	0	0	36648	71	0	0	154	0	0	36995
Gouda	3425	0	0	0	0	0	0	0	16	0	3441
Onverwacht	396	0	0	0	0	434	0	0	0	0	830
Wellington	51224	1622	0	0	0	776	389	1323	25	184	55543
Diemersfontein	0	0	0	0	0	0	0	84	0	0	84
Mbekweni	28893	1982	0	0	0	0	0	0	0	0	30875
Paarl	101138	2837	0	0	155	4386	373	2232	62	862	112045
Val De Vie	303	0	0	0	0	0	0	0	0	0	303
Water-Vliet	476	0	0	0	0	0	0	0	0	0	476
Victor Verster	947	0	0	0	0	0	0	1880	0	0	2827

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POPULATION											
	Formal residential	Informal residential	Traditional residential	Farms	Parks and recreation	Collective living quarters	Industrial	Small holdings	Vacant	Commercial	Total
WC024: Stellenbosch	94281	19155	0	28342	0	4108	108	7931	179	1629	155733
Klapmuts	6717	664	0	0	0	0	0	0	83	238	7703
Stellenbosch NU	0	0	0	28342	0	0	0	7228	0	0	35570
Elsenburg	564	0	0	0	0	0	0	0	0	180	744
De Hollandsche	192	0	0	0	0	0	0	0	0	0	192
Koelenhof	302	0	0	0	0	0	0	0	0	0	302
Pniel	1975	0	0	0	0	0	0	0	0	0	1975
Franschhoek	12963	4434	0	0	0	0	0	0	0	159	17556
Languedoc	4289	0	0	0	0	0	0	0	0	0	4289
Wiesiesdraai	1727	0	0	0	0	0	0	0	0	0	1727
Welgevonden	2138	0	0	0	0	0	0	0	0	355	2493
Cloetesville	15390	0	0	0	0	0	0	0	0	0	15390
Khayamandi	10588	14056	0	0	0	0	0	0	0	0	24645
Pappegaaï	0	0	0	0	0	0	0	0	0	0	0
La Colline	1379	0	0	0	0	118	0	0	0	0	1497
Tenantville	563	0	0	0	0	0	0	0	0	0	563
Kylemore	4328	0	0	0	0	0	0	0	0	0	4328
Idasvallei	8762	0	0	0	0	0	0	0	0	0	8762
Stellenbosch	14589	0	0	0	0	3990	-	0	7	482	19068
Onder Papegaaiberg	1415	0	0	0	0	0	0	0	89	0	1504
Devon Valley	0	0	0	0	0	0	0	0	0	215	215
Robertsvei	9	0	0	0	0	0	0	0	0	0	9
Dalsig	1234	0	0	0	0	0	0	0	0	0	1234
Kleingeluk	226	0	0	0	0	0	0	0	0	0	226
Paradyskloof	1614	0	0	0	0	0	0	0	0	0	1614

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POPULATION											
	Formal residential	Informal residential	Traditional residential	Farms	Parks and recreation	Collective living quarters	Industrial	Small holdings	Vacant	Commercial	Total
Brandwacht	265	0	0	0	0	0	0	0	0	0	265
Jamestown	2136	0	0	0	0	0	0	703	0	0	2840
Lynedoch	0	0	0	0	0	0	108	0	0	0	108
Raithby	908	0	0	0	0	0	0	0	0	0	908
Stellenbosch Rural	5	0	0	0	0	0	0	0	0	0	5
WC025: Breede Valley	100990	6849	0	46186	0	8671	299	53	400	3377	166825
Touwsrivier	8016	0	0	0	0	0	34	53	23	0	8126
Breede Valley NU	0	0	0	46075	0	0	0	0	0	0	46075
De Doorns	10476	0	0	107	0	0	0	0	0	0	10583
Hassie Square	0	522	0	0	0	0	0	0	0	0	522
Ekupumeleni	0	173	0	0	0	0	0	0	0	0	173
Zweletemba	14260	3912	0	0	0	0	0	0	0	0	18172
Worcester	65375	2243	0	0	0	7500	265	0	377	3146	78906
Rawsonville	2864	0	0	4	0	0	0	0	0	231	3099
Brandvlei	0	0	0	0	0	1171	0	0	0	0	1171
WC026: Langeberg	64169	1595	0	30026	0	809	217	244	392	272	97724
Montagu	14019	385	0	0	0	363	92	0	317	0	15176
Langeberg NU	0	0	0	29292	0	0	0	0	0	0	29292
Robertson	21285	0	0	0	0	446	8	0	22	168	21929
Nkqubela	5786	0	0	0	0	0	0	0	0	0	5786
Zolani	5598	0	0	0	0	0	0	0	0	0	5598
Ashton	6876	0	0	734	0	0	117	0	0	0	7727
Bonnievale	8052	643	0	0	0	0	0	244	49	104	9092
Mcgregor	2553	567	0	0	0	0	0	0	4	0	3125

Statistics South Africa; Descriptive_Sub_Place; Geography by Enumeration area type for Person weighted

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HOUSEHOLDS											
	Formal residential	Informal residential	Traditional residential	Farms	Parks and recreation	Collective living quarters	Industrial	Small holdings	Vacant	Commercial	Total
DC2: Cape Winelands	131546	14154	0	44150	66	2683	524	2729	330	2083	198265
WC022: Witzenberg	13329	2004	0	11544	4	68	147	62	62	198	27419
Witzenberg NU	0	0	0	11278	0	0	0	0	0	0	11278
Op-die-berg	296	0	0	0	0	0	0	0	0	0	296
Meulstroom	0	0	0	181	0	0	0	0	0	0	181
Tulbagh	1834	489	0	0	0	0	0	0	0	91	2413
Prince Alfred Hamlet	1355	37	0	86	0	0	33	0	0	0	1511
Bella Vista	2724	0	0	0	0	0	29	0	0	0	2753
Ceres	2431	0	0	0	4	46	85	62	44	77	2749
eNduli	1866	1101	0	0	0	22	0	0	0	0	2989
Wolseley	488	0	0	0	0	0	0	0	0	30	518
Pine Valley	946	378	0	0	0	0	0	0	18	0	1342
Montana	1388	0	0	0	0	0	0	0	0	0	1388
WC023: Drakenstein	48062	1614	0	7894	62	871	203	689	24	356	59774
Saron	1913	0	0	0	0	0	0	0	0	0	1913
Drakenstein NU	42	0	0	7894	17	0	0	25	0	0	7978
Gouda	825	0	0	0	0	0	0	0	4	0	829
Onverwacht	134	0	0	0	0	24	0	0	0	0	158
Wellington	12137	47	0	0	0	68	129	337	7	87	12812
Diemersfontein	0	0	0	0	0	0	0	26	0	0	26
Mbekweni	7484	855	0	0	0	0	0	0	0	0	8339
Paarl	25059	712	0	0	45	779	74	301	13	269	27252
Val De Vie	95	0	0	0	0	0	0	0	0	0	95
Water-Vliet	150	0	0	0	0	0	0	0	0	0	150
Victor Verster	223	0	0	0	0	0	0	0	0	0	223

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HOUSEHOLDS											
	Formal residential	Informal residential	Traditional residential	Farms	Parks and recreation	Collective living quarters	Industrial	Small holdings	Vacant	Commercial	Total
WC024: Stellenbosch	26735	7657	0	6384	0	115	23	1900	41	566	43420
Klapmuts	1586	288	0	0	0	0	0	0	17	67	1958
Stellenbosch NU	0	0	0	6384	0	0	0	1749	0	0	8133
Elsenburg	112	0	0	0	0	0	0	0	0	32	145
De Hollandsche	89	0	0	0	0	0	0	0	0	0	89
Koelenhof	70	0	0	0	0	0	0	0	0	0	70
Pniel	497	0	0	0	0	0	0	0	0	0	497
Franschhoek	3491	2040	0	0	0	0	0	0	0	55	5586
Languedoc	946	0	0	0	0	0	0	0	0	0	946
Wiesiesdraai	429	0	0	0	0	0	0	0	0	0	429
Welgevonden	882	0	0	0	0	0	0	0	0	189	1071
Cloetesville	3204	0	0	0	0	0	0	0	0	0	3204
Khayamandi	3240	5329	0	0	0	0	0	0	0	0	8568
Papegaaï	0	0	0	0	0	0	0	0	0	0	0
La Colline	452	0	0	0	0	53	0	0	0	0	505
Tenantville	125	0	0	0	0	0	0	0	0	0	125
Kylemore	994	0	0	0	0	0	0	0	0	0	994
Idasvallei	2127	0	0	0	0	0	0	0	0	0	2127
Stellenbosch	6133	0	0	0	0	62	0	0	0	186	6382
Onder Papegaaiberg	460	0	0	0	0	0	0	0	23	0	483
Devon Valley	0	0	0	0	0	0	0	0	0	37	37
Robertsvlei	3	0	0	0	0	0	0	0	0	0	3
Dalsig	436	0	0	0	0	0	0	0	0	0	436
Kleingeluk	107	0	0	0	0	0	0	0	0	0	107
Paradyskloof	594	0	0	0	0	0	0	0	0	0	594

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HOUSEHOLDS											
	Formal residential	Informal residential	Traditional residential	Farms	Parks and recreation	Collective living quarters	Industrial	Small holdings	Vacant	Commercial	Total
Brandwacht	91	0	0	0	0	0	0	0	0	0	91
Jamestown	451	0	0	0	0	0	0	151	0	0	602
Lynedoch	0	0	0	0	0	0	23	0	0	0	23
Raithby	217	0	0	0	0	0	0	0	0	0	217
Stellenbosch Rural	3	0	0	0	0	0	0	0	0	0	0
WC025: Breede Valley	26365	2525	0	10946	0	1615	84	16	95	882	42527
Touwsrivier	1869	0	0	0	0	0	7	16	12	0	1904
Breede Valley NU	0	0	0	10921	0	0	0	0	0	0	10921
De Doorns	3040	0	0	22	0	0	0	0	0	0	3062
Hassie Square	0	170	0	0	0	0	0	0	0	0	170
Ekupumeleni	0	71	0	0	0	0	0	0	0	0	71
Zweletemba	4222	1528	0	0	0	0	0	0	0	0	5750
Worcester	16531	756	0	0	0	1416	77	0	83	819	19682
Rawsonville	704	0	0	3	0	0	0	0	0	63	770
Brandvlei	0	0	0	0	0	199	0	0	0	0	199
WC026: Langeberg	17056	353	0	7382	0	14	67	63	108	81	25125
Montagu	3771	137	0	0	0	6	21	0	94	0	4029
Langeberg NU	0	0	0	7183	0	0	0	0	0	0	7183
Robertson	5614	0	0	0	0	8	3	0	3	48	5676
Nkqubela	1849	0	0	0	0	0	0	0	0	0	1849
Zolani	1580	0	0	0	0	0	0	0	0	0	1580
Ashton	1535	0	0	199	0	0	43	0	0	0	1777
Bonnievale	2061	210	0	0	0	0	0	63	10	33	2376
Mcgregor	647	6	0	0	0	0	0	0	0	0	654

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1.2. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Cape Winelands District Municipality has contributed towards the installation of 425 solar warm water systems to farm workers' cottages within our jurisdiction area. Water purification systems were installed at three rural schools to provide clean, drinkable water.



COMMENT ON ACCESS TO BASIC SERVICES

Shortfalls with regard to service delivery seems to be the provision of solar warm water systems to farm workers as ESKOM's rebate scheme now focuses more on urban areas than on rural areas. Water and sanitation infrastructure shortages still exist at rural schools as these schools get bigger with the addition of Grade R classes and the closure of smaller schools.

1.3. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW – 2012/2013			
R' 000			
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	300 533	297 636	279 242
Taxes, levies and tariffs	160	160	288
Other	26 936	30 092	28 638
Sub-total	327 629	327 888	308 168
Less Expenditure	333 160	326 705	284 593
Net Total*	(5 532)	1 183	23 575
			T1.4.2

Operating Ratios	
Detail	%
Employee Cost	59%
Repairs & Maintenance	2%
Finance Charges & Depreciation	3%
T1.4.3	

ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE



ORGANISATIONAL DESIGN PROJECT

The Cape Winelands District Municipality (CWDM) has been concerned about its increasing salary costs as a percentage of its overall budget since 2010. The District's primary source of funding is the grant it receives from National Treasury, however, in recent years this funding has increased by only three percent whilst salary increases have exceeded this. As a result of prudent financial management, the CWDM is not struggling financially, however, to promote long-term sustainability it is important for the District to contain costs and staff salaries. In recent years, the District Municipality's salary bill peaked at 49 percent of its overall budget, a concerning development.

It was these contexts that lead the CWDM to seek assistance from the Department of Local Government of the Western Cape Government, for the implementation of an Organisational Design Process. Preparation for this project began late in 2011 and in February 2012, People and Performance CC and Associates were appointed by the Department of Local Government to facilitate an Organisational Design Process for the CWDM. While funding for the project has been provided by the Department of Local Government, it has been understood that the client was primarily the CWDM, specifically the Executive Mayor and the Municipal Manager.

The project goal was the delivery of *"A cost-effective, high-performance Cape Winelands District Municipality, which complies with statutory requirements, Provincial Strategic Objectives and meets the developmental needs of District stakeholders."*

The first key deliverable of the OD Project was the development of the macro structure. When this project began, CWDM's macro structure was comprised of the Municipal Manager and six Executive Directors. After extensive consultation, the District Council approved a four department structure on 25 April 2012 consisting of the Office of the Municipal Manager and the following four departments:

- Infrastructure Development Services;
- Financial Services;
- Strategic Support Services; and
- Community Development and Planning Services.

This structure achieves a notable level of savings in the salary budget, whilst maintaining and avoiding disruption of service delivery objectives. At the same time, it contributes to organisational cost-effectiveness and affirms a strategic focus on the core functions of the District Municipality and provides optimal opportunity to refocus departmental management on developmental coordination needs, with minimal risk of disruption to morale and service functionality. Following Council's approval of the macro structure, work began on the development of the micro structure.

The development of the micro structure was undertaken in a consultative manner; briefing sessions were held with Labour and their input has informed the development of departmental structures. This process was led

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by the Municipal Manager, ensuring that the overall strategic integrity of the project was maintained.

Taking into account National Treasury's confirmation that its budget was likely to increase by 3% during the 2013/2014 financial year, the Mayoral Committee on 20 September 2012 presented a revised three departmental macro structure consisting of the Office of the Municipal Manager (inclusive of Strategic Support Services) and the following three departments:

- Infrastructure Development Services;
- Financial Services; and
- Community Development and Planning Services.

CWDM Council approved the final structure on 27 September 2012, which would result in increased savings on salaries and hence sustainability.

The Organisational Review and Design Project that was undertaken within the Cape Winelands District Municipality has forced the CWDM to look internally at how the District Municipality can utilise scarce resources to achieve its vision, mission and goals and to ensure that current capacity and skills are aligned to the functional responsibilities of the District Municipality in an affordable manner and within the applicable legislative framework.

One of the major successes of the project was the assurance granted to employees at an early stage that no employee's position will be at stake, and that despite the challenges of such a project, the posts of all employees will be secured in the new organisational structure, and that the CWDM will rather follow a phased-in approach to achieve its goals. This approach has ensured continued commitment from employees. Continued consultation and participation of all stakeholders involved in the project have improved not only the confidence, but also the morale of Council, management, employees and labour unions.

During this process the CWDM came up with a flatter structure with less senior managers and departments focusing on the core functions and coordination and strategic role of a District Municipality, not only to affect savings on the salary budget, but also to ensure that communication and interaction to enhance service delivery would occur more smoothly across departments. With the development of a new macro structure, the Cape Winelands District Municipality has streamlined reporting lines from six to three senior managers. The development of the micro structure has resulted in the combination of similar functions into one post, for example Risk and Performance Management and Labour Relations and Legal Services. Political support staff has also considerably been reduced. As part of the phased-in approach, a management plan was developed in terms of which future vacancies will be phased out. The number of approved posts on the organogram were reduced from 584 to 568 and the total savings on the salary budget amounted to R2,406,962.

AUDITOR-GENERAL REPORT: YEAR 2012/2013

Unqualified opinion with 'other matters'. Audit action plans were put in place to address other matters. A Clean Audit Task Team was established to monitor progress and to implement steps to rectify shortcomings.

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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.	July 2012 – August 2012
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	Submit draft 2012/2013 Annual Report to Internal Audit and Auditor-General.	
5	Municipal entities submit draft annual reports to MM (na).	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant).	August 2012
8	Mayor tables the unaudited Annual Report.	
9	Municipality submits draft Annual Report including consolidated Annual Financial Statements and performance report to Auditor-General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.	
11	Auditor-General audits Annual Report including consolidated Annual Financial Statements and performance data.	September 2012 – November 2012
12	Municipalities receive and start to address the Auditor-General's comments.	October 2012
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.	– November 2012
14	Audited Annual Report is made public and representation is invited.	January 2013
15	Oversight Committee assesses Annual Report.	
16	Council adopts Oversight Report.	
17	Oversight report is made public.	
18	Oversight report is submitted to relevant provincial councils.	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	February 2013

COMMENT ON THE ANNUAL REPORT PROCESS

The 2012/2013 Annual Report was prepared in the new format, where possible. However, many problems occurred as the majority of the templates were designed for the use of local municipalities. The templates in the WORD document is not live and not linked to the spreadsheets provided.

The District Municipality complies fully to the alignment between the Integrated Development Plan, the Service Delivery and Budget Implementation Plan, Performance Management System and the Annual Report because of the duplication of templates and information (aligned) throughout all the documents.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Strong political leadership and sound intergovernmental relations ensure sound administrative governance at the Cape Winelands District Municipality and heads of public accountability that ensures participation by all role-players in the District.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Administrative governance is strengthened by strong political leadership and policy formulating in the Cape Winelands District Municipality.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Cape Winelands District Municipality ensures that all political parties are represented in the various committees of Council. This ensures political buy-in and that recommendations/resolutions are of a high standard.

(1) Section 79 Committees of the Cape Winelands District Municipality consist of the following:

- Rules Committee; and
- Municipal Public Accounts Committee.

The main focus of Section 79 Committees is to ensure effective and efficient performance of any of its functions or the exercise of any of its powers.

The Municipal Council determines the functions of a Section 79 Committee and has delegated duties and powers to it. Council appoints the Chairperson.

(2) Section 80 Committees of the Cape Winelands District Municipality consist of the following:

- Financial and Corporate Services Committee;
- Economic Growth and Infrastructure Services Committee; and
- Social and Community Development Services Committee.

The main function of Section 80 Committees is to assist the Executive Mayor and to represent the various departments of the Cape Winelands District Municipality, as well as the functions of the Integrated Development Plan (IDP).

The Executive Mayor appoints the Chairperson of such Committees from his/her Executive Committee and may delegate any powers/duties to them. Section 80 Committees must report to the Executive Mayor.

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The following Statutory Committees have been established by the Cape Winelands District Municipality as required by legislation:

- Training Committee; and
- Local Labour Forum.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts Committee (MPAC) of the Cape Winelands District Municipality is established in terms of Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998). For ethical reasons and good governance, the Chairperson is appointed from the membership of the political parties represented in die Cape Winelands District Municipality, other than the majority party.

The Municipal Public Accounts Committee (MPAC) considers various matters as contained in Appendix “B” of the Annual Report and is considered essential to the running and sound political governance of the Cape Winelands District Municipality.

AUDIT COMMITTEE

Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), states “that each municipality and each municipal entity must have an Audit Committee” and Section 166(4)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) states that “an audit committee must consist of at least three persons with appropriate experience”. The Audit Committee of the Cape Winelands District Municipality is an independent advisory body and currently consists of four members that have been appointed by Council. With reference to the Cape Winelands District Municipality Audit Charter, the Audit Committee assists the Council by providing inputs to ensure effective systems that complement service delivery, the safeguarding of municipal assets, the maintenance of financial records, risk management, corporate governance and an effective internal control system. The Audit Committee also investigates matters within the scope of the Committee’s duties, if referred to by Council.

Furthermore, the Audit Committee provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

POLITICAL STRUCTURE



**Ald CA de Bruyn
Executive Mayor**



**Cllr HM Jansen
Deputy Executive Mayor**



**Cllr C Meyer
Speaker**



**Cllr G Stalmeester
Chief Whip**



**Cllr (Dr) H von Schlicht
Corporate & Human
Resource
Management and
Rural Development**



**Ald (Dr) NE Kahlberg
Financial Services**



**Cllr LX Mdemka
Social Development /
Youth / Disabled**



**Cllr GJ Carinus
Engineering &
Infrastructure
Services**



**Cllr RB Arnolds
Special
Programmes**



**Cllr JRF Torr
Technical & Community and
Development Services**



**Cllr JJ Du Plessis
Tourism & Planning Services
and Local Economic
Development**

T 2.1.1

COUNCILLORS

Total Number of Councillors:	40
Directly elected Councillors:	24
Proportionally elected Councillors:	16

Attached as Appendix A is a full list of Councillors.

Attached as Appendix B is a list of committees and committee purposes.

POLITICAL DECISION-TAKING

Number of Council resolutions:	281 (All resolutions implemented.)
Number of Mayoral Committee resolutions:	Ordinary meeting – 168
Number of Mayoral Committee resolutions:	Confidential meeting - 16
Number of Mayoral Committee resolutions not tabled before council:	None

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager, as the Accounting Officer of the municipality as well as the head of the administration, primarily serves as chief custodian of service delivery and ensures the implementation of political priorities. During the 2012/2013 financial year, the Municipal Manager provided strategic and management leadership in various fields and projects and ensured the prompt execution of all Mayoral and Council resolutions via the Collaborator Electronic Document Management System.

Good governance has eight major characteristics. It is participatory, consensus orientated, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

The Municipal Manager identified the following focus areas, namely:

- Basic service delivery that covers, inter alia, the effective management and maintenance of the infrastructure of the District Municipality;
- Social upliftment and economic development as well as establishing an environment that is conducive to local economic development and the development of projects and strategies;
- The optimisation of financial resources through efficient financial management;
- Good governance that includes community participation, effective communication and sound municipal administration; and
- Establishment of a safe community through efficient disaster management, fire services and environmental health.

Community participation in municipal decision-making is of utmost importance and the Municipal Manager encouraged and created conditions for the local community to participate in the affairs of the District Municipality through IDP forums and meetings. During the 2012/2013 financial year, the macro structure was reviewed and all Section 56 positions were filled. This has created a stable platform of management expertise which guides the District Municipality into a prosperous future. Interaction as well as the ability to work with Section 56 appointees as an efficient management team provided professional leadership, proving once again that the District Municipality's human resources are our greatest asset. Interaction with the Executive Mayor and Portfolio Councillors has resulted in an effective governing body providing sound political leadership, which is essential for successful local governance.

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The Municipal Manager had also developed a culture of municipal governance that complements formal representative government with a system of participatory governance, as such participation is required in terms of:

- The preparation, implementation and review of the IDP;
- The establishment, implementation and review of the Performance Management System;
- The monitoring and review of performance, including the outcomes and impact of such performance; and
- The preparation of the municipal budget.

In terms of Section 83(1)(c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) the Municipal Manager has implemented effective bidding structures to minimise the possibility of fraud and corruption and in terms of Section 112(1)(m)(i) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the Municipal Manager has identified supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Furthermore, in terms of Section 115(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the Municipal Manager, as the accounting officer, has taken steps to ensure mechanisms and separation of duties in the supply chain management system to minimise the likelihood of corruption and fraud.

The Municipal Manager has also in terms of Section 165(2) (a) and (b) (iv) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), ensured effective operation of the Internal Audit Unit. The said Internal Audit Unit has prepared a risk-based audit plan and an internal audit programme for the financial year and has advised the Municipal Manager as the accounting officer on the implementation of the internal audit plan and matters relating to internal audit, internal controls, accounting procedures and practices, risk management, performance management and compliance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), and any other applicable legislation. As local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community and as statutory enactments all require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities, the Municipal Manager ensures that the District Municipality's website serves as a tool for community communication. Furthermore, Section 75 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) requires that municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

In terms of Section 83(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the Municipal Manager as the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). In view of the aforementioned, the Municipal Manager has ensured that the necessary training has been arranged for the officials of the District Municipality in order to meet the competency levels prescribed in the Regulations.

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as well as the Local Government: Municipal Planning and Performance Management Regulations, 2001 require municipalities to adopt a performance management system. Once the IDP and budget were prepared and approved, the Municipal Manager ensured that the District Municipality had prepared their Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and MFMA Circular 13. The SDBIP indicates monthly performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The District Municipality has assessed its performance on a monthly basis and reported progress on performance against set targets to Council quarterly and ultimately presents the annual performance results in this Annual Report.

TOP ADMINISTRATIVE STRUCTURE



Municipal Manager:
Mr M Mgajo



Executive Director:
**Community Development
and Planning Services**
Mr CV Schroeder



Executive Director:
**Infrastructure
Development
Services**
Mr F van Eck



**Chief Financial Officer
Financial Services**
Ms FA du Raan-Groenewald

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Good co-operative governance and intergovernmental relations is important to the Cape Winelands District Municipality as a sphere of government, due to the fact that the District Municipality is often the first, or even only, sphere of government that citizens interact with on a regular basis, with specific reference to the rural area.

Public confidence in the Cape Winelands District Municipality can only be assured by operating according to the requirements and spirit of co-operative governance and intergovernmental relations. The District Municipality has the responsibility to govern its region, taking into account the abovementioned components to create an open society for all.

Intergovernmental relations give effect to good governance according to democratic principles and also provide a platform for effective public participation in the region.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Cape Winelands District Municipality actively participates in national intergovernmental structures and takes part in the agenda setting process.

In this regard there is both direct and indirect engagement on a political and senior management level with regard to the following structures:

President's Coordinating Council, National Municipal Managers' Forum, National IDP Managers' Forum, National LED Managers' Forum, the various SALGA National Working Groups, the National Public Participation Task Team and others.

Through this process and engagements, topics directly linked to the District Municipality and local municipalities in its area of jurisdiction are elevated to a national level, which ensures greater coordination.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Cape Winelands District Municipality actively participates in all provincial intergovernmental structures and is committed to the agenda setting process.

In this regard there is direct engagement on a political and senior management level with regard to the following provincial structures:

Premiers Coordinating Forum and Technical Committee, Western Cape Municipal Managers' Forum, the Chief Financial Officers' Forum, Provincial IDP Managers' Forum, Provincial LED Managers' Forum, the various SALGA Provincial Working Groups, the Provincial Public Participation Forum and others.

Through this process, all agenda settings and engagement matters relating to the Cape Winelands District Municipality and local municipalities in its area of jurisdiction are elevated to a provincial level. This ensures that matters are addressed at this level and more extensive coordination is ensured.

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RELATIONSHIPS WITH MUNICIPAL ENTITIES

No municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Sound district intergovernmental structures are imperative to the Cape Winelands District Municipality and are driven by the District IDP focusing on common goals for the district in collaboration with local municipalities within the area of jurisdiction of the Cape Winelands District Municipality.

These common goals form part of the provincial and national KPI's and go hand in hand with the National Development Plan. The following forums are operational at a district level:

District Coordinating Forum and Technical Committee (Municipal Managers' Forum), IDP Coordinating Committee, Multi-Sectoral Forum, District Safety Forum, Disaster Management Advisory Forum, IDP LED Managers' Forum incorporating public participation, District Internal Auditors' Forum and others.

The sound cooperation and intergovernmental relations at a district level is maintained and strengthened through lateral engagements on a regular basis between the District Municipality and local municipalities within the area of jurisdiction of the District Municipality.

The benefits of sound intergovernmental relations at a district level ensure that problems are resolved to ensure a cost-effective service to the community and benefiting the region as a whole.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Workshops on participatory democracy (integrated development planning and capacity building) were conducted district wide, targeting 360 participants through 12 workshops. The objective of the workshops was to ensure that all the stakeholders are capacitated to the extent that their bargaining power during integrated development planning (IDP) and budget processes are significantly broadened. A workshop of this nature was also conducted by the Department of Local Government for employees and Councillors of the Cape Winelands District Municipality.

PUBLIC ACCOUNTABILITY AND PARTICIPATION

Many public consultation meetings were conducted by the Cape Winelands District Municipality (CWDM). Most of the meetings were conducted in consultation with local municipalities within the district (Illustrated in T2.4.3).

The idea of the CWDM sharing a platform with the local municipalities went well as inputs were coordinated in a simple manner and incorporated for the strategic planning process. Some sector departments attended the meetings and captured the inputs, while other inputs were forwarded to the relevant sector departments.



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PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Various public engagements take place district-wide. To avoid duplication, the District Municipality opted to conduct some engagements in collaboration with the local municipalities. Open public consultation meetings were held and in some cases the stakeholders were grouped according to the sectors they represent. Community meetings were conducted in the evenings and meetings with some organisations and business sectors were conducted during the day. The public participation and communication officials serve on the Provincial and District Public Participation and Communicators Forum, where experience and challenges are shared to improve public participation and communication in the district.

The workshops on participatory democracy assist in improving efficiency and effectiveness, as the CWDM currently meets with informed stakeholders. Different methods are used to communicate with our stakeholders, who include the website publishing of the calendar of activities, roadmap and strategic management framework, which contain activities that will be taking place for the whole year. Public notices and radio talk shows are also utilised as a means of communication.

WARD COMMITTEES

The CWDM does not operate Ward Committees; they are a function of the local municipalities within the district. These committees do however provide valuable support in terms of organising sectors, assisting with mobilisation for public engagements and as they know the communities better, a vast amount of information are obtained from them.

PUBLIC MEETINGS						
Nature of the meeting	Date of the event	Number of participating Councillors	Number of participating municipal administrators	Number of participating community members	Issues addressed (Yes /No)	Date and manner of feedback to community
Sectors in Witzenberg	17/10/2012	2	3	98	Yes	
Sectors in Drakenstein	29/09/2012	0	5	90	Yes	
In Stellenbosch Green Economy	29/10/2012	1	2	28	Yes	
Dignified Living	30/10/2012	2	4	49	Yes	
A Safe Town	31/10/2012				Yes	
Preferred destination for business & tourism	01/11/2012				Yes	
Cape Winelands District Municipality IDP/Budget Hearing	11 /04/2013	13	22	233	Yes	Same day and some through correspondence
T 2.4.1						

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COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The Cape Winelands District Municipality, during its IDP analysis phase, received a substantial number of verbal inputs during public participation meetings and quite a number of written submissions. These issues were circulated internally to Executive Directors for input and were presented to the Mayoral Committee and Council for consideration.

After the draft IDP and Budget were approved by the Council of the Cape Winelands District Municipality, the comments provided by stakeholders during the compulsory consultative phase, including an IDP/Budget Hearing were considered by the Executive Mayor as prescribed by the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarterly aligned reports submitted within stipulated timeframes?	Yes
T 2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Through corporate governance the Cape Winelands District Municipality converges funds and relationships with various stakeholders to determine its mission and vision and to optimise resources to promote accountability and cost-effective services to the public.

In view of the fact that corporate governance determines the success or failure of a municipality, the Cape Winelands District Municipality closely monitors its business principles through policy guidelines, risk management and political oversight to ensure compliance and with a view to obtain a clean audit.

2.6 RISK MANAGEMENT

In recognising the need for a more coherent and consistent approach to risk management, the CWDM started developing a formal Enterprise Risk Management (ERM) framework in 2009/2010 and reviewed it in 2013. The ERM framework aims to ensure that risks that could impede the achievement of objectives are managed better and mitigated earlier, thereby improving the District Municipality's ability to carry out its mission and achieve its goals. The CWDM's Risk Committee consists of the Executive Directors.

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The Chairperson of the Risk Committee is the Municipal Manager, and other standing invitees to the Risk Committee are the Chief Audit Executive and the Chief Risk Officer. The Risk Management Committee (RMC) is guided by a charter which is in compliance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). In the period under review, the Risk Management Committee performed its mandated duties, which included the following:

- Receiving feedback on progress with the risk registers at a strategic and operational level;
- Giving feedback on establishing a common understanding of Risk Management;
- Monitoring progress with the updating of risk registers;
- Review and monitor ERM processes and outputs regularly;
- Review the Risk Management Policy;
- Review the Risk Management Strategy and Framework;
- Review the Risk Management Implementation Plan;
- Guide the development and implementation of ERM; and
- Brings serious risks to the senior manager's attention, which contributes to a more informed decision-making process.

The Risk Management Committee met three times during the 2012/2013 financial year. It has a rolling work plan detailing activities to be carried out during the year. The year under review saw the updating of the ERM policy and ERM strategy. More generally speaking, the process of risk identification and risk assessment for the CWDM has been completed at a strategic level, and departmental level. In the next financial year, certain key components will be finalised, such as the risk appetite and tolerance levels, specific initiatives surrounding fraud risk management, disaster risk management and occupational health and safety risk management.

The District Municipality prepared an annual Risk Management Plan with a yearly review and update as necessary. The change of structure and the size of the District Municipality have warranted a change in its approach to Risk Management. Since its inception, the Risk Management Unit has strived to use effective risk management techniques while improving the delivery of our services in support of the District Municipality's mission. To accomplish these objectives, the Risk Management Unit engage in planning, leading, organising, coordinating, and controlling activities both before and after a risk occurs to minimise adverse effects and optimise opportunities, at a reasonable cost. In addition, the unit has the responsibility of carrying out the policies of the CWDM in matters relating to Risk Management.

The objective of corporate governance is to encourage municipalities to adhere to the principles espoused in the King III Report on Corporate Governance (King III), given its promotion of an advanced level of institutional conduct. Similarly, the basic principles of service delivery (Batho Pele, 1997) clearly articulate the need for prudent Risk Management and Internal Audit to underpin the achievement of municipal objectives.

The mission of the Risk Management Unit stands to be a committed strategic partner in providing leading edge services to all, by underpinning and bolstering municipal performance through:

- more efficient, reliable and cost-effective delivery of services;
- more reliable decisions;
- innovation;
- minimised waste and fraud;
- better value for money through more efficient use of resources; and
- improved project and programme management, which provide better outputs and outcomes.

As the District Municipality pursued its mandate during the financial year, it was faced with an environment characterised by both risks and opportunities. This entailed The Cape Winelands District Municipality to identify and manage internal and external risks, and to realise new opportunities. The unit is committed to adding value to the District Municipality by continuing to participate in efforts to minimise the uncertainty of events or variability of outcomes which have the potential to undermine the achievement of IDP objectives in the most effective, efficient and economical manner.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The CWDM has developed the following policies to prevent fraud:

- Anti-Corruption Policy; and
- Draft Fraud Prevention Policy and Plan.

Cape Winelands District Municipality has further adopted a zero tolerance for fraudulent and corrupt activities and an Internal Audit Unit and an Audit Committee is in place. The Internal Audit Unit is an independent unit of the CWDM, and is a significant contributor to governance within the organisation. Its function is a requirement of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), and it is largely directed by the standards for the professional practice of internal auditing of the International Institute of Internal Auditors (IIA).

The Internal Audit Unit is mandated, through its charter, to provide independent, objective assurance and consulting services towards adding value and improving the CWDM's operations. It helps the District Municipality to accomplish its objectives through a systematic, disciplined approach to evaluate and improve the effectiveness of Risk Management, control and governance processes. Internal Audit provides assurance regarding the adequacy and effectiveness of controls in business processes, as well as in information technology, governance, performance, compliance and risk management.

The Audit Committee consists of four members who are all from the private sector. All fraudulent and corrupt activities are reported to the Executive Mayor, Municipal Manager and Audit Committee. No names are provided of any official that is involved in an investigation.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

Prescribed supply chain management processes and procedures as per Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), Sections 110 – 119 and the SCM Regulations, 2005 are in place and maintained. Procurement plans were recently introduced in collaboration with the service departments to improve demand management. This will ultimately contribute to more effective service delivery. Documentation and control on contract management, specifically on long-term contracts, remains a challenge and will be addressed in the course of this financial year. The District Municipality endeavors to maintain an effective supplier database to acquire the necessary goods and services, however, it is reliant on the cooperation of the suppliers. Many companies, especially agents, are reluctant to provide the necessary documentation to be accredited and alternatives are not so readily available.

2.9 COMMENT ON BY-LAWS

No new By-laws promulgated.

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WEBSITES

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	18/07/2013
All current budget-related policies	Yes	19/07/2013
The previous annual report 2010/2011	Yes	11/12/2012
The annual report 2012/2013 published/to be published	Yes	2/01/2013
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2012/2013 and resulting scorecards	Yes	20/06/2013
All service delivery agreements 2012/2013	N/A	N/A
All long-term borrowing contracts 2012/2013	N/A	N/A
All supply chain management contracts above a prescribed value (give value) for 2012/2013	Yes	18/07/2013
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 2011/2012	N/A	N/A
Contracts agreed in 2012/2013 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 made in 2012/2013	Not applicable	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2012/2013	Yes	24/07/2013
		T 2.9.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

A Website Steering Committee has been established to ensure that all information as required in terms of Section 75 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) is available on the website.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

This component includes: water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The Cape Winelands District Municipality does not provide any services but assists with certain infrastructure in rural areas. Rural schools battle with the upkeep of water and sanitation infrastructure due to the increase in scholars attending their schools. Council tries to assist with the provision of clean drinkable water, as well as with sanitation services. Farm workers are also assisted by Council with the provision of subsidies for providing water and sanitation services in the homes, as well as for the provision of warm water to improve the lives of labourers.



3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

To provide water to schools and labourers' cottages, CWDM provides subsidies that assist farmers to provide water in the farm workers' homes. As the rural schools are starting to provide food at schools, it is important that the water should be safe to drink and for that reason, where water quality does not conform to the applicable standards, water purification systems are provided to reach the required standards.

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The target for the 2012/2013 financial year was not met due to differences to the interpretation of Section 17(3)(j) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). This caused a delay in the adjudication of tenders. These projects will be carried over to the next financial year as adjudication of the tenders did take place.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

To provide sanitation to schools and labourers' cottages, CWDM provide subsidies that assist farmers to provide sanitation within the farm workers' homes. As the rural schools expand due to additional classes and grades, the current facilities sometimes cannot cope with the amount of learners. In these cases CWDM assists with the construction of additional infrastructure to provide effective and clean sanitation services at these schools.



COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The target for the 2012/2013 financial year was not met due to differences in the interpretation of Section 17(3)(j) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). This caused a delay in the adjudication of tenders. These projects will be carried over to the next financial year as adjudication of the tenders did take place.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The Cape Winelands District Municipality does not provide electrical services, but assists farmers in the rural area to improve the lives of the farm workers by providing a subsidy for renewable systems. Where no ESKOM network exists, farmers can apply for the provision of a solar lighting system. Subsidies are also available for solar warm water systems as part of Council's contribution towards renewable energy.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

Subsidies to solar water systems for 425 houses were approved during the 2012/2013 financial year at a total project cost of R1,598,850 (VAT incl.).

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

The Cape Winelands District Municipality does not provide any refuse collection service, but is in the process of investigating possible areas for regional waste disposal sites within the five local municipalities.

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The investigation has been completed and possible sites have been identified. The Environmental Authorisation process is currently underway.

3.5 HOUSING

INTRODUCTION TO HOUSING

The last number of years has seen a steady decline in the direct housing provision role of the CWDM in the rural areas (to farm workers and rural dwellers) of the district. This has led to a strategic shift in focus in line with the view that district municipalities should fulfill a more supportive, facilitative and coordinating role in relation to the local B-municipalities within its area of jurisdiction. In giving expression to this role, the following interventions were decided upon:

- Establishment of a District Managers Housing Forum;
- Implementation of research projects to support the implementation of human settlement plans at the B-municipalities;
- Implementation of the housing consumer education rollout program; and
- Planning of the last two rural housing projects of the District Municipality.

In terms of achievement/non-achievement the following can be reported:

The District Managers Housing Forum was never established, since the Provincial Department of Human Settlements established a similar regional forum termed the Cape Winelands Professional Resources Team that

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provides a similar platform for local authorities (housing/human settlement officials) to engage on various aspects of human settlement development.

The research projects to support the rollout of the local B-municipal Human Settlement Plans were ceased due to a lack of interest. Only two of the five local municipalities expressed interest in supporting the projects.

91 Potential housing beneficiaries attended a basic introduction course to housing consumer education in Northern Paarl. Six training sessions were held during the year. Due to the wage dispute of farmworkers, no training was conducted in the first six months of the financial year.

The planning of the Nieuwedrift Rural Housing Project (between 300-400 housing opportunities) in Paarl obtained environmental authorisation on 17 April 2013. An appeal has however been lodged against the authorisation and it is anticipated that the MEC for Environmental Affairs and Development Planning will only make a ruling on the appeal in September/October 2013 (new financial year). Due to a lack of a DORA and MIG allocation to the District Municipality, the Council resolved to request Drakenstein Municipality (in whose jurisdiction area the project is located) to take it over. Therefore, should the appeal against the Environmental authorisation be dismissed, the project will in all likelihood be implemented by Drakenstein Municipality.

During the year, a feasibility study/business plan was developed for the Groot Drakenstein Meerlust Project. This is an exciting project as the envisaged development framework gives consideration to combining a number of elements/components on the available land parcel that include a human settlement consisting of ±200 housing units (for farm workers and rural dwellers), social amenities, linked to a conservation as well as agricultural components, respectively. The following step in the process is to solicit proposals (proposal call) from potential private sector partners to submit bids that address the elements as outlined per development framework. These bids will be called for in the first quarter of the 2013/2014 financial year. For similar reasons as mentioned above (lack of DORA and MIG funding), it is anticipated that a request will be made to Stellenbosch Municipality (in whose area of jurisdiction the project is located) to take the project over in the new financial year.

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

The housing function is currently being phased out at the District Municipality. See section 3.5.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Cape Winelands District Municipality does not render any services as the local municipalities are responsible for service delivery in their respective jurisdiction areas.

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The Cape Winelands District Municipality gives support to low earners by providing subsidies to farmers to provide basic water and sanitation infrastructure to their labourers' houses.

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

Ownership of public roads in the District Municipality's area is limited to national and provincial government level and the five local municipalities. The five district municipalities in the Western Cape Province perform only an agency function for the Western Cape Government, Department of Transport and Public Works regarding maintenance activities of a percentage of the provincial road network and to provide certain technical services when requested.

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3.7 INTRODUCTION TO ROADS

The Agency Agreement with the Western Cape Government, Department of Transport and Public Works stipulates what is expected from the District Municipality. This function is 100% funded and funding transfers are governed by a Financial Agreement. It is expected that the District Municipality performs this function with its own roads staff. All plant is provided by the Department of Transport and Public Works.



The main performance targets set by the Department of Transport and Public Works can be summarised as:

- All funding allocated for road maintenance must be spent; and
- Costs relating to the different maintenance activities must be economically defended.

The measurement of the main performance targets by the Department of Transport and Public Works is done by:

- The use of a computerised Management System where all District Municipality's Roads staff are registered against total cost per road maintenance activity per road; and
- Regular quarterly meetings between senior technical officials from the five district municipalities and Department of Transport and Public Works to evaluate total spending and compare each District Municipality's cost per road maintenance activity per road.

EMPLOYEES: ROAD SERVICES					
JOB LEVEL	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	5	5	6	0	0%
4 - 6	7	7	7	1	14%
7 - 9	14	16	13	4	25%
10 - 12	35	39	34	9	23%
13 - 15	75	77	75	4	5%
16 - 18	28	46	30	36	78%
19 - 20	70	70	70	0	0%
TOTAL	234	260	235	54	1.46
					T3.7.8

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FINANCIAL PERFORMANCE YEAR 1: ROAD SERVICES					
R'000					
Details	2012/2013	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	51 682	34 432	36 945	67 663	49%
Expenditure:					
Employees	36 291	34 372	36 945	35 996	5%
Repairs and maintenance	-	-	-	-	0%
Other	15 514	33 874	-34 294	30 854	-10%
Total operational expenditure	51 805	68 246	2 651	66 850	-2%
Net operational expenditure	-123	-33 814	34 294	813	4259%
T3.7.8					

CAPITAL EXPENDITURE 2012/2013: ROAD SERVICES					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total all	556	619	190	-193%	
General upgrading Paarl depot	150	150	150	0%	150
1 x workshop repairs	100	100	1	-6908%	1
Steel lockers Paarl roads	60	60	26	-129%	26
Steel lockers	0	60	0	0%	0
T3.7.9					

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

Capital upgrading of provincial roads are exclusive to the Department of Transport and Public Works Head Office in Cape Town. Maintenance costs are shared by the five district municipalities own staff through the agency function and maintenance is also managed by the Department of Transport and Public Works Head Office in Cape Town and/or their three regional offices.

3.8. INTRODUCTION TO TRANSPORT

The mandate for transport at district municipal level is derived as follows – the Constitution of the Republic of South Africa in respect of the local government matters listed under Part B of Schedule 4, the matter listed as “Municipal Public Transport” is to be the responsibility of a municipality and further in Section 84 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), division of functions and powers between district and local municipalities, 84(1)(g), lists the function “regulation of passenger transport services” as a district municipal competency.



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In fulfilling its statutory mandate, the CWDM established a unit on its organisational organogram: the sub-directorate Public Transport Planning and Regulation. The approach adopted by the sub directorate was the development of a District Integrated Transport Plan as well as Local Integrated Transport Plans for the B-municipalities in its district. The District Integrated Transport Plan provides guidance for an implementation strategy in reaching the various service delivery goals in public transport.

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The table below gives the three critical areas identified in reaching the service delivery goals with their respective projects:

Outcome	Projects	Targets	Achievement 2012/2013
Improved mobility of citizens in the district	Worcester Transport Precinct Plan	<ol style="list-style-type: none"> (1) Construction of a consolidated taxi rank in the Worcester CBD. (2) Improved NMT linkages between taxi rank and CBD. (3) All infrastructure based on universal access good practices. 	Initial planning completed. Awaiting Heritage rod to finalise plans and tender documentation.
Outcome	Projects	Targets	Achievement 2012/2013
Improved pedestrian safety	Upgrading road infrastructure at rural schools	<ol style="list-style-type: none"> (1) Construct a bus embayment, bus shelter and sidewalk. (2) Upgrade existing access off rural road network. (3) Make up and distribute reflective sashes to schools in the district. (4) Develop video clips to improve safety of rural learners. 	Contractor appointed, site office established
	Reflective sashes		Distributed 10 050 reflective sashes
	Educational material	Two events	Developed and distributed video clips on the following scenarios: <ul style="list-style-type: none"> • safety at railway level crossings • safety around school buses • concept of the walking school bus • Transport Month event at Worcester during October 2013 in which the Premier and her Cabinet participated
	Road safety awareness		Established four walking school buses at rural schools in Breede Valley, Langeberg, Stellenbosch and Witzenberg.

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Outcome	Projects	Targets	Achievement 2012/2013
Improved passenger transport planning and regulation	(1) Public Transport impoundment facility	Construction of impoundment facility in Drakenstein	Project to be re-tendered due to fundamental changes in funding and site location.
	(2) CWDM Freight Strategy	Review status quo of freight strategy	Review completed and guidance given towards the future development of the Freight Strategy.
	(3) Review of DITP – update CPTR and OLS	Update the CPTR for the B-municipalities and develop related OLS	Updated CPTR and OLS completed.

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Access to funding is a major challenge. This is reflected in the imbalance between funding for transport planning and implementation of the planned infrastructure projects.

A major success was the establishment of the walking school buses at rural schools where 16 schools were involved in which 320 learners participated with strong support given by the Portfolio Councillor for Infrastructure Development Services, Cllr GJ Carinus.

EMPLOYEES: PUBLIC TRANSPORT					
JOB LEVEL	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	1	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
TOTAL	3	3	3	1	

T3.8.4

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL

The National Public Transport Strategy excludes the CWDM from accessing the major sources of funding for public transport, namely the Public Transport Infrastructure Grant (PTIG) and Public Transport Network Operations Grant (PTNOG).

By excluding district municipalities from access to the Municipal Infrastructure Grant (MIG), the funding for public transport at the Cape Winelands District Municipality is reliant on Council's equitable share and irregular grants from the Provincial Department of Transport and Public Works. The impact and performance on the mandatory transport function is thus gauged by the funding which can be made available on the Council budget.



COMPONENT C: PLANNING AND DEVELOPMENT

3.9 INTRODUCTION TO PLANNING

Planning Services is a division of the Department, Community Development and Planning Services and has a limited function pertaining to planning. The division's function is limited to spatial planning and planning coordination. Land use management is a function of the five local municipalities within the Cape Winelands District area of jurisdiction.

The CWDM's involvement in terms of planning in general is as follows:

- Actively participates in provincial and local municipal Spatial Development Framework processes;
- Participate in any Environmental Planning Policy processes that are being rolled out by the other spheres of Government; and
- Participate in the new Law Reform process pertaining to the Provincial Land Use Planning Act (LUPA) and the National Spatial and Land Use Management Act (SPLUMA).

SPATIAL PLANNING FUNCTION

CAPE WINELANDS SPATIAL DEVELOPMENT FRAMEWORK (CW SDF)

The Cape Winelands District Municipality compiled a Spatial Development Framework for its area of jurisdiction in terms of Section 26 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). The Cape Winelands Spatial Development Framework was approved during the 2010/11 financial year and will be reviewed during the 2015/2016 financial year. The intention is to review the Cape Winelands Spatial Development Framework every five years.

The purpose of the Cape Winelands Spatial Development Framework (CWSDF) is to lay down a 'set of guidelines' to:

- Interpret and apply higher-order spatial policy within the Cape Winelands district;
- Guide regional and local policy interventions;
- Act as a strategic forward-planning tool to guide planning and decisions on land use and land development;
- Consider a spatial rationale to the development vision of the district that is clear enough to allow decision-makers to deal with unanticipated/unplanned situations;
- Develop a spatial logic that guides public and private-sector investment;
- Ensure the social, economic, built and environmental sustainability of the area;
- Formulate proposals to redress the spatial legacy of apartheid; and
- Propose (spatial) indicators to measure outcome.

CAPE WINELANDS ENVIRONMENTAL MANAGEMENT FRAMEWORK (CW EMF)

The Cape Winelands District Municipality developed an Environmental Management Framework for Witzenberg, Breede Valley and Langeberg Municipalities to assist the Town & Regional Planners with commenting/advising on development proposals.

The Cape Winelands Environmental Management Framework is in the process of being approved by the MEC of the Department of Environmental Affairs and Development Planning of the Western Cape in terms of the Environmental Management Framework Regulations, 2010, promulgated in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA), as well as the associated draft EMF Guidelines issued by the Department of Environmental Affairs (DEA).

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PLANNING COORDINATION

CAPE WINELANDS PLANNING FORUM

The CWDM facilitates a Planning Forum where relevant government departments, the five local municipalities and other stakeholders discuss matters pertaining to spatial, environmental and land use planning in general.

CAPE WINELANDS BIOSPHERE RESERVE (CWBR)

The CWDM fulfils a secretariat role for the CWBR, which is a sustainable development initiative. The CWBR implements projects pertaining to the three functions of the biosphere reserve concept, which is:

- A conservation function - to contribute to the conservation of landscapes, ecosystems, species and genetic variation;
- A development function - to foster economic and human development which is socio-culturally and ecologically sustainable; and
- A logistic function – to provide support for research, monitoring, education and information exchange related to local, national and global issues of conservation and development.

The CWBR is dually a platform that enables cooperative governance, all spheres of government take part in the National Man and Biosphere Programme as well as private initiatives.

EMPLOYEES: PLANNING SERVICES					
JOB LEVEL	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
TOTAL	1	1	1	0	0
					T3.10.4

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FINANCIAL PERFORMANCE 2013/2014: PLANNING SERVICES					
R'000					
Details	Year 0	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	18	10	-	0%
Expenditure:					
Employees	335	524	570	570	8%
Repairs and Maintenance	-	-	-	-	0%
Other	-	435	421	316	-37%
Total Operational Expenditure	335	959	992	886	-8%
Net Operational Expenditure	-335	-942	-982	-886	-6%
					T3.10.5

3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETPLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Cape Winelands District Municipality is actively working on its role as the strategic leader for economic development within the district. National and provincial departments are strengthening this role through collaborative and planning and project implementation assistance. The new 5-year Cape Winelands Regional Local Economic Development Strategy (CW-RLEDS) was adopted in October 2012 after an extensive consultative and strategy formulation process with relevant stakeholders and role-players.

The key drivers of the strategy include:

- Institutional Development for Investor Readiness: Performed by the Local Economic Development (LED) Directorate of the Cape Winelands District Municipality;
- Business Retention and Expansion: Performed by the LED Directorate of the CWDM;
- Economic Infrastructure Development: Perform by Engineering Department of the CWDM;
- Human Development: Perform by our Social Development Directorate of the CWDM;
- Environmentally Integrity: Perform by Municipal Health Directorate;
- Economic Development: Performed chiefly by LED Directorate but all other departments contribute to economic development; and
- Quality of Life Improvement: All departments within the CWDM are working on improving service deliver to our communities.

Programmes implemented in 2012/2013 of the CW-RLEDS Action Plan include:

- CWDM/Nedbank Entrepreneurial Seed Fund Programme (Nedbank donated R1 million rand to the programme in which seed funding were given to 52 SMMEs within the District to either start or expand their businesses);
- CWDM Business Training and Mentorship Programme (The CWDM training and mentorship programme was developed to assist the SMMEs that were receiving Entrepreneurial Seed Funding

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from the municipality through providing business training and one-on-one mentorship to these SMMEs);

- CWDM Investment Attraction and Opportunities Programme (Business Retention Expansion Programme; Trade Exhibition Programme; Design of CWDM Investment Website, Investor facilitation; DEDAT/CWDM Municipal Red Tape Reduction Programme);
- CWDM Information and Knowledge Management Programme (Sector studies conducted for Tourism and Finance and Business Services Sectors; Economic Intelligence reports generated from Global Insight Regional Explorer database; Cape Winelands Economic Evaluation Tool);
- CWDM Tourism Marketing Programme (Tourism Exhibition Programme; Media/Tour Operator Educationals Programme, Tourism Events Programme; Mayoral Awards Programme; Tourism Month Programme);
- CWDM Tourism Product Development Programme (Tourism Helpdesk Training Programme; Community Tourism Training Programme; Schools Tourism Programme; Tourism Road Signage Programme); and
- CWDM EPWP Invasive Alien Vegetation Programme.

ECONOMIC ACTIVITY BY SECTOR GVA-R (CURRENT PRICES R'000)			
SECTOR	2009/2010	2010/2011	2012/2013
Agriculture	4 898 846	4 705 154	4 936 033
Mining	40 291	39 808	49 163
Manufacturing	5 551 799	6 148 563	6 209 319
Electricity	544 398	567 522	659 825
Construction	1 237 642	1 321 188	1 456 701
Trade	3 821 665	4 526 805	5 080 125
Transport	1 839 809	2 079 455	2 284 574
Finance	7 113 871	7 366 653	7 268 459
Community Services	6 312 410	7 225 976	8 099 269
Total	31 360 731	33 981 124	36 043 469
Taxes less subsidies on products	3 941 380	4 417 289	5 101 520
Total (GDP)	35 302 111	38 398 413	41 144 989
Source: IHS Global Insight Regional Explorer			T 3.11.2

EMPLOYMENT BY SECTOR			
SECTOR	2009/2010	2010/2011	2012/2013
Agriculture	65 245	63 922	61 707
Mining	121	108	106
Manufacturing	28 788	28 627	28 825
Electricity	559	525	514
Construction	11 745	10 419	10 101
Trade	32 576	31 582	31 779
Transport	4 531	4 553	4 584
Finance	16 847	15 840	16 121
Community Services	43 254	44 893	47 056
Households	10 470	10 055	9 811
Total	214 138	210 524	210 603
Source: IHS Global Insight Regional Explorer			T 3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES

The last 3-5 years have seen the global financial crisis where economic growth rates were just below or just above 1% for 2009 (0.3%), 2010 (0.7%) and 2011 (1.1%) in the Cape Winelands. The GDP (in R1000's) for 2009 (27 050 989), 2010 (27 246 267) and 2011 (27 534 924) has increased steadily. Given that we have seen

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the economic growth rate and GDP steadily increasing since 2009, it is evident that the district economy is in economic recovery.

Agriculture remains the backbone of the Cape Winelands economy, because not only is it's the largest employer, but also because of its' economic linkages to the manufacturing sector (agro-processing) and finance and business services sector. The key driver for growth within the District is and has been exports (mainly agricultural and agro-processing products). Exports as a percentage of GDP has grown substantially since 1996 (16.2%); 2000 (22.5%); 2007 (28.7%) and 2011 (34.1%) in the Cape Winelands.

JOBS CREATED BY LED INITIATIVES		
Total Jobs created	Jobs created (inclusive of self-employment, permanent and casual jobs)	Method of validation
Entrepreneurial Seed Fund 2012/2013	192	M&E Visits to SMMEs
Entrepreneurial Seed Fund 2011/2012	296	M&E Visits to SMMEs
Entrepreneurial Seed Fund 2010/2011	190	M&E Visits to SMMEs
		T 3.11.5

JOBS CREATED BY EPWP		
Year	EPWP Projects	Jobs created through EPWP
2009/2010	WfW and CWDM Invasive Alien Clearing Project	
2010/2011	WfW and CWDM Invasive Alien Clearing Project	2332
2012/2013	WfW and CWDM Invasive Alien Clearing Project	1724
		T3.11.6

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LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP									
Outcome Indicator	Performance Indicator	2010/2011		2012/2013			2011/2012	2014/2015	
		Target	Actual	Target		Actual	Target		
		2011/ 2012		2011/ 2012	2012/ 2013		2012/ 2013	2012/ 2013	2013/ 2014
Brand recognition of Cape products/services	Number of expos, exhibitions, trade missions and road shows	2	2	4	5	4	Number of shows approved	Number of shows approved	Number of shows approved
A well informed local government that will be able to put into place sector specific interventions	Number of sector studies	0	0	0	3	2	1	1	1
Access to information for investors	Number of investors assisted	0	0	0	0	16	Per Request	Per Request	Per Request
Economic opportunities packaged for investors to invest in which could lead to job creation and foreign direct investment	Number of investment promotion activities	0	0	0	2	0	2	2	2
Promote job growth by identifying local businesses concerns and obstacles to expansion.	Business Retention and Expansion Programme implemented	0	0	0	1	0	1	1	1
CWDM and the local municipalities will be able to monitor progress made with the CW-GDS and CW-REDS	Review the economic evaluation tool.	0	0	0	0	0		0	0
Reinforce relationships between the CWDM, Business and other stakeholders in the regional economy.	Number of Executive Committee meetings	4	4	4	0	0	4	4	4
Implemented CW-GDS and shared economic growth path for all within the district	Number of stakeholder workshops/reporting workshops	2	1	2	5	0	1	1	1
Assist the economy to grow by adding value through marketing and outreach activities.	Number of stakeholder workshops	0	0	0	4	4	4	4	4
To enhance the knowledge of local people to better understand tourism and to capacitate them to act as future tourism ambassadors within the Cape Winelands region	Tourism Month launched	1	1	1	1	1	1	1	1
	Number of Tourism Awards Ceremonies	1	1	1	1	1	1	1	1
	Number of Advertisements in newspapers	1	1	1	1	1	1	1	1

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LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP									
Outcome Indicator	Performance Indicator	2011/2012		2012/2013		2013/2014	2015/2016		
		Target	Actual	Target		Actual	Target		
		2011/ 2012		2011/ 2012	2012/ 2013		2013/ 2014	2014/ 2015	2015/ 2016
Promotion of new and niche products to the domestic and international market through free write ups and advertorials, increase in tourist spending and increased awareness amongst stakeholders of the Cape Winelands region.	Number of media and staff educationals undertaken	10	10	10	7	7	7	7	7
Increase of tourists to the Cape Winelands region. Foster partnerships between stakeholders and ensure more focussed, effective and efficient tourism marketing throughout the district.	Number of tourism events	10	10	10	23	21	28	To be determined by number of events approved	To be determined by number of events approved
To review current spatial guidelines	Number of stakeholder consultations	5	5	0	0	0	0	0	5
	Has the Draft Status Quo Report been finalised?	1	1	0	0	0	0	0	1
	Has the Spatial Development Framework been finalised?	0	0	0	0	0	0	0	0
To address the shortage of artisan skills in the Cape Winelands region, which will lead to an improved skilled labour force and contribute to job creation.	Number of learnerships/apprenticeship programmes	0	0	0	0	0	0	0	0
Increase the capacity of entrepreneurs and develop appropriate skills of the SMME's in the Tourism sector	Number of beneficiaries trained	50	131	50	50	145	50	50	50
Increase knowledge, capacity and skills of learners, teachers with regards to tourism and "open up" new fields of study for potential FET's e.g. matriculants and students in tourism	Number of schools participating and benefiting from the program	120	120	120	120	120	0	0	0

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LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP									
Outcome Indicator	Performance Indicator	2010/2011		2012/2013			2011/2012	2014/2015	
		Target	Actual	Target		Actual	Target		
		2011/ 2012		2011/ 2012	2012/ 2013		2012/ 2013	2014/ 2015	2013/ 2014
To provide significant opportunities for employment in labour intensive EPWP projects with particular focus on women, youth and disabled persons.	Number of hectares cleared	800	833.14	800	600	1116.5	0	0	0
	Number of work opportunities created	100	179	100	70	272	0	0	0
	Number of people trained	100	129	100	70	130	0	0	0
To provide significant opportunities for the poorest of the poor as well as skills development. Increase water quality and quantity as well as enhance water security	Number of contracts implemented?	180	160	180	133	133	133	133	133
	Number of people trained	180	200	180	242	663	700	700	700
Improved entrepreneurial thinking of SMME's, improved SMME's with business and management skills, etc.	Number of SMME's supported	92	88	92	107	107	400	400	400
Development and establishment of community tourism routes in the CWDM area.	Number of tourism routes, theme experiences and destinations developed	0	0		0	0	0	0	0
To rehabilitate degraded landscapes	Number of sites rehabilitated	0	0	0	2	2	0	0	0
To increase awareness amongst youth at various age levels in terms of opportunities within the environmental planning field.	Number of schools	20	23	0	15	22	0	0	0
	Has the Youth Conference and Biodiversity Expo been implemented?	1	1	0	0	0	0	0	0
Accurate and reliable economic information that will assist the District to make informed decisions	Number of economic reports that contain data extracted from the database	4	4	4	4	4	Per request	Per request	Per request
Foster good and professional working relations between CWDM and other stakeholders in the tourism industry by sharing of knowledge, skills and experiences.	Number of LTA's participating on the tourism development programme	15	15	15	15	15	15	15	15

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EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	3	3	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	1	50%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	5	5	1	20%
					T3.11.8

FINANCIAL PERFORMANCE 2012/2013: LOCAL ECONOMIC DEVELOPMENT SERVICES					
R'000					
Details	Year 0	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	1 003	1 029	100%
Expenditure:					
Employees	7 310	1 558	1 615	1 443	-8%
Repairs and Maintenance	-	-	-	-	0%
Other	887	4 486	4 442	-1 871	340%
Total Operational Expenditure	8 197	6 044	6 056	-428	1514%
Net Operational Expenditure	-8 197	-6 044	-5 054	2 255	368%
					T3.11.9

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CAPITAL EXPENDITURE 2012/2013: ECONOMIC DEVELOPMENT SERVICES					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	0%	
Project A	-	-	-	0%	280
Project B	-	-	-	0%	150
Project C	-	-	-	0%	320
Project D	-	-	-	0%	90
					T3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

The CWDM is increasingly focusing on fulfilling its role of creating an enabling environment in which communities and business can thrive. It has therefore focused on implementing programmes such as the Business Retention and Expansion Programme (technical assistance provided by DEDAT, SALGA and the BR&E Unit of WESGRO); the DEDAT/CWDM Municipal Red Tape Reduction Programme; the Trade and Tourism Exhibition programme where SMMEs within the district is afforded the opportunity to market their products both domestically and internationally; the Nedbank/CWDM Entrepreneurial Seed Funding Programme which provides seed funding to SMMEs to start or grow their businesses and the CWDM and Business Training and Mentorship Programme for entrepreneurs within our communities.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.11 INTRODUCTION TO CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

The Department of Rural and Social Development was been established in 2009 to implement programmes in order to address the needs of the most vulnerable and marginalised residents in the district. The District Municipality did not only recognise the need for rural and social development, but is also proactively dedicating resources to the implementation of rural and social development initiatives.

Poverty has different dimensions and affects individuals and households in ways that are often degrading. It impacts on the everyday choices, prospects and vulnerability of people. Various initiatives were implemented by the District Municipality do facilitate and ensure the development and empowerment of the poor and most vulnerable people, particularly women, children, youth, the disabled, elderly persons and rural dwellers throughout the Cape Winelands.

The service delivery priorities were:

- Graduating people out of poverty through appropriate human capital investment initiatives; and
- Addressing socio-economic vulnerabilities of communities through social inclusion.

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The following projects were implemented to address the service delivery priorities:

EARLY CHILDHOOD DEVELOPMENT (ECD)

Providing educational toolkits and staff training sessions to ECD Centres. Building the capacity of ECD forums in the district through training session facilitated by the South African Congress for Early Childhood Development.

Impact: ECD staff capacitated in holistic ECD training. Improved quality of ECD learning.



YOUTH

Contributing to youth development by creating technical skills training opportunities for young people to empower themselves and to enhance their employability. Implementing life skills camps for Grade 10 learners from poverty pockets, which are facilitated by Lovelife.

Supporting career exhibitions for Grade 11 and 12 learners in partnership with the Department of Education. Recruiting Grade 11 and 12 learners for aviation programme of the South African Air Force based in Bredasdorp.

Impact: Increased levels of citizenship amongst youth. Enhanced skills levels and employability of unemployed youth.



WOMEN

Improving the skills and capacity of women and women's groups, especially those active within poverty pockets and on farms in the district. Providing technical skills like Garment-making and hairdressing skills to enhance SMME development and income generating opportunities.

Impact: Increased skills levels, economic sustainability and enhanced self-esteem of women in rural areas.

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DISABILITY

Improving the livelihood of individuals with disabilities, partnering with civil society, private sector and government partners to create opportunities to integrate people with disabilities into society.

Hosting a community festival to raise awareness on the rights of disabled persons. Providing hearing aids, wheelchairs and spectacles to the neediest beneficiaries.

Impact: Improved accessibility and mobility of persons with disabilities. Enhanced rights of disabled persons.



ELDERLY

Improve the livelihoods of the elderly in the district and celebrate their contributions to our own development in partnership with other stakeholders. Implemented health and wellness programmes for elderly persons.

Hosting More Active Living Age programmes with the Swedish partners. Held awareness workshops on the rights of the elderly and supporting recreational programmes of service centres.

Impact: Increased numbers of elderly that are involved in active healthy lifestyles.

FAMILIES AND CHILDREN

Improving the livelihoods of vulnerable families and children by implementing support interventions in partnership with stakeholders.

Victim empowerment programmes were implemented for children that were exposed to abuse. Parental guidance workshops were held for single parents. Stationery was provided and educational excursions were supported to assist schools in farming areas. Social relief initiatives were implemented for families in distress.

Impact: Improved access to care and support programmes for vulnerable families and children. Strengthened family relations.

HIV/AIDS

Awareness programmes on social and health issues in relation to HIV/Aids and related diseases were held. 16 Days of Activism against Women and Child Abuse programmes were held. Nutritional food parcels were provided to patients that are on antiretroviral and TB medication.

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Impact: Decreased incident of violence against women and children. Community awareness and involvement. Increased rates of ARV and TB medication adherence.



SUBSTANCE ABUSE

Awareness programmes were implemented through the screening of the two DVDs namely “As die Dop Skop” and “Draaikolk”. The “As die Dop Skop” DVD deals with alcohol abuse and the impact it has on family violence, quality of family life and employment.

The “Draaikolk” DVD focuses on the impact of Methamphetamine, commonly known as “Tik”, on youth and gang related crimes. Both DVD’s were produced in the district. Grade 8 learners were trained as peer Counsellors to address issues of substance abuse on schools. Ward Councillors and committees were trained on the effects and impact of Fetal Alcohol Syndrome.

Impact: Decreased levels of dependency of substance in the Cape Winelands area of jurisdiction.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control, biodiversity and landscape, and coastal protection.

3.12 POLLUTION CONTROL

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL

ENVIRONMENTAL POLLUTION CONTROL

DEFINITION

The identification, evaluation, monitoring and prevention of land, soil, noise, water and air pollution.

The National Health Act, 2003 (Act No. 61 of 2003) refers to pollution as per definition in Section 1 of the National Environmental Management Act, 1998 (Act No. 107 of 1998), which defines pollution as any change in the environment caused by:

- substances;
- radioactive or other waves; or
- noise, odours, dust or heat.

emitted from any activity, including the storage or treatment of waste or substances, construction and the provision of services, whether engaged in by any person or an organ of state, where the change has an adverse effect on human health or well-being or on the composition, resilience and productivity of natural or managed ecosystems, or on materials useful to people, or will have such an effect in the future.

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The function relates to the identification, evaluation, monitoring and prevention of the pollution of:

- Soil;
- Water;
- Air; and
- Noise.

In as far as it relates to health:

- The promotion of living areas safe for your health;
- Identification of pollution agents and sources;
- Providing health related inputs regarding new developments;
- Evaluate and give input regarding environmental impact studies; and
- Educate and train communities regarding environmental pollution.

AIR POLLUTION

- District municipalities are responsible for the issuing of atmospheric emissions licences (AEL's).
- The department has committed a great deal of resources to train and equip Environmental Health Practitioners to execute this function.
- The designation of EHP's as Environmental Health Inspectors is an outstanding issue that needs to be addressed at a national government level.

3.13 BIODIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIODIVERSITY AND LANDSCAPE



It should be noted that the structure of the Cape Winelands District Municipality does not provide for a formal Environmental Planning section and therefore the following programmes were implemented by the District Municipality's Town Planner, working in conjunction with a contract employee. As a result, the programmes below will be phased out in subsequent financial years.

EXPANDED PUBLIC WORKS PROGRAMME - INVASIVE ALIEN VEGETATION MANAGEMENT PROGRAMME

The programme, underpinned by the Expanded Public Works Programme and in particular the environmental sector, draws significant opportunities for unemployed women, youth and disabled persons to continue clearing invasive alien plants on a labour-intensive basis across the district.

During the programme 1126.14 hectares of invasive alien plants were cleared. In terms of skills transfer, 138 beneficiaries were trained. Training included workshops and courses in plant identification, field safety & snake awareness, chainsaw operation, brush cutter operation, herbicide application, first aid and health & safety. The total number beneficiaries employed for the 2012/2013 financial year amounts to 272 people.

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REHABILITATION & BEAUTIFICATION PROGRAMME

The Rehabilitation and Beautification programme was developed with the aim to beautify and rehabilitate degraded areas in higher order towns within the Breede Valley Municipal Area. Worcester was chosen as the pilot higher-order town (as identified in Cape Winelands District Municipality's Spatial Development Framework) in which the programme would be implemented.

Zwelethemba Township, near Worcester, was selected as the first area to benefit from a beautification effort. This area is strategically located along the R60 and an important thoroughfare between the Cape Winelands and the Overberg districts. The R60 road is one of the main entrances to Worcester as well as the gateway to Route 62 (the longest wine route in the world). It is hoped that the site's beautification will give residents a beautiful yet useful space close to home as well as enhance the first impression of tourists entering the Breede Valley and Worcester specifically.

On the opposite side of Worcester, a second site at another strategic entry point to town was beautified. The site, situated along Worcester's Roux Way adjoining the N1, was enhanced with eye-catching vegetation to help create a positive first impression in the minds of visitors.

Both sites were 100% funded by the Cape Winelands District Municipality while jointly implemented in partnership with Breede Valley Municipality. The projects were handed over by Executive Mayor Alderman Neels de Bruyn of the Cape Winelands District Municipality to representatives of Breede Valley Municipality at a small ceremony in Worcester.

ENVIRONMENTAL EDUCATION, AWARENESS AND TRAINING PROGRAMME

The programme has been developed to enhance environmental awareness and education across the district, in particular focusing on schools and community-based youth environmental groups.

During the 2012/2013 financial year, 18 youth environmental camps were hosted for learners between Grades 6-9 from 22 schools throughout the district.

In total, environmental capacity-building opportunities for 1200 youth were created during the 2012/2013 financial year and these opportunities focused on core themes such as the Cape Winelands Biosphere Reserve, biodiversity conservation, ecosystems functioning, river health programme, climate change and renewable energy, as well as cross-cutting themes of natural disasters (floods and fire) and other social issues relating to leadership, life skills and cultural diversity.



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CAPITAL EXPENDITURE 2012/2013: BIODIVERSITY; LANDSCAPE AND OTHER					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3300	3050	2989	-10%	
EPWP IAVM programme	2000	2000	1992	0%	2000
Beautification and rehab	300	300	270	-11%	300
Enviro education awareness	1000	750	727	-38%	1000
Project D					
					T3.16.6

COMPONENT: HEALTH

3.14 INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENSING AND INSPECTIONS, ETC.

MUNICIPAL HEALTH SERVICES

OVERVIEW

LEGAL FRAMEWORK

In terms of Part B of Schedule 4 of the Constitution of the Republic of South Africa, 1996, Section 156(1)(a) Municipal Health Services had been entrusted to local authorities. According to the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), Section 84(1)(i), Municipal Health Services (MHS) were consequently declared the responsibility of a District Municipality (Category C) and/or Metropolitan Area (Category A).

The National Health Act, 2003, (Act No. 61 of 2003), Section 32(1), tasks every metropolitan and district municipality to ensure the provision/rendering of Municipal Health Services (MHS).

Therefore, the Minister of Local Government and Housing entrusted in Government Notice No. 826, dated 13 June 2003, the delivery of Municipal Health Services (MHS) with effect from 1 July 2004 to district municipalities.

In terms of Section 1 of the National Health Act, 2003, (Act No. 61 of 2003) Municipal Health Services were declared to be:

- Water Quality Monitoring;
- Food Control;
- Solid Waste Management;
- Health Surveillance of Premises;
- Surveillance and Prevention of Contagious Diseases, excluding Immunisation;
- Vector Control;
- Environmental Pollution Control;
- Disposal of the Dead, and

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- Safe Handling of Chemical Substances but excludes Port Health, Malaria Control and control of Hazardous Substances.

MUNICIPAL HEALTH SERVICES MISSION AND VISION

MISSION

To support and promote a comprehensive and equitable municipal health service throughout the Cape Winelands District Municipality (CWDM) and, where there is a lack of the latter, to initiate a similar service; and to provide effective environmental health management in order to achieve all environmental health objectives set.

VISION

To the benefit of all inhabitants within the CWDM, promote and assure environmental sustainability. It is the strategic objective of the department to ensure the right of every person in the Cape Winelands to an environment that is not harmful to their health or wellbeing, as set out in the Constitution of the Republic of South Africa, 1996, Chapter 2 Bill of Rights, Section 24(a).

Key developments in Municipal Health Services during 2012/2013:

- The National Health Act, 1977 (Act No. 63 of 1977) was repealed in its totality;
- Several key environmental health regulations promulgated in terms of this Act were also repealed as a result, i.e.;
- R918 of 30 July 1999 - Regulations governing general hygiene requirements for food premises and the transport of food;
- R237 of 8 February 1985 - Regulations relating to funeral undertakers' premises;
- R1256 of 27 June 1986 - Regulations relating to milking sheds and the transport of milk. This left a serious legislative vacuum for a significant period of time which severely hampered the delivery of MHS during the said period. This vacuum was however addressed by the publication of the following regulations.
- R962 of 23 November 2012 - Regulations governing general hygiene requirements for food premises and the transport of food;
- R961 of 23 November 2012 - Regulations relating to hygiene requirements for milking sheds and the transport of milk and related matters;
- R363 of 22 May 2013 - Regulations relating to the management of human remains; and
- It should also be noted that R962 and R961 has now been promulgated in terms of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972) and not the National Health Act as was the case in the past.

FUNCTIONS

(A) WATER QUALITY MONITORING

DEFINITION

Monitoring and surveillance of water safety, quality and availability intended for human consumption, recreational and industrial use.

This function includes the following:

- Monitoring of water reticulation systems in terms of health related issues;
- Monitoring of quality and availability of water intended for human consumption, recreation or industrial use;

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- Regular taking and analysis of water samples;
- Identify and control sources of water pollution;
- Protection of water sources and resources by enforcement of laws and regulations relating to water quality;
- Ensure water supply that is safe for human consumption and complies with the Water Services Act, 1997 (Act No. 108 of 1997) and SANS Code 241;
- Implementation of health and hygiene awareness actions and education relating to water quality, water supply and sanitation; and
- This function excludes water supply and purification.

(B) FOOD CONTROL

DEFINITION

Food control is described by the World Health Organisation (WHO) as a mandatory regulatory activity of enforcement by national or local authorities to provide consumer protection and ensure that all foods during production, handling, storage, processing and distribution are safe, wholesome and fit for human consumption; conform to quality and safety requirements and are honestly and accurately labelled as prescribed by law.

The function ensures consumer protection through the following actions:

- Food inspection at point of production, storage, distribution and consumption;
- Regulate food premises regarding hygiene and the prevention of nuisances through regular inspections and the enforcement of the Regulations governing General Hygiene requirements for Food Premises and the Transport of Food, R962 of 23 November 2012;
- Regulate milking sheds by issuing Certificates of Acceptability for Milking Sheds in terms of Regulations relating to hygiene requirements for milking sheds and the transport of milk and related matters, R961 of 23 November 2012;
- Regulate the informal food industry by means of R962 of 23 November 2012;
- Control of food premises by issuing Certificates of Acceptability for Food Premises in terms of Regulation R962 of 23 November 2012;
- Ensure that food is safe and healthy for human consumption through enforcement of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);
- The detention, seizure, condemnation and sampling of foodstuffs in terms of Regulations relating to the powers and duties of inspectors and analysts conducting inspections and analyses on foodstuffs and at food premises, R328 of 20 April 2007;
- Monitor labelling of foodstuffs as prescribed by the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);
- Providing education and training on food safety to the food industry; and
- Issuing of Export Certificates at the request of industries.

(C) WASTE MANAGEMENT

DEFINITION

Monitoring of waste management systems, refuse, health care waste, hazardous waste and sewage.

This function refers to:

- The monitoring of waste management systems, including health care waste (SANS 10248: 2004), hazardous waste, sewage and waste water;
- Monitoring for the occurrence of health nuisances during the storage, treatment, collection, handling and disposal of the various categories of waste;

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- Taking samples of any waste product and the analysis thereof in order to determine possible health risks;
- The identification of needs and motivation for the promotion of sanitation;
- The enforcement of municipal By-laws and The National Health Act, 2003 (Act No. 61 of 2003) where health nuisances arise as a result of waste;
- Excludes the operation of a waste management system as rendered by B-municipalities; and
- Educating communities within the Cape Winelands on issues of waste management and pollution control.

(D) HEALTH SURVEILLANCE OF PREMISES

DEFINITION

The identification, monitoring and evaluation of health risks, nuisances and hazards and instituting remedial and preventative measures. This function includes:

- The identification, monitoring and evaluation of health risks, nuisances and hazards;
- Taking action in terms of the National Health Act, 2003 (Act No. 61 of 2003) and the Municipal Health By-Laws to ensure that corrective and preventative measures are implemented;
- Registering and Certifying Funeral Undertakers' Premises and Mortuaries in terms of R363 of 22 May 2013 Regulations relating to the management of human remains;
- MHS monitor premises on an on-going basis for compliance with health regulations relating to smoking in public places;
- Provide inputs towards environmental impact assessments on health related issues;
- The prevention or reduction of any condition on any premises that may be hazardous to the health or welfare of people;
- Law enforcement; and
- Educating communities of the Cape Winelands on communicable diseases.

Premises:

- Abattoirs;
- Intensive animal keeping;
- Offensive trades;
- Crematoria
- Medical waste generators;
- Medical centres;
- Hospitals;
- Clinics;
- Pharmacies;
- Old age homes;
- Places of care; and
- Veterinarians.

Public places:

- Places of gathering;
- Cemeteries;
- Sports fields;
- Public facilities;
- Public conveniences;
- State and parastatal premises;
- Schools;
- Public service facilities (e.g. municipal buildings, police stations and post office); and

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- Correctional centres

Educational Institutions

- Crèches;
- Private schools; and
- Tertiary educational institutions

Business Premises

Industrial Premises

Surveillance and Prevention of Communicable Diseases Excluding Immunisations

DEFINITION

The identification, monitoring and prevention of any disease, which can be communicated directly or indirectly from any animal or through any agent to any person or from any person suffering therefrom or who is a carrier to any other person.

This function entails:

- The identification, investigation and monitoring of outbreaks of listed notifiable medical conditions;
- The introduction of the required corrective and preventative measures;
- Deployment of the required response teams in respect of municipal health;
- The promotion of health and hygiene aimed at preventing the incidence of environmental conditions that could result in contagious diseases;
- The drafting of contingency plans for certain diseases and giving inputs and participating in disaster management plans; and
- The collection, analysis and dissemination of epidemiological data and information.

(E) VECTOR CONTROL

A vector is any organism (insects or rodents) that can transmit a disease from one organism to another.

DEFINITION

Monitoring, identification, evaluation and prevention of vectors.

The function refers to:

- The elimination or correction of conditions promoting the habits and breeding habits of vectors; and
- Developing awareness in communities of zoonotic diseases by means of vectors and the control thereof through education and training.

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(F) ENVIRONMENTAL POLLUTION CONTROL

DEFINITION

The identification, evaluation, monitoring and prevention of land, soil, noise, water and air pollution.

The National Health Act, 2003 (Act No. 61 of 2003) refers to pollution as per definition in Section 1 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) which defines pollution as;

any change in the environment caused by:

- substances;
- radioactive or other waves; or
- noise, odours, dust or heat;

emitted from any activity, including the storage or treatment of waste or substances, construction and the provision of services, whether engaged in by any person or an organ of state, where the change has an adverse effect on human health or well-being or on the composition, resilience and productivity of natural or managed ecosystems, or on materials useful to people, or will have such an effect in the future.

The function relates to the identification, evaluation, monitoring and prevention of the pollution of:

- Soil;
- Water;
- Air; and
- Noise.

In as far as it relates to health.

- The promotion of living areas safe for your health;
- Identification of pollution agents and sources;
- Providing health related inputs regarding new developments;
- Evaluate and give input regarding environmental impact studies; and
- Educate and train communities regarding environmental pollution.

(G) AIR POLLUTION

- District Municipalities are responsible for the issuing of atmospheric emissions licences (AEL's);
- The department has committed a great deal of resources to train and equip environmental health practitioners to execute this function; and
- The designation of EHP's as Environmental Health Inspectors is an outstanding issue that needs to be addressed at a national government level.

(H) DISPOSAL OF THE DEAD

DEFINITION

Compliance monitoring of funeral undertakers, mortuaries, embalmers, crematoria, graves and cemeteries and to manage, control and monitor exhumations and reburial or disposal of human remains.

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This function refers to the monitoring and certification of:

- Undertakers and embalmers;
- Mortuaries and other places involved in the handling of human remains;
- Facilities for storing corpses/ human remains;
- Treatment, removal or transport of corpses;
- Monitoring of cemeteries, crematoriums and other facilities for the disposal of corpses; and
- Monitoring and supervision of exhumations and re-interments.

There are currently there are 35 certified undertakers operating within the Cape Winelands District Municipality.

(I) SAFE HANDLING OF CHEMICAL SUBSTANCES

DEFINITION

The monitoring, identification, evaluation and prevention of risks relating to chemicals hazardous to humans. (e.g. storage and use agricultural substances)

This function refers to:

- The education and training of high-risk groups and communities in the safe use and handling of chemicals; and
- Investigating incidences of pesticide poisoning.

MUNICIPAL HEALTH SERVICES PROJECTS

WATER AND SANITATION SUBSIDY SCHEME

This is an innovative programme implemented within the Municipal Health Services Department, which has attracted national commendation. The subsidy scheme provides an incentive to farmers to improve the water and sanitation services for their farm workers. A maximum of R45,000 per farm is given for this purpose. In 2012/2013, a total number of 37 farms received allocations.

These subsidies comprised of the following:

- Running water over kitchen sinks; and
- Bathrooms with flush toilets in houses.



ANNUAL ENVIRONMENTAL HEALTH EDUCATION PROGRAMME

This project aims to create environmental awareness amongst the communities of the CWDM in order to change negative behavioural patterns. This is done through live theatre performances in schools, the development of educational material and Health and Hygiene Education on farms by external service providers, formal health education at industries/businesses and organisations.

During the 2012/2013 financial year, this program reached a total of 100 schools and approximately 37,361 children.

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CAPE WINELANDS CLEAN-UP CAMPAIGN

The Cape Winelands Clean-up campaign aims to create awareness amongst the general public about the environment we live in and pollution control. This is achieved through educational projects at schools and clean-up actions.

This project also creates jobs for those target groups who are the most vulnerable in our communities namely the disabled, elderly and woman. This project was implemented through the use of small-scale contractors.

The project was credited with R1,000,000 and 64 clean-up actions were held throughout the district and provided temporary job opportunities to 950 individuals. In addition this project aims to provide assistance to B-municipalities by cleaning up those problem areas they are unable to serve and is also welcomed by communities who are reaping the benefits of a cleaner environment as well as being presented with an opportunity to earn an income.



GREENING CAPE WINELANDS PROJECT

This project has the following aims:

- Promoting a greener environment;
- Establishing environmental awareness amongst communities through environmental education;
- Improving the quality of life of all inhabitants of the Cape Winelands;
- Creating income opportunities; and
- Getting communities involved in environmental protection actions through the planting of trees.

The project received a budget of R233,200 with which a total of 1875 trees were planted throughout the district.

CAPE WINELANDS BIOLOGICAL RODENT CONTROL PROGRAMME

This project aims to control rodents biologically by increasing the owl population. This project is also complimented with education and awareness to communities, with special emphasis on farms and schools where nests are provided and installed.

A budget of R169,600 was made available for this project and 50 owl nests were erected. This project has been well received by communities and received positive media coverage.

HEALTH AND HYGIENE IMPROVEMENT PROJECT IN THE INFORMAL SLAUGHTERING AND MEAT SALE INDUSTRY

This project aims to improve the health and safety of meat to consumers through the empowerment and upliftment of meat handlers in the informal sector through education and the provision of infrastructure in the form of mobile working stations. It was launched as a pilot project in Mbekweni, Paarl. A budget of R290,000 was made available for this project. Training was provided to 14 persons and nine mobile working stations were provided to informal meat traders. This project was also the winner of the national Alfred Nzo Environmental Health award.



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WASTE COLLECTION AT SCHOOLS

This project entails the provision of waste receptacles at five schools in the Drakenstein region. The total cost of this project was R50,000.

FINANCIAL PERFORMANCE 2012/2013: HEALTH INSPECTION, ETC					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	41	-	24	71	100%
Expenditure:					
Employees	18 016	18 470	19 826	19 876	7%
Repairs and maintenance	-	-	-	-	0%
Other	10 091	13 543	14 327	11 671	-16%
Total operational expenditure	28 108	32 012	34 153	31 546	-1%
Net operational expenditure	-28 067	-32 012	-34 130	-31 475	-2%
					T3.19.5

CAPITAL EXPENDITURE 2012/2013: HEALTH INSPECTION, ETC					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total all	28	28	10	-190%	
Infrared pocket thermometer	15	15	6	-158%	6
2 x High back chair	3	3	0	0%	0
Filing cabinet	2	2	0	0%	0
Cooler box	2	2	2	-7%	2
					T3.19.6

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COMPONENT G: SECURITY AND SAFETY

3.15 FIRE SERVICES

This component includes: police, fire, disaster management, licensing and control of animals, and control of public nuisances, etc.

DISTRICT FIRE SERVICE DATA					
	Details	2010/2011	2012/2013		2011/2012
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	1316	1500	1395	1550
2	Total of other incidents attended in the year	9	18	18	20
3	Average turnout time - urban areas	B-Municipality function			
4	Average turnout time - rural areas	22,65 minutes	30 minutes	8,7 minutes	30 minutes
5	Firefighters in posts at year end	62	62	62	64
6	Total fire appliances at year end	28	29	29	30
7	Average number of appliances off the road during the year	7	7	7	7
					T3.21.2

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FIRE SERVICE POLICY OBJECTIVES TAKEN FROM IDP						
Service Objectives	Outline Service Targets	2011/2012		2012/2013		2013/2014
		Target	Actual	Target	Actual	Target
Service Indicators		2011/2012	2011/2012	2012/2013	2012/2013	2013/2014
Turnout time compared to guidelines of KPI's percentage of fire calls responded to within 35 minutes.	To respond to 70% of fire calls within the 35 minute objective.	70%	85%	70%	121%	77%
Percentage of veld fires responded to with a minimum of two firefighting vehicles with a combined manpower of a minimum of four firefighters.	To respond to 70% of veld fire calls with two vehicles and four fire fighters.	70%	71%	70%	108%	70%
						T3.21.3

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EMPLOYEES: FIRE SERVICES					
Job Level	2010/2011	2012/2013			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	1	1	1	0	0%
4 - 6	9	10	9	1	11%
7 - 9	25	28	26	3	12%
10 - 12	31	32	31	1	3%
13 - 15	1	2	1	1	100%
16 - 18	1	2	1	1	100%
19 - 20	0	0	0	0	0%
Total	68	75	69	7	2.26
T3.21.4					

FINANCIAL PERFORMANCE 2012/2013: FIRE SERVICES					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	630	220	180	292	25%
Expenditure:					
Employees	19 975	21 287	22 778	23 186	8%
Repairs and Maintenance	115	171	80	70	-144%
Other	10 200	12 340	10 772	9 967	-24%
Total Operational Expenditure	30 289	33 799	33 630	33 222	-2%
Net Operational Expenditure	-29 659	-33 579	-33 450	-32 931	-2%
T3.21.5					

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CAPITAL EXPENDITURE YEAR 2012/2013: FIRE SERVICES					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	5 511	5 114	4 742	-16%	
Major 4x4 Fire vehicle	2 833	2 432	2 358	-20%	2358
Radio network (upgrade)	2 000	1 940	1 754	-14%	1754
Fire fighting trailers	309	309	299	-3%	299
Hazmat equipment	100	160	143	30%	143
					T3.21.6

3.16 INTRODUCTION TO DISASTER MANAGEMENT

The objectives of the Disaster Management Section is to promote a culture of risk reduction, disaster prevention and mitigation within Cape Winelands District Municipality departments as well as in departments of the five local municipalities in the district. It also acts as a repository of disaster management related information and aims to capacitate communities, internal and external disaster management role-players. Furthermore, it promotes a rapid, coordinated and effective response to disastrous events by all role-players.

SERVICE STATISTICS FOR DISASTER MANAGEMENT

The Disaster Management Section had only one project initially, namely the finalisation of the Population Migration Strategy to the value of R50,000.

During the Adjustment Budget an amount of R880,000 was allocated for the establishment of disaster operational centres at Worcester and Stellenbosch.

EMPLOYEES: DISASTER MANAGEMENT					
Job Level	2010/2011	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	1	0%
4 - 6	5	5	5	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	5	5	1	20%
					T3.22.4

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FINANCIAL PERFORMANCE 2012/2013: DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	1	100%
Expenditure:					
Employees	-	1 977	2 725	2 244	12%
Repairs and Maintenance	-	80	50	33	-143%
Other	-	2 630	2 546	1 860	-41%
Total Operational Expenditure	-	4 687	5 321	4 137	-13%
Net Operational Expenditure	-	-4 687	-5 321	-4 136	-13%
					T3.22.5

CAPITAL EXPENDITURE 2012/2013: DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	797	797	286	-178%	
Maintain communication system	360	360	115	-214%	115
Lenovo integrated monitor computer	285	285	152	-87%	152
Computers & dispatch software	30	30	0	0%	0
Server (2)	30	30	0	0%	0
					T3.22.6

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT

The performance of the Disaster Management Division with regard to the establishment of a disaster operations centre at Worcester Ambulance Station was jeopardised by envisaged quotations which necessitated funds being rolled over into the next financial year. Delays in procurement were also caused by institutional formalities regarding the occupation of a building under the management of Provincial Department of Transport and Public Works.

COMPONENT H: SPORT AND RECREATION

3.17 INTRODUCTION TO SPORT AND RECREATION

As Cape Winelands partners we invest in Sport and Recreation because:

- We acknowledge that sport and the practising of sport play an important role in the development of our communities;
- We understand the potential role sport can play in our democracy and the defining role it plays in shaping and influencing our identity, as individuals, as a region and can contribute to an open society;
- We know that participation in sport creates social cohesion, especially because it brings people from different communities, backgrounds, races and creeds together around a common interest, something which they enjoy; and
- Through sport our youth and communities can change their behaviour for the better and collectively counter anti-social activities such as substance abuse, family violence and crime which confront many of our impoverished communities on a daily basis.

THREE TOP SERVICE DELIVERY PRIORITIES DISTRICT MAYORAL SPORTS TOURNAMENTS PARTICIPATION

- In order to foster mass participation, five sport and recreational codes were identified namely indigenous games, social cricket, street soccer, tag rugby and social netball.
- The focus was on rural communities who are not exposed to participate in organised sports events.

Impact: Nearly 1 500 people participated in these events and increased levels of participation in sport activities for different age groups.



IMPROVE ACCESS OF FARM DWELLERS TO RECREATIONAL, ARTS AND CULTURAL OPPORTUNITIES

- 150 Learners from ten (10) farm schools received Riel Dans training and participated in the Regional Riel Dans competition.
- A district-wide Farms Got Talent competition drew more than 600 participants and audiences well over 1 200.
- The winners will perform at the Department of Agriculture Farmworker of the Year regional competitions.

Impact: Farm dwellers received exposure through their talent and the enhancement of the confidence of the farm dweller was boosted.



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DISTRICT SPORTS AWARD CEREMONY

- This is a joint project with the Department of Cultural Affairs and Sport and the Boland Sports Council.
- The various sports federations affiliated to the Boland Sports Council nominate their outstanding achievers in different prescribed categories.
- The winners participate in the Provincial Sports Awards Ceremony.

Impact: Deserving athletes and administrators received recognition for their achievements.



COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.18 EXECUTIVE AND COUNCIL

This component includes: Executive office (Executive Mayor; councillors; and Municipal Manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

VISION

“A Unified Cape Winelands of Excellence!”

MISSION

All structures of the Cape Winelands cooperate together towards effective, efficient and economically sustainable development.

CORE VALUES

Our core values are largely shaped by the moral fibre of the administrative and political leadership of our municipality, guidance by the Batho Pele service delivery principles and the strategic compass provided to us by the Western Cape Provincial Government through its Draft Strategic Plan, which reflects the core values of the Provincial Government.

The following core values reflect the character and organisational culture of the municipality:

- Commitment to the development of people;
- Integrity in the performance of our duty;
- Respect for our natural resources;
- Transparency in accounting for our actions;
- Regular consultation with customers on the level and quality of services;
- Higher levels of courtesy and professionalism in the workplace;
- Efficient spending and responsible utilisation of municipal assets; and
- Celebrating diversity.

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EMPLOYEES: THE EXECUTIVE AND COUNCIL					
JOB LEVEL	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0	6	1	0%
4 - 6	0	0	0	0	0%
7 - 9	6	6	7	2	33%
10 - 12	4	6	5	3	50%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Councillors	0	0	41	0	0%
TOTAL	11	13	19	6	0.83
					T3.24.4

FINANCIAL PERFORMANCE 2012/2013: THE EXECUTIVE AND COUNCIL R					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	56 441	44 180	42 733	38 402	-15%
Expenditure:					
Employees	22 324	25 472	19 631	17 194	-48%
Repairs and maintenance	22	50	50	1	-4518%
Other	25 348	42 091	42 102	50 070	16%
Total operational expenditure	47 694	67 612	61 782	67 265	-1%
Net operational expenditure	8 747	-23 433	-19 050	-28 863	19%
					T3.24.5

CAPITAL EXPENDITURE 2012/2013: THE EXECUTIVE AND COUNCIL R					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total all	99	71	55	-79%	
2 x High back chairs	8	7	7	-5%	7
Stack on bookcase with glass	1	7	7	90%	7
Single pedestal desk	12	6	6	-91%	6
Roller door credenza	9	5	5	-75%	5
					T3.24.6

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EMPLOYEES: FINANCIAL SERVICES					
JOB LEVEL	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	3	4	3	1	25%
4 - 6	4	4	4	1	25%
7 - 9	6	6	7	0	0%
10 - 12	4	4	4	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
TOTAL	17	18	18	2	0.5
					T3.25.4

FINANCIAL PERFORMANCE 2012/2013: FINANCIAL SERVICES					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	189 329	196 320	195 222	194 669	-1%
Expenditure:					
Employees	7 343	7 361	7 199	10 161	28%
Repairs and maintenance	-	-	-	-	0%
Other	665	3 869	3 268	3 550	-9%
Total operational expenditure	8 009	11 230	10 468	13 711	18%
Net operational expenditure	181 320	185 090	184 754	181 958	-2%
					T3.25.5

CAPITAL EXPENDITURE 2012/2013 FINANCIAL SERVICES					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total all	2	2	2	-18%	
LG 120l bar fridge	2	2	2	-18%	2
					T3.25.6

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3.19 HUMAN RESOURCE SERVICES

EMPLOYEES: HUMAN RESOURCE SERVICES					
JOB LEVEL	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
04-6	4	4	4	0	0%
07-9	1	1	1	1	100%
10-12	1	1	1	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
TOTAL	6	6	6	1	1
					T3.26.4

FINANCIAL PERFORMANCE YEAR 1: HUMAN RESOURCE SERVICES					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	754	335	335	547	39%
Expenditure:					
Employees	3 109	2 989	4 138	4 043	26%
Repairs and maintenance	-	-	-	-	0%
Other	2 899	6 027	5 327	3 910	-54%
Total operational expenditure	6 008	9 016	9 465	7 953	-13%
Net operational expenditure	5 253	8 680	9 129	7 406	-17%
					T3.26.5

CAPITAL EXPENDITURE 2012/2013: HUMAN RESOURCE SERVICES					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total all	2	312	151	99%	
Task	0	310	150	0%	150
High back chair	2	2	1	-100%	1
					T3.26.6

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3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information and Communication Technology (ICT) infrastructure, both software and hardware, continued to evolve and develop during the 2012/2013 financial year. It evolves because it needs a response to continuous changes in the ICT user needs, software upgrades and improvements, as items become redundant and new threats to our information and data integrity have developed.

This year is the start of a new strategic cycle for ICT. To achieve this new beginning, while linking to the past, the Master Systems Plan was refreshed. While the plan is updated every year to evaluate our solutions, a 'refresh' involves evaluating the goals that were set. This 'refresh' process has two main themes. The first involves a detailed analysis of the current state of ICT and its delivery capability. The second theme is an analysis of the user requirements. This involved an investigation into the goals and purpose of each department provided by management. This was coupled with meetings and surveys of the users who use the systems to achieve the stated goals. It is an exhaustive project and is invaluable in assessing the state of ICT and the way forward. This plan is the roadmap of ICT deployment and advancement for the coming three years.

In line with the current situation and future expectations, the ICT Division is undergoing a hardware and software refresh. The main server infrastructure and network nodes are being updated. This upgrade will supply much needed horsepower to existing systems and will carry a continuously heavier load for the next three years. On the software side we entered into an enterprise agreement with Microsoft. It automatically gives us any upgrades they produce for the next three years.

Securing the CWDM network, applications and data requires continued vigilance and improvements. As such, ICT staff continuously monitors and performs actions that mitigate the risk damage from both internal and external threats. The CWDM approved a host of policies that speak to network and data security. It provides ICT with greater scope and tools to deal with the threat issues in the current environment.

EMPLOYEES: ICT SERVICES					
JOB LEVEL	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
04-6	1	1	1	0	0%
07-9	2	2	2	2	100%
10-12	0	0	0	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
TOTAL	3	3	3	2	67%
					T3.27.5

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FINANCIAL PERFORMANCE 2012/2013 ICT SERVICES					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	-	-	660	484	100%
Expenditure:					
Employees	1 479	1 535	1 839	1 651	7%
Repairs and maintenance	734	1 679	1 449	1 321	-27%
Other	2 007	-2 866	-2 608	-1 780	-61%
Total operational expenditure	4 221	348	680	1 192	71%
Net operational expenditure	-4 221	-348	-20	-709	51%
					T3.27.5

CAPITAL EXPENDITURE 2012/2013: ICT SERVICES					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total all	1 819	287	852	-113%	
Replacement PCs	1 000	1 000	129	-676%	129
Upgrading SAMRAS backup	-	690	-	0%	0
SAMRAS plus	-	660	482	100%	482
ICT replacements	200	200	31	-545%	31
					T3.27.6

3.21 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION: LEGAL SERVICES

The Cape Winelands District Municipality takes many decisions that affect the residents in its jurisdiction area. In order to ensure that everything is above board and falls within the ambit of law, legal services provides a dedicated and quality support and advisory services in order to strengthen the Cape Winelands District Municipality to fulfill its Constitutional and other legislative mandates in a professional manner and to maintain a workforce that is both well-disciplined and satisfied in order to render service delivery at an acceptable level.

LEGAL PRIORITIES

- Legal compliance;
- Legal support to the Executive Mayor, Speaker and Municipal Manager, Heads of Department, Council, Committees, Departments and Directorates;
- Legal advice pertaining to draft policies, drafting of by-laws and contracts;
- Written and/or oral opinions;

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- Finalization of legal documents; and
- Labour relation matters.

LEGAL IMPACT

Through the provision of legal support and advice to the Offices of the Executive Mayor, the Speaker, the Municipal Manager, Heads of Department, Council as well as all the various Departments/Directorates of the Cape Winelands District Municipality, many targets have been achieved, thereby strengthening the work relationship and effective team working between the various parties. Legal implications and opinions are provided on a continuous basis on all Council, Mayoral Committee and other Committees agenda items.

INTRODUCTION: PROPERTY MANAGEMENT

Property management is the process of managing the property of the Cape Winelands District Municipality by maintaining and handling activities incidental to the property, in order to maximize the use of all the properties as contained in the property register and to provide optimal financial, social, economic and operational benefit to the Cape Winelands District Municipality.

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) specifically highlights the duty of municipalities to provide services in a manner that is sustainable, and the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) specifically places responsibility for the management of municipal immovable property with the municipal manager. Furthermore, the Occupational Health and Safety Act, 1995 (Act No. 85 of 1993) requires municipalities to provide and maintain a safe and healthy working environment, and in particular, to keep its immovable property safe.

PROPERTY MANAGEMENT PRIORITIES

The Municipal Manager, as Accounting Officer, is also the principal custodian of the entire District Municipality's immovable assets, including the safeguarding and the maintenance of those assets. He also ensures that the District Municipality has and maintains a management, accounting and information system that accounts for the immovable assets of the Cape Winelands District Municipality and ensures that property management is applied in a consistent manner and in accordance with legal requirements and recognised good practice. The District Municipality's immovable property is valued in accordance with the standard of Generally Recognized Accounting Practice (GRAP). Furthermore, the District Municipality has and maintains a system of internal control for the immovable assets, including an asset register.

The Chief Financial Officer is responsible to ensure, in exercising her financial responsibilities, that:

- Appropriate systems of financial management and internal control are established and carried out diligently;
- The financial and other resources of the District Municipality are utilized effectively, efficiently, economical and transparently;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- All revenue due to the District Municipality is collected, for example rental income etc., relating to immovable assets;
- The systems, procedures and registers required to substantiate the financial values of the District Municipality's immovable assets are maintained to standards sufficient to satisfy the requirements of the Auditor-General;

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- Financial processes are established and maintained to ensure the District Municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions; and
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of immovable assets.

PROPERTY MANAGEMENT IMPACT

The Cape Winelands District Municipality demonstrates good governance and customer care, through an efficient and sustainable process of property management. Councillors and officials are custodians on behalf of the public of immovable municipal assets. Key themes relating to municipal property management include:

- Long-term sustainability and risk management;
- Service delivery efficiency and improvement;
- Performance monitoring and accountability;
- Community interaction and transparent processes;
- Priority development of minimum basic services for all; and
- The provision of support in addressing the needs of the poor.

A municipality has the right to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers in terms of Section 156(5) of the Constitution of the Republic of South Africa, 1996 and Section 8(2) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). Furthermore, a municipal council, within the municipality's financial and administrative capacity, and having regard to practical considerations, has the duty to use the resources of the municipality in the best interests of the local community in terms of Section 4(2)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

Property Management at the Cape Winelands District Municipality incorporates best practice methodologies and is aligned to the latest National and Provincial legislation such as the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and the Municipal Asset Transfer Regulations, 2008 as published in the Government Gazette No. 31346 of 22 August 2008 which applies to the transfer and disposal of certain immovable property owned by municipalities and the granting by municipalities of rights to use, control or manage certain immovable property.

Comprehensive property management maximizes the District Municipality's property assets by procuring strategically, managing and maintaining assets throughout their useful life-cycle and providing asset visibility through data capturing during the use and disposition phases.

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EMPLOYEES: PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES					
JOB LEVEL	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0	0	0	0%
4 - 6	3	3	3	0	0%
7 - 9	3	3	3	0	0%
10 - 12	5	5	5	0	0%
3 - 15	0	0	0	1	0%
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
TOTAL	13	13	13	1	0
					T3.28.4
FINANCIAL PERFORMANCE 2012/2013: PROPERTY; LEGAL; RISK MANAGEMENT; AND PROCUREMENT SERVICES					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	109	172	172	78	-121%
Expenditure:					
Employees	3 191	3 746	4 182	3 733	0%
Repairs and maintenance	-	-	-	-	0%
Other	1 326	1 539	1 438	1 069	-44%
Total operational expenditure	4 517	5 285	5 620	4 802	-10%
Net operational expenditure	-4 407	-5 112	-5 448	-4 724	-8%
					T3.28.5

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CAPITAL EXPENDITURE 2012/2013: PROPERTY; LEGAL; RISK MANAGEMENT; AND PROCUREMENT SERVICES R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total all				0%	
Project A				0%	280
Project B				0%	150
Project C				0%	320
Project D				0%	90
					T3.28.6

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL

No capital projects.

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

Not applicable.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year. (Insert Organisational KPI's as per SO in performance report.)

PERFORMANCE REPORT: Please see Appendix 3A

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CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

Organisational development within the Cape Winelands District Municipality (CWDM) continuously focus on the increase of the District Municipality's effectiveness and efficiency in order to develop the CWDM to its full potential and seeking to increase effectiveness in terms of the strategic objectives as defined in the Integrated Development Plan.

The objective of organisational development is to improve the District Municipality's capacity to handle its internal and external functioning and relationships, inclusive of more effective communication, enhanced ability to cope with organisational challenges, more effective decision-making processes, more appropriate leadership styles, improved skills and higher levels of trust and cooperation among employees.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
Description	30 JUNE 2012		30 JUNE 2013		
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
Water	0	0	0	0	
Waste Water (Sanitation)	0	0	0	0	
Electricity	0	0	0	0	
Waste Management	0	0	0	0	
Housing	7	7	6	1	
Waste Water (stormwater drainage)	0	0	0	0	
Roads	264	290	234	55	
Transport	3	4	3	1	
Planning	1	1	1	0	
Local Economic Development	5	5	5	0	
Community & Social Services	14	14	13	0	
Environmental Protection	10	10	13	1	
Health	56	56	48	0	
Security and Safety	82	88	71	12	
Sport and Recreation	0	0	0	0	
Corporate Policy Offices and Other	153	162	139	26	
TOTALS	595	637	533	96	0

T4.1.1

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VACANCY RATE: 2012/2013			
Designation	Total Approved Posts	Vacancies (Total time that vacancies exist using fulltime equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	1	100.00
Other S56 Managers (Excluding Finance Posts)	5	2	40.00
Other S56 Managers (Finance Posts)	0	0	0.00
Fire Fighters	69	7	10.14
Senior Management: Levels 0-3 (Excluding Finance Posts)	18	1	5.56
Senior Management: Levels 0-3 (Finance Posts)	3	0	0.00
Highly Skilled Supervision: Levels 4-6 (Excluding Finance Posts)	101	8	7.92
Highly Skilled Supervision: Levels 4-6 (Finance Posts)	4	1	25.00
Total	202	20	9.90
			T4.1.2

TURN-OVER RATE			
Details	Total appointments as of beginning of financial year No.	Terminations during the financial year No.	Turn-over rate
2012/13	28	78	15.79%
			T4.1.3

COMMENT ON VACANCIES AND TURNOVER

In terms of Section 66(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) a municipal manager, within a policy framework determined by the municipal council and subject to any applicable legislation, must develop a staff establishment for the municipality, and submit the staff establishment to the municipal council for approval. During the 2012/2013 financial year the macro structure of the Cape Winelands District Municipality (CWDM) changed from six departments to three departments to be effective from 01 July 2013, which has subsequently resulted in some of the Section 56 posts be vacant for some time during this period.

The post of Executive Director: Corporate Services was vacant from 01 August 2012 until 27 September 2012, on which date this Section 56 post was deleted from the macro structure and the functional units incorporated in the Office of the Municipal Manager.

The post of Executive Director: Community and Developmental Services was vacant for the period from 01 April 2013 until 30 June 2013 as a result of the resignation of the incumbent. This post was not advertised, since this Department has been incorporated with a new Department with effect from 01 July 2013.

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The post of Chief Financial Officer was vacant for the period from 19 May 2013 until 30 June 2013 since the contract of the former Chief Financial Officer has expired on 18 May 2013. This Section 56 post has been filled with an internal candidate with effect from 01 July 2013.

The post of Executive Director: Infrastructure Development Services was vacant for the period from 01 July 2012 until 31 October 2012. This Section 56 post was filled with an internal candidate with effect from 01 November 2012.

During all the reported periods during which Section 56 posts were vacant, proper acting arrangements were in place to ensure continuous service delivery and the post of Municipal Manager was filled for the full term of the 2012/2013 financial year.

The majority of terminations during the 2012/2013 financial year resulted from contracts which have expired, however the Cape Winelands District Municipality (CWDM) does lose employees who resign and take up employment at neighbouring municipalities who have higher gradings and thus can offer better salary opportunities.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

In terms of Section 67(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), the Cape Winelands District Municipality, in accordance with the Employment Equity Act, 1998 (Act No 55 of 1998) continuously develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the recruitment, selection and appointment of persons as staff members.

In terms of Section 20 of the Employment Equity Act, 1998 (Act No 55 of 1998) the Cape Winelands District Municipality is a designated employer and must prepare and implement a plan to achieve employment equity, which must have objectives for each year of the plan, include affirmative action measures, have numerical goals for achieving equitable representation and have internal monitoring and evaluation procedures.

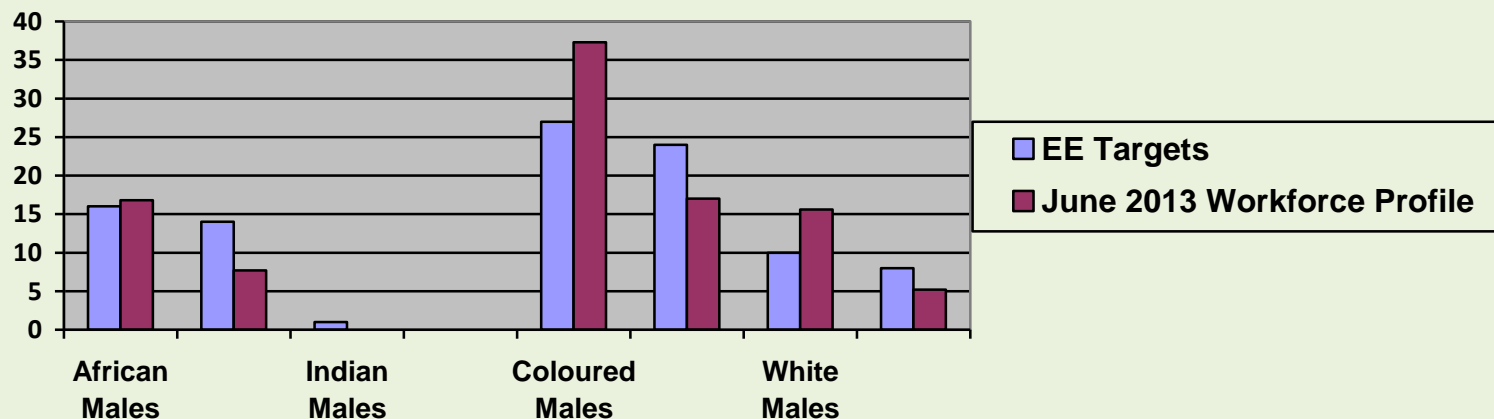
During the 2012/2013 financial year, the CWDM gave continuous effect to the implementation of the Revised Employment Equity Plan for the period from 2009 to 2014 as adopted by Council on 25 November 2010. However, it should be noted that as a result of the Organisational Design Project which came to a conclusion during this period, only strategic essential posts were considered for filling which resulted in minimum movement in terms of employment equity.

As per the requirements of the Employment Equity Act, 1998 (Act No 55 of 1998) the CWDM submitted employment equity reports on the prescribed format to the Department of Labour on 19 September 2012. Consultation with all relevant parties takes place monthly at the Local Labour Forum, where parties are offered an opportunity to continuously assess and monitor progress.

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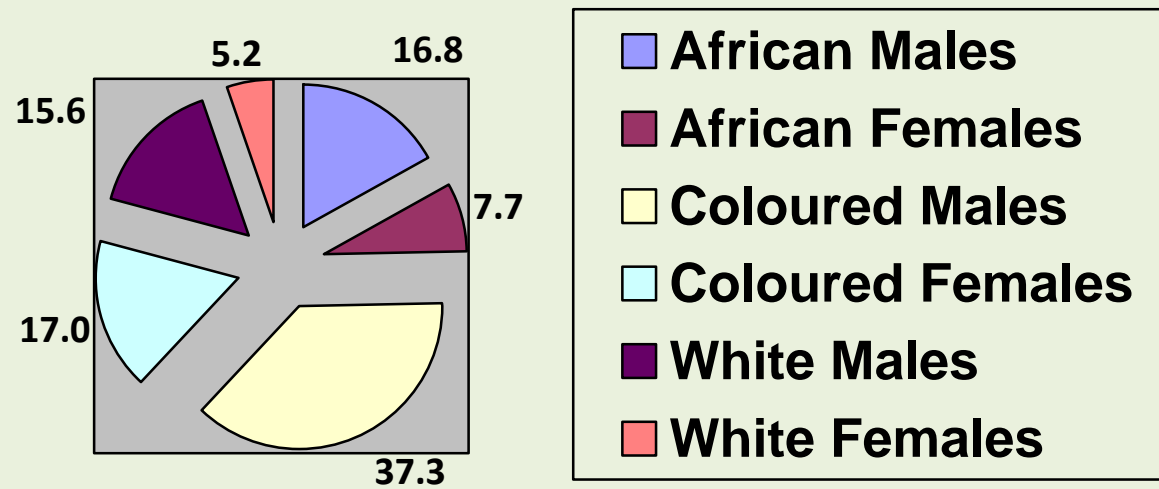
WORKFORCE PROFILE: CWDM GLOBAL: 30JUNE 2013

CWDM Targets: October 2009 – October 2014	MALE				FEMALE			
	African	Coloured	Indian	White	African	Coloured	Indian	White
	16.0%	27.0%	1.0%	10.0%	14.0%	24.0%	0.0%	8.0%
Top Management	25.0%	25.0%	0.0%	25.0%	0.0%	25.0%	0.0%	0.0%
Senior Management	0.0%	27.2%	0.0%	45.4%	0.0%	18.1%	0.0%	9.0%
Professionally qualified and experienced specialists and mid-management	5.5%	38.8%	0.0%	41.6%	2.7%	8.3%	0.0%	2.7%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5.0%	32.5%	0.0%	30.0%	8.1%	18.7%	0.0%	5.6%
Semi-skilled and discretionary decision making	19.5%	47.8%	0.0%	3.6%	4.3%	14.4%	0.0%	10.1%
Unskilled and defined decision making	32.4%	33.5%	0.0%	2.0%	12.5%	19.5%	0.0%	0.6%
Total: disabled – June 2013	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%	0.0%	0.4%
Total: all employees – June 2013	16.8%	37.3%	0.0%	15.6%	7.7%	17.0%	0.0%	5.2%
Total: all employees – May 2013	17.0%	37.3%	0.0%	15.6%	7.7%	17.0%	0.0%	5.2%



JUNE 2013 WORKFORCE PROFILE COMPARED TO EE TARGETS

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JUNE 2013 WORKFORCE PROFILE

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4.2 POLICIES

HR POLICIES AND PLANS				
	Name of Policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
1	Benevolent Fund Policy	100		25 November 2010
2	Chronic Illness Policy	100		24 May 2005
3	Code of Conduct for employees	100		
4	Confidentiality Policy	100		24 May 2005
5	CWDM Sponsored Work Related Functions Policy	100		24 May 2005
6	Delegations, Authorization & Responsibility	100	15 July 2011	15 July 2011
7	Disciplinary Code and Procedures	100		Bargaining Council
8	Employee Assistance Programme Policy	100		25 April 2012
9	Employee Driving license Assistance Policy	100		17 February 2011
10	Employee Study Aid & Leave Policy	100		24 May 2005
11	Education, Training & Development Policy	100		24 May 2005
12	Grievance Procedures	100		Bargaining Council
13	HIV & Aids Policy	100	25 November 2010	24 May 2005
14	Information Technology Security Policy	100		24 May 2005
15	Induction Policy	100		24 May 2005
16	Information & Communication Backup Policy	100		12 April 2012
17	International Relations Policy	100		27 August 2009
18	Legal Aid Policy for Councillors & Employees	100		24 May 2005
19	Mayoral Bursary Fund Policy	100		25 October 2012
20	Minimum Services Collective Agreement	100		23 March 2009
21	Nepotism Policy	100		24 May 2005
22	Non-Pensionable Transport Allowance	100		26 April 2007
23	Occupational Health and Safety	100		24 May 2005

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HR POLICIES AND PLANS				
	Name of Policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
24	Policy Framework for the Determination of the Macro Organizational Structure for the Boland District Municipality	100		24 June 2002
25	Policy Framework for the Recruitment, Selection & Appointment of Managers Directly Accountable to the Municipal Manager	100		24 June 2002
26	Policy on the Procedure for the Investigation of Allegations of Contraventions of the Code of Conduct for Councillors	100		25 March 2004
27	Private Work Policy	100		24 May 2005
28	Recruitment & Selection Policy	100	25 November 2010	24 May 2005
29	Sexual Harassment Policy	100		24 May 2005
30	Smoking Policy	100	25 November 2010	24 May 2005
31	Staff Statements to the Media Policy	100		24 May 2005
32	Substance & Travel Policy	100		30 March 2012
33	Substance Abuse Policy	100		24 May 2005
34	Succession Planning & Career Pathing Policy	100		24 May 2005
35	Telephone Policy for Councillors	100	11 December 2002	24 May 2005
36	Time & Attendance Management Policy	100		27 October 2011
37	Transport Alliance Scheme for Essential Users	100		22 June 2007
38	User Security Policy	100		27 October 2011
39	Uniforms and Protective Clothing: Support Personnel	100		24 May 2005
40	Unpaid leave Policy	100		24 May 2005
41	Usage of Official Vehicle Policy	100		25 March 2004
42	Whistleblowing Policy	100		24 May 2005
				T4.2.1

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4.3 INJURIES, SICKNESS AND SUSPENSIONS

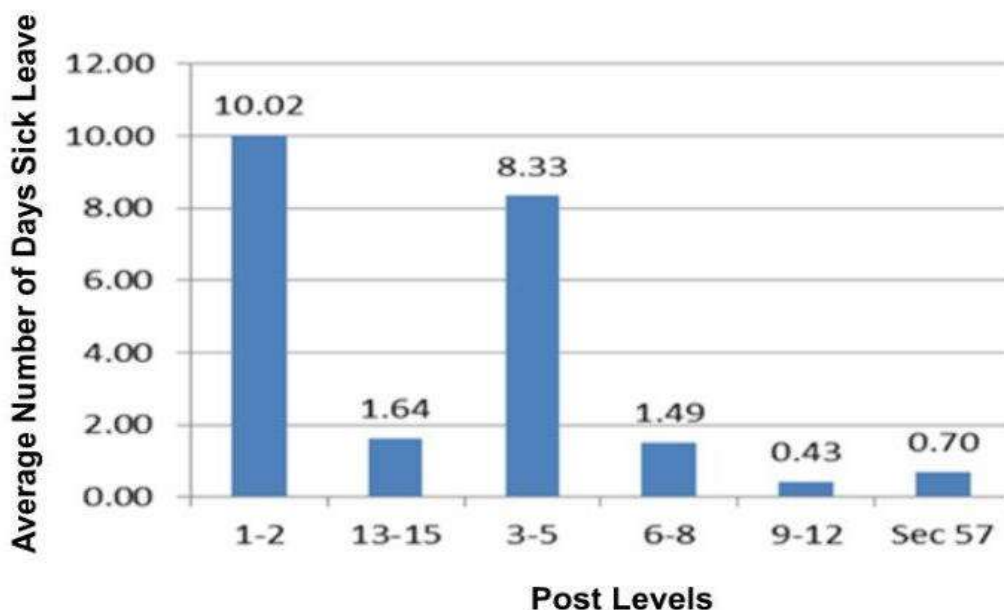
NUMBER AND COST OF INJURIES ON DUTY					
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average injury leave per employee	Total estimated cost
	Days	No.	%	Days	R'000
Required basic medical attention only	86	27	31.40%	17.2	60
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	86	27	31.40%	17.2	60

T4.3.1

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	Average sick leave per employees
	Days	%	No.	No.	Days
Lower skilled (Levels 1-2)	872	31%	95	95	4.00
Skilled (Levels 3-5)	350	22%	16	36	1.61
Highly skilled production (Levels 6-8)	142	38%	36	34	0.65
Highly skilled supervision (Levels 9-12)	120	31%	34	37	0.55
Senior management (Levels 13-15)	36	47%	37	16	0.17
Municipal Manager and S56	0				0.00
Total	1520	34%	218	218	6.97

T4.3.2

Average Sick Leave



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE

Eighty (80) days sick leave is granted to employees in a three (3) year leave cycle in terms of Clause 3.2 of Part B of the Main Collective Agreement. In terms of the Main Collective Agreement the Cape Winelands District Municipality require a medical certificate from a registered medical practitioner if more than two (2) consecutive days are taken as sick leave by an employee. The employer is further not required to pay an employee if an employee is absent on more than two occasions during an eight-week period, and on request by the employer, does not produce a medical certificate stating that the employee was unable to work for the duration of the employee's absence on account of sickness or injury.

The Cape Winelands District Municipality also adopted an Employee Assistance Programme to offer confidential assistance to employees who have the potential to be adversely affected by personal and work related problems which might result in absence from the workplace as a result of sick leave. Through the Employee Assistance Programme, employees are assisted to resolve personal problems that affects job performance, motivated to seek help and directed to the best assistance possible.

Accident leave is granted to an employee who suffers an illness or injury in the course of his/her duties for the periods corroborated by a medical certificate and is restricted to 24 months in respect of any one illness or injury. All injuries on duty which result in accident leave is investigated by the relevant supervisors and if necessary, in collaboration with the Occupational Health and Safety Officer in order to establish where there was any negligent behaviour and to impose measures to avoid future incidents/injuries which might result in accident leave. All incidents and injuries are reported on a monthly basis to the Local Labour Forum.

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NUMBER AND PERIOD OF SUSPENSIONS				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
NONE				
				T4.3.5

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
NONE			
			T4.3.6

4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS BY GENDER					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2011/2012 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled production (Levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (Levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
Municipal Manager and S56	Female	2	2	169	100%
	Male	4	4	380	100%
Total		6	6	549	
Has the statutory municipal calculator been used as part of the evaluation process?					Yes
				T4.4.1	

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COMMENT ON PERFORMANCE REWARDS

In terms of Section 57(4B) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council concerned.

Regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006, states that in accordance with Regulation 32, a performance bonus, based on affordability, may be paid to the employee, after-

- the annual report for the financial year under review has been tabled and adopted by the municipal council;
- an evaluation of performance in accordance with the provisions of Regulation 23; and
- approval of such evaluation by the municipal council as a reward for outstanding performance.

Regulation 23 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006, states that the purpose of a performance agreement is to:

- comply with the provisions of Sections 57(1)(b), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- in the event of outstanding performance, to appropriately reward the employee; and
- give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improve service delivery.

Regulation 32 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006, states that:

- The evaluation of the employee's performance will form the basis for the rewarding outstanding performance or correcting unacceptable performance; and
- A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment – rating calculator; provided that.

However, note should be taken that the Council of the Cape Winelands District Municipality resolved at Item C.14.1 of its meeting held on 25 April 2012 that future performance bonuses of Section 56 employees shall be capped to a maximum of 7% (seven per cent) in terms of Regulation 32(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

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In view of the aforementioned Council resolution, the Municipal Manager as well as the Managers directly accountable to the Municipal Manager accordingly agreed that their future performance bonuses of their all-inclusive annual remuneration packages be capped to a maximum of 7% (seven per cent).

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

All training initiatives implemented within the Cape Winelands District Municipality (CWDM) have a direct link to the CWDM IDP objectives. To date the Minimum Competency Level (MCL) training as prescribed by the Municipal Regulations on Minimum Competency Levels are considered a priority. In terms of affected officials, 98% are currently fully competent and thus comply with National Treasury's Municipal Regulations on Minimum Competency Levels. A second project is envisaged for roll-out which includes non-financial officials.

Project and Programme Management was also considered a priority for 2012/2013; 21 participants underwent Project and Programme Management training varying from the Basic Level to the Advanced Level. Learnerships implemented included 2 X Certificates and Diplomas in Occupationally Directed Education Training and Development Practices ODETDP, Local Economic Development (LED) Level 4 and the Local Government Accounting Certificate (LGAC). Adult Education and Training (AET) continues to be a priority within the CWDM and 26 learners are currently on this programme. Skills programmes implemented mainly focused on Occupational Health and Safety training and up-skilling staff on the latest legislative requirements, for example: Engineering and Health professional Continuing Professional Development (CPD) courses.

CAPE WINELANDS MAYORAL BURSARY FUND AWARDS

The Cape Winelands District Municipality awarded **47** full bursaries to well-deserving students throughout the region. A total amount of R1,091,410 was spent on these learners covering a wide range of academic qualifications. Priority was given (not excluding other qualifications) to those students studying towards achieving qualifications that falls within the Local Government Scarce Skills scope (as determined by the LGSETA). Below, please find a breakdown of the CWDM 2013 bursary awards:

ACADEMIC YEAR	
1 st Year	49 %
2 nd Year	39 %
3 rd Year	6 %
4 th Year	6 %

RACE BREAKDOWN	
Coloured	57 %
African	28 %
White	11 %
Asian	4 %

GENDER BREAKDOWN	
Males	49 %
Females	51 %

QUALIFICATIONS BREAKDOWN	
Financial	47 %
Medical	15 %
Environmental Management	11 %
Law	9 %
Social Work	6 %
Electrical Engineering	4 %
ITC	4 %
Architecture	2 %
Emergency Ambulance Assistant	2 %

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4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX														
Management level	Gender	Employees in post as at 30 June 2013 No.	Number of skilled employees required and actual as at 30 June 2013											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and S56	Female													
	Male	1	1		1				1	1		1	1	2
Councillors, senior officials and managers	Female	6	3	1	6	5			1			8	2	6
	Male	21	4	10	10	16			3	5		20	13	15
Technicians and associate professionals	Female	1	4	0	0	10	1	1				14	1	1
	Male	6	2	0	0	32	1	1				34	1	1
Professionals	Female	26	2	1	2	2	9	9		10	10	4	20	21
	Male	59	2	1	3	5	11	12		8	8	7	20	23
Sub total	Female	33	9	2	8		10	10		10	10	9	23	28
	Male	87		11	14		12	13		12	14		35	
Total		120		13	22		22	23		22	24		58	28

*Registered with professional Associate Body e.g. CA (SA)

T4.5.1

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4))
Financial Officials	0	0	0	0	0	0
Accounting Officer	1	0	1	0	1	0
Chief Financial Officer	1	0	1	0	1	0
Senior Managers	4	0	4	0	4	0
Any other Financial Officials	26	0	26	0	0	0
Supply Chain Management Officials	0	0	0	0	0	0
Heads Of Supply Chain Management Units	1	0	1	0	0	0
Supply Chain Management Senior Managers	1	0	1	0		
TOTAL	34	0	34	0	6	0

T4.5.2

SKILLS DEVELOPMENT EXPENDITURE										
R1,487,503.44										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

MM and S56	Female	0	0	0	0	0	0	0	0	0
	Male	1	0	1	0	0	0	0	0	0
Legislators, Senior Officials and Managers	Female	7	0	1	0	1	0	0	0	2
	Male	21	0	3	0	10	0	1	0	14
Professionals	Female	26	0	4	0	10	0	10	0	24
	Male	59	0	6	0	11	0	8	0	25
Technicians and Associate Professionals	Female	1	0	0	0	1	0	0	0	1
	Male	5	0	0	0	1	0	0	0	1
Clerks	Female	52	0	11	0	15	0	9	0	35
	Male	18	0	5	0	6	0	2	0	13
Service and Sales Workers	Female	9	0	0	0	2	0	2	0	4
	Male	66	0	1	0	31	0	2	0	34
Plant and Machine Operators and Assemblers	Female	1	0	0	0	0	0	0	0	0
	Male	70	0	0	0	6	0	6	0	12
Elementary Occupations	Female	46	0	0	0	2	0	3	0	5
	Male	161	0	0	0	21	0	10	0	31
Sub total	Female	95	0	16	0	29	0	21	0	66
	Male	170	0	16	0	59	0	13	0	88
Total		543	0	64	0	205	0	87	0	356
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
T4.5.3										

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

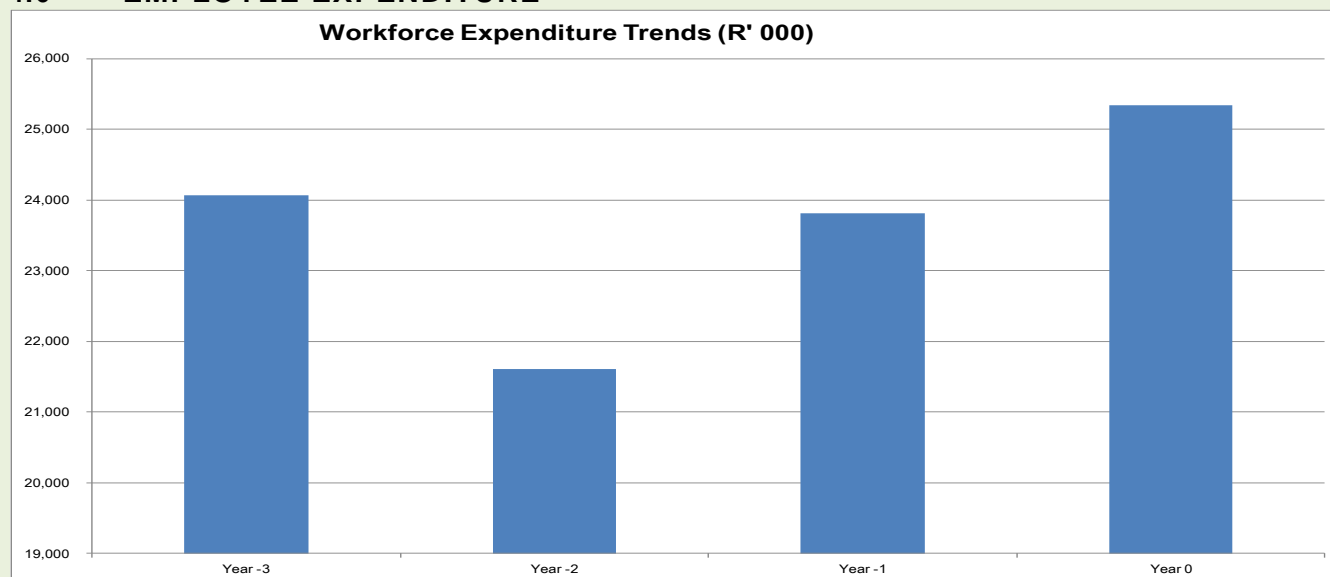
COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The annual Workplace Skills Plan (WSP) submitted to the LGSETA aims to serve more as a guide than a strategic training plan. The actual implementation of planned training within the CWDM is influenced by an array of internal and external factors. Thus, the WSP serves more as a training guide. With regards to the implementation of planned training within the CWDM, there is a 70% - 75% correlation between what is planned and what is implemented. The variance difference between budgeted and actual expenditure for training is a direct result of, inter alia, the administrative instability of the National Office of the LGSETA over the past 3 - 5 years. The CWDM annually planned for the implementation of medium to long-term training initiatives (including Learnerships), however, as a district municipality the CWDM is depended on LGSETA grant approval and funding for implementation.

Within the last 3 - 5 years the CWDM did not receive approval, nor funding for Learnerships and special projects, hence the significant variance between planned and actual training. With the LGSETA currently under administration, it should result in an increase in the level of training implementation, thus increasing the expenditure on training. In the CWDM all implemented training initiatives are monitored and evaluated in terms of their Return-on-Investment (ROI). Thus, it is incumbent on the appointed training provider, as well as the relevant line manager to monitor and evaluate the value of the training implemented for reporting via the Training Office to the Training Committee. With regard to compliance with National Treasury's Municipal Minimum Competency Regulations, the CWDM are currently about 98% compliant, taking into account the affected financial officials. The CWDM are on the verge of implementing Minimum Competency Level (MCL) training for non-financial officials, giving effect to our Talent Management and career path opportunities to non-financial staff.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T 4.6.1

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior Management (Levels 13-16)	Female	0
	Male	0
MM and S56	Female	0
	Male	0
Total		0
		T4.6.2

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Cashier	1	T5	Remuneration levels of individual employees in terms of different TASK salary scales and notches.	Clause 7.2.3 of the SALGBC Categorisation & Job Evaluation Wage Curves Collective Agreement stipulates that: <i>"employees whose existing basic salary is higher than the maximum notch of their applicable TASK grade, on the salary scale of their municipality in terms of this Agreement, shall retain their basic salary;"</i>
General Assistant (Roads)	30	T3		
General Assistant (Logistical Support)	4	T3		
General Worker Level 2 (Roads)	6	T2		
General Assistant (Mechanical Workshop)	3	T3		
Small Plant Operator	4	T4		
Cadet Fire Fighter	13	T5		
Driver Messenger	2	T4		
Stores Assistant	2	T5		
Clerk (Finance)	1	T5		
Data Operator	1	T5		
Word Processing Operator	1	T5		
Reception/Switchboard Operator	2	T5		
Control Room Operator	2	T6		
Clerk (Support Services)	1	T5		
Senior Clerk (Income)	1	T6		
Senior Clerk (Creditors)	2	T6		
Senior Clerk (Expenditure)	2	T6		
Supervisor Driver	2	T7		
Fire Fighter	4	T7		
Senior Clerk (Records)	1	T6		
Executive Secretary	4	T7		
Community Field Worker	3	T7		
Senior Clerk (Human Resources)	1	T6		
Principle Clerk (Expenditure)	1	T7		
Senior Clerk (Help Desk)	1	T6		
Principle Clerk (Records)	1	T7		
Artisan (Mechanic)	3	T10		
Senior Clerk (Roads)	1	T6		
Senior Fire Fighter	3	T10		
Secretary	1	T6		
Chief Clerk (Payroll)	1	T8		
Chief Clerk (Expenditure)	1	T8		
Buyer	2	T10		
Senior Supervisor (Roads)	2	T8		
Controller (Finance)	1	T10		

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EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Principle Clerk (Assets)	1	T7	Remuneration levels of individual employees in terms of different TASK salary scales and notches.	Clause 7.2.3 of the SALGBC Categorisation & Job Evaluation Wage Curves Collective Agreement stipulates that: "employees whose existing basic salary is higher than the maximum notch of their applicable TASK grade, on the salary scale of their municipality in terms of this Agreement, shall retain their basic salary;"
Foreman (Road Maintenance)	3	T9		
Environmental Health Practitioner	32	T11		
Civil Engineering Technician	2	T11		
Performance Management Administrator	1	T9		
Committee Officer	2	T9		
Administrator (Housing)	1	T9		
Principle Clerk (Tourism)	1	T7		
Public Transport Officer	1	T11		
Disaster Management Officer	3	T11		
Human Resources Administration Officer	1	T10		
Senior Fire Prevention Officer	1	T11		
GIS Administrator	1	T9		
Community Development Officer	2	T11		
Controller (Income)	1	T10		
Tourism Officer	2	T11		
Local Economic Development Officer	2	T11		
Audit Officer	1	T11		
Project Co-ordinator	2	T12		
Senior Community Development Officer	2	T12		
Senior Local Economic Development Officer	1	T12		
Accountant	2	T12		
Network Support Manager	1	T12		
Senior Housing Officer	1	T12		
Human Resources Officer	1	T11		
Senior Tourism Officer	1	T12		
Superintendent (Building Maintenance)	1	T12		
Senior Information Technology Support Officer	1	T12		
Senior Committee Officer	1	T10		
Senior Superintendent (Roads)	2	T13		
Manager (Budget and Financial Statements)	1	T14		
Manager (Expenditure)	1	T14		
Manager (Health Services)	1	T14		
Manager (Information Technology)	1	T14		
Manager (Roads)	3	T14		
Manager (Local Economic and Social Development)	1	T14		

T4.6.3

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

EMPLOYEES APPOINTED TO POSTS NOT APPROVED				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
NONE				
				T4.6.4

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

- T4.6.2: The Cape Winelands District Municipality did not perform any Job Evaluations during the 2012/2013 financial year;
- T4.6.3 Clause 7.2.3 of the SALGBC Categorisation & Job Evaluation Wage Curves Collective Agreement stipulates that: *“employees whose existing basic salary is higher than the maximum notch of their applicable TASK grade, on the salary scale of their municipality in terms of this Agreement, shall retain their basic salary;”* and
- 4.6.4 The Cape Winelands District Municipality did not make any appointments to posts that do not exist on the staff establishment in the 2012/2013 financial year.

DISCLOSURES OF FINANCIAL INTERESTS

All Councillors are required to disclose their financial interest at the first Council meeting of each year.

All Councillors are also required in terms of Regulation 45 of the Municipal Supply Chain Regulations published in Government Gazette No. 27636 of 30 May 2005, Notice No. 868 to declare their interest pertaining to any awards of more than R2,000 to a person who is a spouse, child or parent related to them during the previous 12 months.

CHAPTER 5 – FINANCIAL PERFORMANCE

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; and
- Component C: Other Financial Matters.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The Cape Winelands District Municipality maintained a sound financial position during the 2012/2013 financial year despite the fact that its own revenue sources remain limited. Currently, being a district municipality unauthorised for water and sanitation, the RSC Levies Replacement grant (DORA) increases by 3% a year. Consequently, the Cape Winelands District Municipality's financial resources shrink constantly, but still manage to render basic dignified fundamental services to the communities they have been entrusted to by the Constitution of the Republic of South Africa.

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

FINANCIAL SUMMARY						
Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates					%	%
Service charges	570	160	160	288	%	%
Investment revenue	24 401	25 000	24 340	24 451	%	%
Transfers recognised - operational	215 309	300 533	297 636	279 242	%	%
Other own revenue	89 658	1 936	5 752	4 187	%	%
Total Revenue (excluding capital transfers and contributions)	329 939	328 467	327 356	308 168	%	%
Employee costs	135 811	146 365	145 889	154 901	%	%
Remuneration of councillors	9 336	10 113	10 002	9 811	%	%
Depreciation & asset impairment	8 318	14 104	14 076	7 243	%	%
Finance charges	15	28	25	23	%	%
Materials and bulk purchases	–	–	–	–	%	%
Transfers and grants	1 500	–	–	–	%	%
Other expenditure	163 342	162 550	133 523	112 615	%	%
Total Expenditure	318 323	333 160	303 515	284 593	%	%
Surplus/(Deficit)	11 616	24 719	23 841	23 575	%	%
Transfers recognised - capital					%	%
Contributions recognised - capital & contributed assets					%	%
Surplus/(Deficit) after capital transfers & contributions	11 616	24 719	23 841	23 575	%	%
Share of surplus/ (deficit) of associate					%	%
Surplus/(Deficit) for the year	11 616	24 719	23 841	23 575	%	%
Capital expenditure & funds sources						

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

FINANCIAL SUMMARY						
Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Capital expenditure	6 998	11 102	11 860	10 717	%	%
Transfers recognised - capital	1 133	556	2 306	914	%	%
Public contributions & donations	–	–	–	–	%	%
Borrowing	–	–	–	–	%	%
Internally generated funds	5 865	10 546	9 554	9 803	%	%
Total sources of capital funds	6 998	11 102	11 860	10 717	%	%
Financial position						
Total current assets	406 243	449 662	449 662	438 532	%	%
Total non-current assets	223 062	180 694	180 694	211 712	%	%
Total current liabilities	64 451	42 365	42 365	44 555	%	%
Total noncurrent liabilities	105 934	122 079	122 079	140 264	%	%
Community wealth/Equity	458 920	465 911	465 911	465 426	%	%
Cash flows						
Net cash from (used) operating	32 411	(58 415)	8 711	41 839	%	%
Net cash from (used) investing	(10 289)	(12 102)	(11 194)	(8 405)	%	%
Net cash from (used) financing	(51)	–	–	(137)	%	%
Cash/cash equivalents at the year end	–	–	–	–	%	%
Cash backing/surplus reconciliation						
Cash and investments available	395 690	443 300	443 300	428 987	%	%
Application of cash and investments	235 897	240 355	240 352	240 138	%	%
Balance - surplus (shortfall)	159 792	202 945	202 948	188 849	%	%
Asset management						
Asset register summary (WDV)	223 062	180 694	180 694	211 712	%	%

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

FINANCIAL SUMMARY						
Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Depreciation & asset impairment	5 732	14 104	14 078	7 243	%	%
Renewal of Existing Assets	-	-	-	-	%	%
Repairs and Maintenance	-	-	-	-	%	%
Free services						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
Households below minimum service level						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						5.1.1

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

5.2 GRANTS

GRANT PERFORMANCE						
Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government	200 867	208 278	208 278	202 762	3%	3%
Local Government Equitable Share	12 461	11 888	11 888	6 945	42%	42%
RSC Levy Replacement	187 508	193 926	193 926	193 926	0%	0%
EPWP Incentive	–	1 214	1 214	1 214	100%	100%
Finance Management	898	1 250	1 250	677	46%	46%
Provincial Government	4 914	10 621	4 977	1 303	88%	74%
Contribution DOPW: Meerlust sewerage	–	4 800	–	–	0%	0%
CWDM integrated transport plan	1 064	715	715	635	11%	11%
PAWC: Thusong centre	1 500	–	–	–	0%	0%
Provincial Treasury: FMG	–	–	300	–	0%	0%
Housing subsidy: Hermon	769	–	–	521	100%	100%
Public Transport Infrastructure	–	4 000	1 600	–	0%	0%
Ward Committee Summit	24	–	–	–	0%	0%
Subs: Meerlust int. serv & top	81	–	–	–	0%	0%
Transport safety and compliance	–	1 000	2 500	93	91%	96%
Perception Survey	1 301	–	–	–	0%	0%
Water & sanitation master plan	99	–	–	–	0%	0%
Housing Consumer Education	13	25	81	10	61%	88%
Community Development Workers	63	81	81	44	45%	45%
District Municipality	–	–	–	–	0%	0%
Other grant providers	85 861	78 916	78 078	85 241	97%	97%
Subs. dow: hiring of toilets	581	550	550	463	16%	16%
Roads: Agency	75 320	63 657	62 819	76 798	100%	100%
Working for Water	9 960	14 709	14 709	7 980	54%	54%

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

GRANT PERFORMANCE						
Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Total Operating Transfers and Grants	291 642	297 815	291 333	289 306	3%	3%
						T5.2.1

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

GRANTS RECEIVED FROM SOURCES OTHER THAN DIVISION OF REVENUE ACT (DORA)						
Details of donor	2011/2012	2012/2013	2012/2013 Municipal contribution	Date grant terminates	Date municipal contribution terminates	Nature and benefit from the grant received (include description of any contributions in kind)
Parastatals						
A - "Project 1"	-	-	0	-	-	-
A - "Project 2"	-	-	0	-	-	-
B - "Project 1"	-	-	0	-	-	-
B - "Project 2"	-	-	0	-	-	-
	-	-	0	-	-	-
Foreign Governments/Development Aid Agencies--						
A - "Project 1"	-	-	- 0	-	-	-
A - "Project 2"	-	-	0	-	-	-
B - "Project 1"	-	-	0	-	-	-
B - "Project 2"	-	-	0	-	-	-
	-	-	0	-	-	-
Private Sector / Organisations						
Nedbank	-	1 000	0	N/A	N/A	-
A - "Project 2"	-	-	0	-	-	-
B - "Project 1"	-	-	0	-	-	-
B - "Project 2"	-	-	0	-	-	-
	-	-	0	-	-	-
						T5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

R4.8 million relating to Municipal Infrastructure Grant (MIG) was incorrectly regarded as unspent by National Treasury, deducted from the Cape Winelands District Municipality's Equitable Share allocation and it reverted back to the National Revenue Fund. National Treasury indicated that it will consider exploring possible options that would compensate the Cape Winelands District Municipality with the R4.8 million as part of the next National Adjustments Budget process or alternatively increasing allocations in the outer years of the MTREF. However this cannot be guaranteed, but would be mainly informed by the outcome of the National budget process.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The Municipality does not provide basic services; hence do not have major Infrastructure Assets. Assets mainly consist of land, buildings, vehicles and other property plant and equipment.

The GRAP compliant Asset Management Policy of the Cape Winelands District Municipality sets out the procedures to be followed by the Accounting Officer, Executive Directors and their staff, to whom functions are delegated, for the management of the Cape Winelands District Municipality's assets and the reporting to Council on such functions wherever applicable. The Policy enables the Municipality to reflect the market value of the fixed assets on the Statement of Financial Position and improve its financial standing.

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2012/2013		
Asset 1		
Name	Major 4x4 Fire vehicle	
Description		
Asset type		
Key staff involved		
Staff responsibilities		
Asset value	2012/2013	
	2 432	
Capital implications		
Future Purpose of Asset		
Describe key issues		
Policies in Place to Manage Asset		
Asset 2		
Name	Radio Network	
Description		
Asset type		
Key staff involved		
Staff responsibilities		
Asset value	2012/2013	
	1 940	
Capital implications		
Future Purpose of Asset		
Describe key issues		
Policies in Place to Manage Asset		
Asset 3		
Name	Replacement of PC's	
Description		
Asset type		
Key staff involved		
Staff responsibilities		
Asset value	2012/2013	2013/2014
	1 000	1 531
Capital implications		
Future Purpose of Asset		
Describe key issues		
Policies in Place to Manage Asset		
T5.3.2		

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

Repair and Maintenance Expenditure: 2012/2013				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	6 256	4 688	16 890	-168.51%
				T5.3.4

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS:

Liquidity Ratio (Norm 1 to 1.5)

Applying the ratio of current assets over current liabilities the actual ratio equates 10.26 (2012: 7.24) with a minimum acceptable norm at 1. This means that the current assets of the municipality are more than the current liabilities. The 2012 current ratio of 7.24 increased with 3.02 from the previous year. This is as a result of a decrease in the Trade and other payables (22%) and Finance Leases (27%) from 2012 to 2013, however Cash and Cash Equivalents increased with 8%, which increase has no significant effect on the decrease alluded on. The Municipality is likely to meet its financial obligations on a timely basis.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

Description	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	11 102	11 864	10 717	3.5%	9.7%
	11 102	11 864	10 717	3.5%	9.7%
Operating Expenditure	333 160	326 705	284 593	60.8%	53.8%
	333 160	326 705	284 593	60.8%	53.8%
Total expenditure	344 262	338 569	295 310	59.9%	53.0%
Water and sanitation	0	0	0	0	0
Electricity	0	0	0	0	0
Housing	0	0	0	0	0
Roads, Pavements, Bridges and storm water	0	0	0	0	0
Other	0	0	10 717	0	0
Total	0	0	10 717	0	0
External Loans	0	0	0	0	0
Internal contributions	0	0	0	0	0
Grants and subsidies	556	2 306	914	-64.4%	60.40%
Other	10 546	9 554	9 803	7.0%	-2.6%
Total	11 102	11 860	10 717	3.5%	14.1%
External Loans	0	0	0	0	0
Grants and subsidies	237 078	240 835	206 970	12.7%	14.1%
Investments Redeemed	0	0	0	0	0
Statutory Receipts (including VAT)	0	0	0	0	0

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Other Receipts	90 976	33 048	101 198	-11.2%	-206.2%
Description	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Total	328 054	273 883	308 168	6.1%	-12.5%
Salaries, wages and allowances	140 080	140 240	164 711	-17.6%	-17.4%
Cash and creditor payments	222 787	177 992	112 504	49.5%	36.8%
Capital payments	11 102	11 864	10 717	3.5%	9.7%
Investments made	0	0	0	0	0
External loans repaid	0	0	137	0	0
Statutory Payments (including VAT)	0	0	0	0	0
Other payments	12 500		7 378	41.0%	0
Total	386 469	330 096	295 446	23.6%	10.5%
Property rates	0	0	0	0	0
Service charges	160	160	288	-79.8%	-79.8%
Other own revenue	1 428	2 837	1 523	-6.7%	46.3%
Total	1 588	2 997	1 810	-14.0%	39.6%
Employee related costs	144 722	145 972	154 901	-7.0%	-6.1%
Provision for working capital		0	0	0	0
Repairs and maintenance	6 256	4 351	4 336	30.7%	0.3%
Bulk purchases	0	0	0	0	0
Other expenditure	131 170	118 566	112 506	14.2%	5.1%
Total	282 147	268 889	271 742	3.7%	-1.1%
Service charges: Electricity	0	0	0	0	0
Grants & subsidies: Electricity	0	0	0	0	0
Other revenue: Electricity	0	0	0	0	0
Total	0	0	0	0	0
Employee related costs: Electricity	0	0	0	0	00
Provision for working capital: Electricity	0	0	0	0	0
Repairs and maintenance: Electricity	0	0	0	0	0
Bulk purchases: Electricity	0	0	0	0	0
Other expenditure: Electricity	0	0	0	0	0
Total	0	0	0	0	0
Service charges: Water	0	0	0	0	0
Grants & subsidies: Water	0	0	0	0	0
Other revenue: Water	0	0	0	0	0
Total	0	0	0	0	0
Employee related costs: Water	0	0	0	0	0
Provision for working capital: Water	0	0	0	0	0
Repairs and maintenance: Water	0	0	0	0	0
Bulk purchases: Water	0	0	0	0	0
Other expenditure: Water	0	0	0	0	0
Total	0	0	0	0	0
					T5.5.1

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5.6 SOURCES OF FINANCE

CAPITAL EXPENDITURE - FUNDING SOURCES 2012/2013 - 2011/2012							
R' 000							
Details	2011/2012	2012/2013					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
	External loans	0	0	0	0	0.00%	0.00%
	Public contributions and donations	0	0	0	124	0.00%	0.00%
	Grants and subsidies	1 133	556	2 306	790	314.79%	49.63%
	Other	5 865	10 546	9 554	9 803	-9.41%	-32.27%
Total		6 998	11 102	11 860	10 716	305.38%	17.36%
Percentage of finance		0	0	0	0	0	0
	External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Public contributions and donations	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%
	Grants and subsidies	16.2%	5.0%	19.4%	7.4%	103.1%	285.9%
	Other	83.8%	95.0%	80.6%	91.5%	-3.1%	-185.9%
Capital expenditure		0	0	0	0	0	0
	Water and sanitation	0	0	0	0	0%0	0.00%
	Electricity	0	0	0	0	0%0	0.00%
	Housing	0	0	0	0	0%0	0.00%
	Roads and storm water	0	0	0	0	0.00%	0.00%
	Other	6 998	11 102	11 860	10 716	6.83%	-27.42%
Total		6 998	11 102	11 860	10 716	6.83%	0.00%
Percentage of expenditure	0	0	0	0	0	0	0
	Water and sanitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Electricity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%
							T5.6.1

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5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS					
R' 000					
Name of Project	2012/2013			Variance Current Year: 2012/2013	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Major 4x4 Fire vehicle	2 431 859	2 431	2 358	3%	0%
Radio network (upgrade)	1 940 000	1 940 000	1 753	10%	0%
Replacement PCs	1 000 000	1 000 000	128	87%	0%
SAMRAS Plus	660 000	660 000	481	27%	0%
Re-thatching of rietdak building	457 100	457 100	457	0%	0%
Projects with the highest capital expenditure in 2012/2013					
Name of Project - A	Major 4x4 Fire vehicle				
Objective of Project					
Delays					
Future challenges					
Anticipated citizen benefits					
Name of Project - B	Radio Network				
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					
Name of Project - C	Replacement of PC's				
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					
Name of Project - D	SAMRAS Plus				
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					
Name of Project - E	Re- thatching of rietdak building				
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					
					T5.7.1

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The Cape Winelands District Municipality has no significant interest bearing assets; hence income and operating cash flows are substantially independent of changes in market interest rates. The Cape Winelands District Municipality deposits cash surpluses with financial institutions of high quality and standing. The Cash Management and Investment Policy of the Municipality is aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes.

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5.9 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2011/2012	2012/2013		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	93 134	65 976	71 472	77 061
Government - operating	207 547	237 078	231 131	206 970
Government - capital	-	-	-	-
Interest	24 971	25 000	24 340	24 718
Dividends	-	-	-	-
Payments				
Suppliers and employees	(291 868)	(386 469)	(318 232)	(266 886)
Finance charges	(15)	-	-	(23)
Transfers and Grants	(1 500)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	29 269	(58 415)	8 711	41 839
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	43
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	(7 036)	(12 102)	(11 194)	(8447)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(7 036)	(12 102)	(11 194)	(8447)

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CASH FLOW OUTCOMES				
R'000				
Description	2011/2012	2012/2013		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
Payments				
Repayment of borrowing	(162)	-	-	(137)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(162)	-	-	(137)
NET INCREASE/ (DECREASE) IN CASH HELD	22 071	(70 517)	(2 483)	33 298
Cash/cash equivalents at the year begin:	373 619	395 690	395 690	395 690
Cash/cash equivalents at the year-end:	395 690	325 173	393 207	428 987
Source: MBRR SA7				T5.9.1

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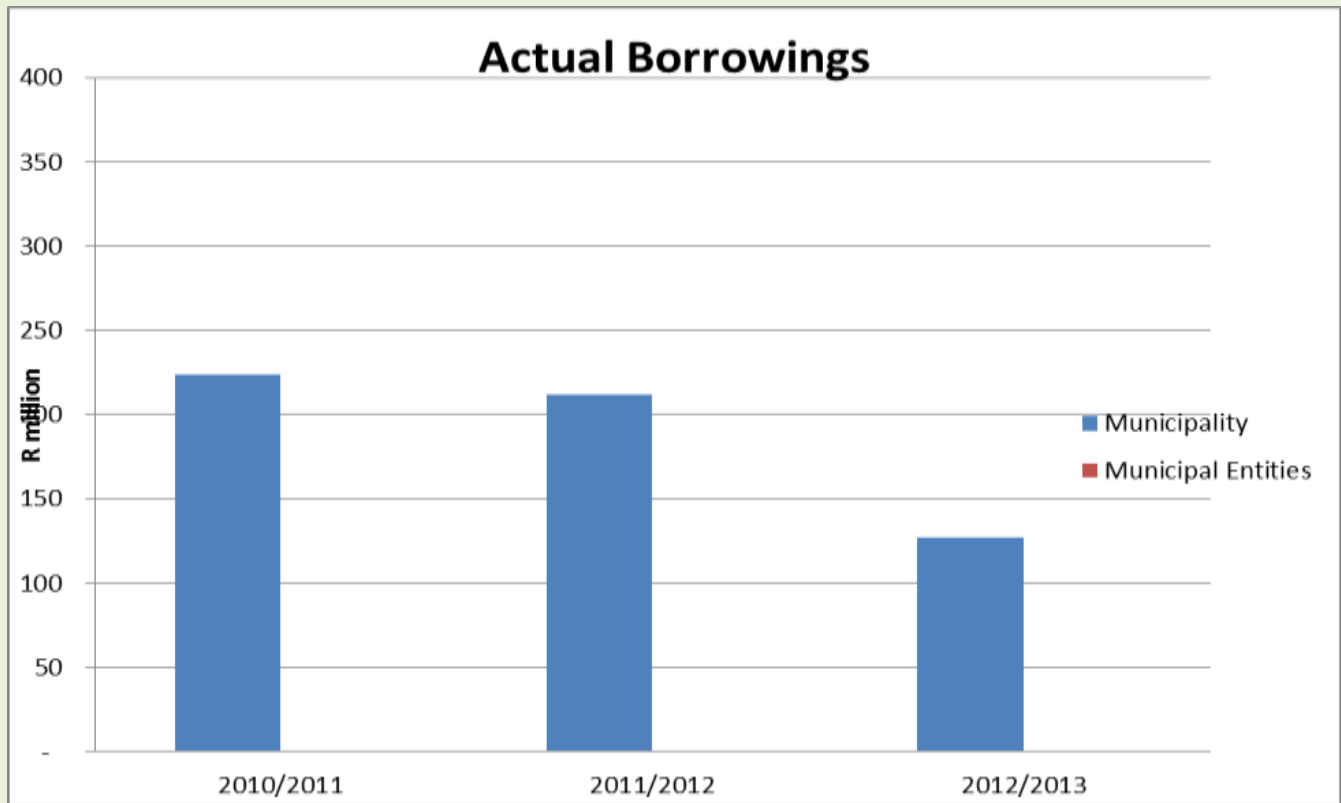
5.10 BORROWING AND INVESTMENTS

The Cape Winelands District Municipality has no outstanding loans.

Actual Borrowings 2011/2012 - 2012/2013			
R' 000			
Instrument	2010/2011	2011/2012	2012/2013
Municipality			
Long-Term loans (annuity/reducing balance)	-	-	-
Long-Term loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment credit	-	-	-
Financial leases	223	212	169
PPP liabilities	-	-	-
Finance granted by cap equipment supplier	-	-	-
Marketable bonds	-	-	-
Non-marketable bonds	-	-	-
Bankers acceptances	-	-	-
Financial derivatives	-	-	-
Other securities	-	-	-
Municipality Total	223	212	169
Municipal Entities			
Long-Term loans (annuity/reducing balance)	-	-	-
Long-Term loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment credit	-	-	-
Financial leases	-	-	-
PPP liabilities	-	-	-
Finance granted by cap equipment supplier	-	-	-
Marketable bonds	-	-	-
Non-Marketable bonds	-	-	-
Bankers acceptances	-	-	-
Financial derivatives	-	-	-
Other securities	-	-	-
Entities Total	-	-	-

T5.10.2

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MUNICIPAL AND ENTITY INVESTMENTS			
R' 000			
Investment type	2010/2011	2011/2012	2012/2013
	Actual	Actual	Actual
Municipality			
Securities - national government	-	-	-
Listed corporate bonds	-	-	-
Deposits - bank	385 000	385 000	414 000
Deposits - public investment commissioners	-	-	-
Deposits - Corporation for public deposits	-	-	-
Bankers acceptance certificates	-	-	-
Negotiable certificates of deposit - banks	-	-	-
Guaranteed endowment policies (sinking)	-	-	-
Repurchase agreements - banks	-	-	-
Municipal bonds	-	-	-
Other	-	-	-
Municipality sub-total	385 000	385 000	414 000
Securities - National Government	-	-	-
Listed corporate bonds	-	-	-
Deposits - Bank	-	-	-

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MUNICIPAL AND ENTITY INVESTMENTS			
R' 000			
Investment type	2010/2011	2011/2012	2012/2013
	Actual	Actual	Actual
Deposits - public investment commissioners	-	-	-
Deposits - corporation for public deposits	-	-	-
Bankers acceptance certificates	-	-	-
Negotiable certificates of deposit - banks	-	-	-
Guaranteed endowment policies (sinking)	-	-	-
Repurchase agreements - banks	-	-	-
Other	-	-	-
Municipal entities			
Entities Sub-total	-	-	-
Consolidated Total:	385 000	385 000	414 000
			T5.10.4

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Prescribed Supply Chain Management processes and procedures as per Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), Section 110 – 119 and the Supply Chain Management Regulations, 2005 are in place and maintained. Procurement Plans were recently introduced in collaboration with the service departments to improve demand management.

This will ultimately contribute to more effective service delivery. Documentation and control on contract management, specifically on long term contracts, remains a challenge and will be addressed in the course of this financial year. The Cape Winelands District Municipality endeavours to maintain an effective supplier database to acquire the necessary goods and services; however, it is reliant on the cooperation of the suppliers. Many companies, especially agents, are reluctant to provide the necessary documentation to be accredited and alternatives are not so readily available. All Supply Chain Managers meet the prescribed Unit Standard Competency Area as per the Regulations on Minimum Competency Levels.

5.12 GRAP COMPLIANCE

The financial statements of the Cape Winelands District Municipality have been prepared in accordance with GRAP in terms of Section 122(3) of with the Local Government: Municipal Finance Management Act, 2003, (Act No. 56 of 2003), including any interpretations, guidelines and directives issued by the Accounting Standards Board. Accounting policies for material transactions, events or conditions not covered by GRAP standards were developed in accordance with the hierarchy set out in paragraph 12 of GRAP 3.

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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” 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 “what we do”.
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 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	An approved budget means an annual budget that has been approved by Council and includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA.
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 “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.

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National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure; • Economic development; • Municipal transformation and institutional development; • Financial viability and management; and • Good governance and community participation.
Outcomes	<p>The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".</p>
Outputs	<p>The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.</p>
Performance Indicator:	<p>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).</p>
Performance Information:	<p>Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.</p>
Performance Standards:	<p>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.</p>
Performance Targets:	<p>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.</p>
Service Delivery Budget Implementation Plan	<p>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.</p>

Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <ul style="list-style-type: none">(a) <i>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>(b) <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i>
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APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees allocated	Ward and/or party represented	Percentage council meetings attendance	Percentage apologies for non-attendance
	FT/PT			%	%
Cllr JJ Abrahams	PT	Social and Community Development Services Committee; Municipal Public Accounts Committee.	DA	100%	0
Cllr MB Appolis	PT	Oversight Committee.	NPP	88.8%	100%
Cllr MB Arnolds	FT	Mayoral Committee; Social and Community Development Services Committee.	DA	100%	0
Cllr DC Botha	PT	Finance and Corporate Services Committee.	DA	77.7%	100%
Cllr CC Brink	PT	Training Committee; Municipal Public Accounts Committee; Finance and Corporate Services Committee.	ANC	55.5%	100%
Cllr NM Bushwana (from 2012-12-13)	PT	Municipal Public Accounts Committee; Local Labour Forum (Alternate).	ANC	100%	0
Cllr GJ Carinus	FT	Mayoral Committee; Local Labour Forum; Economic Growth and Infrastructure Services Committee.	DA	100%	0
Cllr WL Chaaban	PT	Special Committee to Investigate and make Findings on any alleged Breach of the Code of Conduct for Councillors; Municipal Public Accounts Committee.	NPP	66.6%	100%
Cllr A Crombie	PT		DA	80.8%	100%
Cllr JB Cronje	PT	Special Committee to Investigate and make Findings on any alleged Breach of the Code of Conduct for Councillors; Rules Committee; Oversight Committee; Municipal Public Accounts Committee; Finance and Corporate Services Committee; Economic Growth and Infrastructure Services Committee.	COPE	77.7%	100%
Cllr C Damens	PT	Social and Community Development Services Committee.	DA	100%	0
Cllr SW Davids	PT	Social and Community Development Services Committee.	ANC	44.4%	100%

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COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE					
Council members	Full time / part time	Committees allocated	Ward and/ or party Represented	Percentage council meetings attendance	Percentage apologies for non-attendance
	FT/PT			%	%
Ald CA de Bruyn (Executive Mayor)	FT	Mayoral Committee.	DA	100%	0
Cllr JJ du Plessis	FT	Mayoral Committee; Economic Growth and Infrastructure Services Committee.	DA	100%	0
Cllr ZL Gwada	PT	Training Committee (Alternate); Local Labour Forum.	ANC	100%	0
Cllr ND Hani	PT	Rules Committee; Municipal Public Accounts Committee; Local Labour Forum; Economic Growth and Infrastructure Services Committee.	ANC	77.7%	100%
Cllr DA Hendrickse	PT	Special Committee to Investigate and make Findings on any alleged Breach of the Code of Conduct for Councillors; Social and Community Development Services Committee; Rules Committee; Oversight Committee; Finance and Corporate Services Committee.	SCA	66.6%	100%
Cllr P Heradien	PT	Economic Growth and Infrastructure Services Committee.	DA	44.4%	60%
Cllr DB Janse	PT	Social and Community Development Services Committee; Municipal Public Accounts Committee; Economic Growth and Infrastructure Services Committee.	DA	100%	0
Cllr HM Jansen (Deputy Executive Mayor)	FT	Mayoral Committee.	DA	100%	0
Cllr JJ Januarie (until 26 October 2012)	PT	Local Labour Forum; Municipal Public Accounts Committee; Economic Growth and Infrastructure Services Committee.	ANC	25%	100%
Ald (Dr) NE Kahlberg	FT	Mayoral Committee; Local Labour Forum (Alternate); Finance and Corporate Services Committee.	DA	100%	0
Cllr X Kalipa	PT	Social and Community Development Services Committee; Local Labour Forum; Economic Growth and Infrastructure Services Committee.	DA	100%	0
Cllr BJ Kriegler	PT	Social and Community Development Services Committee; Economic Growth and Infrastructure Services Committee.	DA	100%	0

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COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE					
Council members	Full time / part time	Committees allocated	Ward and/ or party Represented	Percentage council meetings attendance	Percentage apologies for non-attendance
	FT/PT			%	%
Cllr P Marran	PT		ANC	66.6%	100%
Cllr J Matthee	PT	Special Committee to Investigate and make Findings on any alleged Breach of the Code of Conduct for Councillors; Rules Committee; Oversight Committee; Municipal Public Accounts Committee; Finance and Corporate Services Committee; Economic Growth and Infrastructure Services Committee.	ACDP	100%	0
Cllr C Mcaiko	PT	Special Committee to Investigate and make Findings on any alleged Breach of the Code of Conduct for Councillors; Oversight Committee; Municipal Public Accounts Committee.	ANC	55.5%	75%
Cllr LX Mdemka	FT	Mayoral Committee; Social and Community Development Services Committee; Local Labour Forum (Alternate).	DA	77.7%	100%
Cllr SJ Mei	PT	Social and Community Development Services Committee.	DA	66.6%	100%
Cllr C Meyer (Speaker)	FT	Special Committee to Investigate and make Findings on any alleged Breach of the Code of Conduct for Councillors; Social and Community Development Services Committee; Rules Committee.	DA	100%	0
Cllr JS Mouton	PT		ANC	77.7%	50%
Cllr LW Niehaus	PT	Training Committee (Alternate); Social and Community Development Services Committee; Municipal Public Accounts Committee.	DA	100%	0
Cllr S Ross	PT	Local Labour Forum (Alternate).	DA	77.7%	50%
Cllr LN Siwakamisa	PT		ANC	66.6%	100%
Cllr G Stalmeester (Chief Whip)	FT	Special Committee to Investigate and make Findings on any alleged Breach of the Code of Conduct for Councillors; Rules Committee; Economic Growth and Infrastructure Services Committee.	DA	100%	0

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COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE					
Council members	Full time / part time	Committees allocated	Ward and/ or party represented	Percentage council meetings attendance	Percentage apologies for non-attendance
	FT/PT			%	%
Cllr MS Tayitayi	PT	Social and Community Development Services Committee; Local Labour Forum.	ANC	77.7%	100%
Cllr JRF Torr	FT	Mayoral Committee; Social and Community Development Services Committee; Economic Growth and Infrastructure Services Committee.	DA	100%	0
Cllr JDF van Zyl	PT	Municipal Public Accounts Committee; Economic Growth and Infrastructure Services Committee.	DA	88.8%	100%
Cllr EJ Vollenhoven	PT	Finance and Corporate Services Committee.	ANC	22.2%	42.8%
Cllr (Dr) H von Schlicht	FT	Mayoral Committee; Training Committee; Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager); Local Labour Forum; Finance and Corporate Services Committee.	DA	100%	0
Cllr MH Yabo	PT	Rules Committee; Municipal Public Accounts Committee; Local Labour Forum (Alternate).	ANC	88.8%	100%
Note: Councillors appointed on a proportional basis do not have wards allocated to them					T A

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APPENDIX B: COMMITTEES AND PURPOSES OF COMMITTEES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES		
Municipal Committees	Purpose of Committee	Percentage Apologies for non-attendance
Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	To evaluate the annual performance of the Managers directly accountable to the Municipal Manager.	
Annual Performance Evaluation Panel (Municipal Manager)	To evaluate the annual performance of the Municipal Manager.	
Rules Committee	To make recommendations to Council regarding matters affecting the procedures and policies of the Municipal Council and it's Councillors.	
Training Committee	To develop the workforce in accordance with National Skills Development Strategy of National Government.	
Social and Community Development Services Committee	To make recommendations to the Executive Mayor regarding Social and Community Development Services.	
Local Labour Forum	To negotiate and/or consult regarding matters of mutual concern; such matters referred from time to time by Bargaining Council or its Divisions; except matters reserved for bargaining in Bargaining Council Divisions.	
Finance and Corporate Services Committee	To make recommendations to the Executive Mayor regarding Finance and Corporate Services	
Economic Growth and Infrastructure Services Committee	To make recommendations to the Executive Mayor regarding Economic Growth and Infrastructure Services.	

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<p>Audit Committee</p>	<p>The Audit Committee is an independent advisory body which must-</p> <ul style="list-style-type: none"> (a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to – <ul style="list-style-type: none"> (i) Internal financial control and internal audits; (ii) Risk management; (iii) Accounting policies; (iv) The adequacy, reliability and accuracy of financial reporting and information; (v) Performance Management; (vi) Effective Governance; (vii) Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (viii) Performance Evaluation; and (ix) Any other issues referred to it by the municipality or municipal entity; (b) Review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (c) Respond to the council on any issues raised by the Auditor-General in the audit report; (d) Carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request; and (e) Perform such other functions as may be prescribed. 	
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<p>Municipal Public Accounts Committee (MPAC)</p>	<p>The primary Terms of Reference of the MPAC in addition to other relevant functions are as follows:</p> <ul style="list-style-type: none"> (aa) Shall not be responsible for policy formulation; (bb) May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer; (cc) Shall have permanent referral of documents as they become available relating to: <ul style="list-style-type: none"> (i) In-year reports of the CWDM; (ii) Financial statements of the CWDM as part of its oversight process; (iii) Audit opinion, other reports and recommendations from the Audit Committee; (iv) Information relating to compliance in terms of Sections 128 and 133 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (Municipal Finance Management); (v) Information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it; (vi) Any other audit report of the CWDM; and (vii) Performance information of the CWDM. (dd) Shall consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report; (ee) In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports; (ff) Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and reports and evaluate the extent to which the Audit Committee's and the Audit General's recommendations have been implemented; (gg) Shall promote good governance, transparency and accountability on the use of municipal resources; (hh) Shall recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the CWDM or 	
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	<p>the Audit Committee;</p> <p>(i) Shall request the support of both the internal and external auditors in an advisory capacity when necessary;</p> <p>(jj) Shall conduct investigations into unauthorized, irregular and/or fruitless and wasteful expenditure in accordance with Section 32(2)(a)(ii) of the MFMA and Regulation 74 of the Municipal Budget and Reporting Regulations; and</p> <p>(kk) Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council.</p>	
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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE		
Directorate	Position	Name
Office of the Municipal Manager	Manager IDP, Performance & Risk Management	BN Nieuwoudt
	Chief: Internal Audit	R Zeelie
	Senior Manager: Strategic Support Services	K Smit (Acting)
	Assistant Director: Human Resources	K Smit
	Deputy Director: Communication Services	R Kellies
	Network Support Manager	RJ Williams
	Senior Manager: Support Services	EFC Beukes
Financial Services	Manager: Supply Chain Management	GJP Falck
	Accountant - Expenditure Management & Payroll Administration	DA Smit
	Manager: Budget & Financial Services	CJM Arangie
Community Development & Planning Services	Manager: Local Economic & Social Development	RWB van Wyk
	Implementation Manager	MJ Paulsen
	Manager: Fire Services	DH Wilds
	Manager: Disaster Management	SP Minnies
	Manager: Health Services	HD Boock
	Manager: Health Services	RJ Humphreys
Infrastructure Development Services	Manager: Public Transport Planning & Regulation	BB Kurtz
	Project Co-ordinator	C Swart
	Superintendent: Building Maintenance	TJ Solomon
	Senior Housing Officer	MF Rhoda
	Manager: Roads	ACA Stevens

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APPENDIX D – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/2013

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
Date of committee	Committee recommendations during year	Recommendations adopted (enter Yes) If not adopted
21/06/2012	That the Cape Winelands District Municipality Audit Committee amended charter be approved	Tabled to Council for approval on 31/01/2013
		TG

APPENDIX E – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
Period 1 July to 30 June of 2012/2013		
Position	Name	Description of Financial interests (Nil/Or details)
(Executive) Mayor	Ald CA de Bruyn	<p>Membership of close corporation:</p> <ul style="list-style-type: none"> Only wife Teresa operates a Bed and Breakfast (Linga Longa). Mrs de Bruyn is the sole shareholder and responsible person. <p>Interest in property:</p> <ul style="list-style-type: none"> Residence 77 Meiring Street, Paglande, Worcester. <p>Employment and remuneration:</p> <ul style="list-style-type: none"> Executive Mayor, CWDM
Member of MayCo / Exco	Cllr HM Jansen (Deputy Executive Mayor)	<ul style="list-style-type: none"> Municipal pension Subsidy - motor financing
	Cllr RB Arnolds	Nil
	Cllr GJ Carinus	<p>Shares and securities in any company:</p> <ul style="list-style-type: none"> Sovereign Seeker Investment 163 (Pty) Ltd, Interest in any trust - Propco Trust via Madre Carinus Trust; and Housing growth for old age, Directorship - Sovereign Seeker Investments 163 (Pty) Ltd via Highmead Farming Trust <p>Interest in property:</p> <ul style="list-style-type: none"> Sovereign Seeker Investment 163 (Pty) Ltd - farming enterprise which Cllr Carinus have a 41% share Propco Trust <p>Employment and remuneration:</p> <ul style="list-style-type: none"> Sovereign Seeker Investment 163 (PTY) Ltd only dividend payments of profits from farming
	Cllr JJ du Plessis	<p>Shares and securities in any company:</p> <ul style="list-style-type: none"> Moulia du Plessis BK <p>Interest in any trust:</p> <ul style="list-style-type: none"> Oude Tol Investment Trust Du Plessis Family Trust <p>Residence:</p> <ul style="list-style-type: none"> Farm

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DISCLOSURES OF FINANCIAL INTERESTS		
Period 1 July to 30 June of 2012/2013		
Position	Name	Description of Financial interests (Nil/Or details)
	Ald (Dr) NE Kahlberg	Interest in property: • Residence Employment and remuneration: • remuneration CWDM, Pension - State pension
	Cllr JRF Torr	Shares and securities in any company: • 5000 Shares John Danies Container LTD • Vandyksrust CC (Sole Member) Interest in property: • Residence - 1 Witzenberg Avenue, Ceres Remuneration: • Cape Winelands District Municipality, • APS Ainslie - R560 per month for looking after his property Pension • MCPF
	Cllr LX Mdemka	Nil
	Cllr (Dr) H von Schlicht	Residence: • 9 Albatros Street, Wellington • Flat - Strand Council remuneration Pension: • Previous employer
Councillor	Cllr JJ Abrahams	Directorship: • Accents Community facility - receives no payment, Employment and remuneration: Recruitment for Citrusdal FET College and get a kilometer rate and session rate until the period is over
	Cllr MB Appolis	Interest in property: • Co-owner of house
	Cllr DC Botha	Nil
	Cllr CC Brink	Nil
	Cllr NM Bushwana	Membership of any close corporation: • Matshaya Maintenance and Services which is now doomed. Employment and remuneration: • Breede Valley Municipality R16,862.58
	Cllr WL Chaaban	Membership of any close corporation: • Directorship, Partnership - Sugarberry Trading (in process of registration)
	Cllr A Crombie	Nil

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DISCLOSURES OF FINANCIAL INTERESTS		
Period 1 July to 30 June of 2012/2013 (Current Year)		
Position	Name	Description of Financial interests (Nil / Or details)
	Cllr JB Cronje	Interest in property: <ul style="list-style-type: none"> • Owner 28 Fynbos Street, Welgevonden, Stellenbosch Employment and remuneration: <ul style="list-style-type: none"> • Researcher Trade Law Centre (Tralac), Blaauwklip Office Park, Stellenbosch, Pension: <ul style="list-style-type: none"> • Retirement Annuity, Old Mutual
	Cllr C Damens	Nil
	Cllr SW Davids	Nil
	Cllr ZL Gwada	Membership of any close corporation: <ul style="list-style-type: none"> • Silent Partner CC, Partnership - Silent partner
	Cllr ND Hani	Nil
	Cllr DA Hendrickse	Membership of any close corporation: <ul style="list-style-type: none"> • Aqeelah Property Trust - Trustee • Beltas Trust - Trustee • Utditas Development Trust - Trustee Directorship: <ul style="list-style-type: none"> • Spiny Climber (PTY) Ltd
	Cllr P Heradien	Pension <ul style="list-style-type: none"> • Cape Joint Pension Fund/Cobalt Retired Fund
	Cllr DB Janse	Employment and remuneration: <ul style="list-style-type: none"> • Permanent Graham Beck Wines, Robertson, Pension: <ul style="list-style-type: none"> • Graham Beck Wines
	Cllr X Kalipa	Nil
	Cllr BJ Kriegler	Shares and securities in any company: <ul style="list-style-type: none"> • Portfolio at BJM Membership of any close corporation: <ul style="list-style-type: none"> • Kleinberg Kriegler BK Interest in any trust: <ul style="list-style-type: none"> • Kriegler Family Trust and Eidelweiss Trust Directorship: <ul style="list-style-type: none"> • Klipheuwel Fruit Pty Ltd Employment and remuneration: <ul style="list-style-type: none"> • Kleinberg Kriegler BK Farming
	Cllr P Marran	Shares and securities in any company: <ul style="list-style-type: none"> • Southern Ambition 897 cc - Diamond since 2006
	Cllr J Matthee	Nil

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DISCLOSURES OF FINANCIAL INTERESTS		
Period 1 July to 30 June of 2012/2013		
Position	Name	Description of Financial interests (Nil / Or details)
	Cllr C Mcako	Directorship, Partnership and financial interest: <ul style="list-style-type: none"> Happy Rest Stop Tavern, Kayamandi, Stellenbosch, Pension: <ul style="list-style-type: none"> Muliespac Pension Fund for Councillors
	Cllr SJ Mei	Nil
	Cllr C Meyer (Speaker)	Employment and Remuneration: <ul style="list-style-type: none"> Member of Board of Cape Joint from 15 February 2013
	Cllr JS Mouton	Directorships - 3 Companies - 2 under Cllr. Mouton's name, 1 Let out, Residence, licensed liquor store, Pension Witzenberg Municipality, House loan First National Bank and loan Nedbank
	Cllr LW Niehaus	Pension: <ul style="list-style-type: none"> Local Authority
	Cllr S Ross	Employment and remuneration: <ul style="list-style-type: none"> Drakenstein Municipality CWDM - Delegate
	Cllr LN Siwakamisa	Shares: <ul style="list-style-type: none"> MTN Remuneration: <ul style="list-style-type: none"> WCED Pension: <ul style="list-style-type: none"> MCPF
	Cllr G Stalmeester	Membership of any close corporation: <ul style="list-style-type: none"> YEBOYETHU and SASALINZALO Remuneration: <ul style="list-style-type: none"> Breede Valley Municipality - R16 862.58 pm Cape Winelands District Municipality - R22,971.69 pm National Treasury DKD - R6,869.55 pm
	Cllr MS Tayitayi	Other financial interests in any business undertaking: <ul style="list-style-type: none"> Small Spaza Shop Thanda, Cash Store General Dealer A2 Phokeng Street, Mbekweni, Paarl Interest in property: <ul style="list-style-type: none"> Residence - A2 Phokeng Street, Mbekweni, Paarl
	Cllr JDF van Zyl	Residence: <ul style="list-style-type: none"> 4 Cocos Plumosac, Robertson Council Remuneration: <ul style="list-style-type: none"> Public Service Pension
	Cllr EJ Vollenhoven	Pension: <ul style="list-style-type: none"> Cape Joint Retirement Fund, Subsidies Grants and sponsorships by any organization: <ul style="list-style-type: none"> ABSA Bank African Bank Capitec

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DISCLOSURES OF FINANCIAL INTERESTS		
Period 1 July to 30 June of 2012/2013		
Position	Name	Description of Financial interests (Nil / Or details)
	Cllr MH Yabo	Directorship: <ul style="list-style-type: none">Akhumuzi Transport Services Partnership: <ul style="list-style-type: none">30% Shareholder in Akhumuzi Transport Services
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APPENDIX F: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX F (i): REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Budget and financial Services	-	1 000	-	-	0.00%	0.00%
Admin. Support Service	-	-	-	10	100.00%	100.00%
Buildings: Maintenance Stellenbosch	49	45	60	74	39.38%	18.59%
Communication/Telephone	318	292	292	245	-18.96%	-18.96%
Comprehensive Health: Stellenbosch	258	556	3	-	0.00%	0.00%
Corporate and Strategic Services	-	-	1 000	152	100.00%	-559.85%
Disaster Management	1 308	-	-	1	100.00%	100.00%
Economic Development	-	-	1 003	1 029	100.00%	2.55%
Environmental Planning	-	1 226	1 226	449	-173.28%	-173.28%
Expenditure Section	56	45	45	61	27.63%	27.63%
Expenditure of the Council	1	-	-	164	100.00%	100.00%
Financial Management. Grant	1 762	1 250	1 250	677	-84.52%	-84.52%
Fire fighting Service Stellenbosch	630	220	180	313	29.70%	42.48%
Human Resources Management	754	335	335	547	38.67%	38.67%
Integrated Development Plan	24	-	-	0	100.00%	100.00%
Collection: RSC levies	187 510	193 928	193 927	193 930	0.00%	0.00%
Information Technology	-	-	660	484	100.00%	-36.50%
Management: Financial Services	-	98	0	-	0.00%	0.00%
Management: Regional Development and Planning	-	-	-	-	0.00%	0.00%
Municipal Health Services	41	-	24	107	100.00%	78.04%
Office of the Mayor	2	-	3	3	100.00%	3.34%

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REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Office of the Municipal Manager	-	-	-	0	100.00%	100.00%
Roads Direct	51 606	-	-	-	0.00%	0.00%
Performance Management	11	-	-	-	0.00%	0.00%
Planning Services		18	10	-	0.00%	0.00%
Roads Indirect	63	-	-	67 024	100.00%	100.00%
Roads - Workshop	13	-	-	2	100.00%	100.00%
Stores	109	514	514	78	-559.32%	-559.32%
Projects and Housing	685	8 939	2 752	2 872	-211.26%	4.16%
Property Management	-	123	-	-	0.00%	0.00%
Public Transport Regulation	1 064	5 715	4 815	728	-685.42%	-561.73%
Roads: Plant		-	15 934	-	0.00%	0.00%
Trees Department: Management	-	-	-	-	100.00%	100.00%
Roads: Workshop	-	-	-	-	0.00%	0.00%
Roads-maintenance division Direct	-	63 657	-	-	0.00%	0.00%
Roads-maintenance division Indirect	-	-	53 971	-	0.00%	0.00%
Rural Development	0	-	-	-	0.00%	0.00%
Social Development	63	81	81	46	-76.90%	-76.90%
Sundry Expenditure of Council	56 439	36 891	36 241	37 445	1.48%	3.22%
Technical Support Services	-	1	1	-	-401.11%	-78.97%
Tourism	28	50	30	88	43.31%	65.99%
Transport Pool	8	-	-	25	100.00%	100.00%
Working for Water (DWAF)	7 991	13 483	13 000	6 716	-100.75%	-93.56%
Total Revenue by Vote	310 794	328 467	327 356	313 270	-4.85%	-4.50%
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APPENDIX F (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source R '000						
Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original budget	Adjustments budget	Actual	Original budget	Adjustments budget
Property rates	-	-	-	-	0.00%	0.00%
Property rates - penalties & collection charges	-	-	-	-	0.00%	0.00%
Service charges - Electricity revenue	-	-	-	-	0.00%	0.00%
Service charges - Water revenue	-	-	-	-	0.00%	0.00%
Service charges - Sanitation revenue	-	-	-	-	0.00%	0.00%
Service charges - Refuse revenue	-	-	-	-	0.00%	0.00%
Service charges - Other	448	160	160	288	44.38%	44.38%
Rental of facilities and equipment	56	167	50	58	-189.26%	12.44%
Interest earned - External investments	24 401	25 000	24 340	24 451	-2.24%	0.46%
Interest earned - Outstanding debtors	-	-	-	-	0.00%	0.00%
Dividends received	-	-	-	-	0.00%	0.00%
Fines	-	-	-	-	0.00%	0.00%
Licences and Permits	-	-	-	-	0.00%	0.00%
Agency Services	84 777	77 528	82 820	73 799	13.74%	6.19%
Transfers recognised - Operational	207 494	223 005	214 816	205 442	-14.55%	-11.67%
Other income	1 623	1 769	5 702	4 130	-57.98%	-60.57%
Total Revenue (excluding capital transfers and contributions)	318 799	327 629	327 888	308 168	--6.96%	-6.60%

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APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
EPWP incentive	1 214	1 214	1 214	0%	0%	
Financial Management Grant	1 250	1 250	677	-84.64%	-84.64%	
Municipal Systems improvement Grant	1 000	1 000	597	-67.50%	-67.50%	
CWDM Integrated Transport Plan	715	715	635	-12.60%	-12.60%	
Public Transport Infrastructure	4 000	1 600	-	0%	0%	
Transport Safety And Compliance	1 000	2 500	93	-975.27%	-2588.17%	
Total	9 179	8 279	3 216	-185.42%	-157.43%	
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APPENDIX H (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME							
R '000							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	20	-	-
Infrastructure: Road Transport - Total	-	-	-	-	20	-	-
Roads, pavements and bridges	-	-	-	-	20	-	-
Storm water	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-
Transmission and reticulation	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-
Infrastructure: Water - Total	-	-	-	-	-	-	-
Dams and reservoirs	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-
Infrastructure: Other - Total	-	-	-	-	-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-

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CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME R '000							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
Waste management	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Community - Total	156	150		-	50	395	210
Parks and gardens	-	-	-	-	-	-	-
Sports fields and stadiums	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-
Fire, safety and emergency	156	150	210	-	50	395	210
Security and policing		-	-	-	-	-	-
Buses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums and art galleries	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-

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CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME R '000							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
Capital expenditure by Asset Class							
Heritage assets - Total	-	-	-	662	-	-	-
Buildings	-	-	-	662	-	-	-
Other	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Other assets	5 978	10 952	-	9 802	6 317	8 085	6 271
General vehicles	-	-	-	25	-	280	-
Specialised vehicles	2 796	2 833	2 432	2 358	600	3 554	3 661
Plant and equipment	2 570	5 366	5 094	924	2 262	1 865	1 808
Computers - hardware/equipment	-	-	-	742	-	-	-
Furniture and other office equipment	612	1 158	1 167	3 664	925	836	537
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-
Other buildings	-	-	-	665	-	-	-
Other land	-	-	-	-	-	-	-
Surplus assets - (Investment or Inventory)	-	-	-	-	-	-	-
Other	-	1 596	1 297	2 530	2 530	1 550	265

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CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME R '000							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
Agricultural assets							
List sub-class	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-
Intangibles	864	-	-	160	160	-	-
Computers - software & programming	864	-	1 660	160	160	-	-
Other (list sub-class)							
Total Capital Expenditure on new assets	6 998	11 102	-	6 547	6 547	8 480	6 481
Specialised vehicles	2 796	2 833	-	600	600	3 554	3 661
Refuse	-	-	-	-	-	-	-
Fire	2 796	2 833	2 432	600	600	3 554	3 661
Conservancy	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-
Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							TM1

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APPENDIX I – CAPITAL PROGRAMME BY PROJECT 2012/2013

CAPITAL PROGRAMME BY PROJECT: 2012/2013					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
"Project C"	-	-	-	0%	0%
Sanitation/Sewerage					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Electricity					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Housing					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Refuse removal					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Stormwater					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Economic Development					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Sports, Arts & Culture					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Environment					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Health					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
Safety and Security					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%
ICT and Other					
"Project A"	-	-	-	0%	0%
"Project B"	-	-	-	0%	0%

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Refer to annexure attached.

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CHAPTER 3(A): PERFORMANCE REPORT

Annexure to Chapter 3

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3. PERFORMANCE REPORT

3.1 INTRODUCTION

3.1.1 PREDETERMINED OBJECTIVES (CWDM)

The reflection of key performance indicators and performance targets in the Integrated Development Plan as compelled by Section 26(i) and Section 41(1)(a) of the Local Government: Municipal Systems Act (No.32 of 2000), is aligned to the predetermined objectives as reflected in the approved 2012/2013 – 2016/2017 Integrated Development Plan.

The table below illustrates the alignment between the Strategic Objectives and the Predetermine Objectives as per approved Integrated Development Plan – Chapter 5:

Strategic Objective		Predetermined Objective	
1	To ensure the health and safety of communities in the Cape Winelands through the proactive prevention, mitigation, identification and management of environmental health, fire and disaster risks.	1.1	Ensure a comprehensive and equitable Municipal Health Service within the Cape Winelands District Municipality (CWDM).
		1.2	Ensure coordination of multi-disciplinary and sectoral disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment and Response and Recovery.
		1.3	Provision of effective planning and coordination of fire prevention, safety and fire-fighting services throughout the Cape Winelands municipal area of jurisdiction.
2	To facilitate sustainable economic empowerment of all communities within the Cape Winelands District through economic, environmental and social infrastructure investment, poverty alleviation, job creation and skills development.	2.1	Facilitate environmentally sustainable economic development and investment attraction and retention through the development and management of strategic partnerships.
		2.2	Facilitate skills development within the CWDM by means of knowledge management and social infrastructure investment.
		2.3	Facilitate the creation of sustainable jobs within the Cape Winelands District through the provision and maintenance of economic infrastructure.
		2.4	Provide support and shared services to local municipalities to facilitate economic development planning within the Cape Winelands District.
3	To support and ensure the development and implementation of Infrastructural services such as bulk- and internal services, functional road network and public transport services that contributes to Integrated Human Settlements in the Cape Winelands municipal area of jurisdiction.	3.1	The regulation of passenger transport in the district by improved infrastructure delivery and planning activities.
		3.2	Identify, Coordinate and facilitate interventions of a regional nature to support/assist sustainable integrated human settlement development within the area of the CWDM.
		3.3	Improve and maintain municipal infrastructure by coordinated planning and implementation of infrastructure plans and services.
		3.4	Improve the living conditions of rural dwellers by improving facilities and services in rural areas.

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Strategic Objective		Predetermined Objective	
4	To provide an effective and efficient support service to the Cape Winelands District Municipality's executive directorates so that the organisational objectives can be achieved through the provision of HR Management, ICT, Admin Support Services, Strategic Services and Communication Services.	4.1	Facilitate the establishment of Governance Forums (i.e. Audit Committee, Performance Audit Committee, Oversight Committees - Internal and External).
		4.2	Establish a vehicle for Skills Development and Training.
		4.3	Enhancing good management, strategic support and labour practices.
		4.4	Create effective communication mediums to inform/or create awareness to all stakeholders.
5	To facilitate and ensure the development and empowerment of the poor and most vulnerable people, particularly women, children, youth, the disabled, elderly persons and rural dwellers throughout the Cape Winelands.	5.1	Graduate people out of poverty through appropriate human capital investment initiatives.
		5.2	Address socio-economic vulnerabilities of Communities through social inclusion.
		5.3	Improve the livelihood of rural farm dwellers and rural communities.
6	To ensure the financial sustainability of the Cape Winelands District Municipality and to fulfill the statutory requirements.	6.1	Enabling efficient business operations (i.e. promote good budget and fiscal management; Unqualified audits).
		6.2	Monitoring and evaluation of financial viability (i.e. Reporting and assessments).
		6.3	Enabling effective revenue and expenditure management.
		6.4	Enhancing efficient, effective and economical Supply Chain Management procedures and systems.

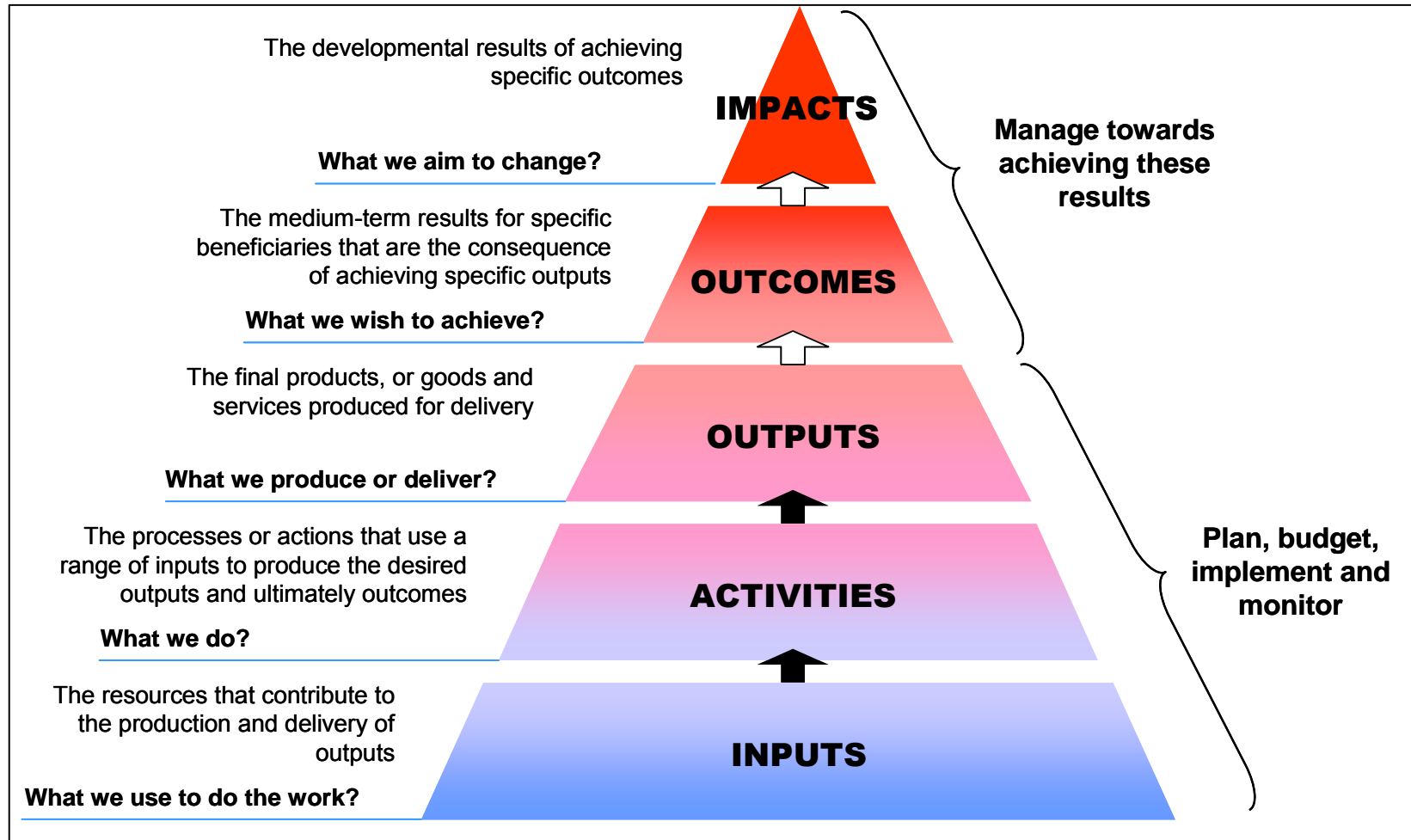
3.1.2 FRAMEWORK FOR MANAGING PERFORMANCE INFORMATION: KEY CONCEPTS

When monitoring and assessing outcomes and impacts it needs to be kept in mind that government interventions can also have unintended consequences. These also need to be identified and monitored so that risks can be managed and corrective action can be taken.

In managing for results, budgets are developed in relation to inputs, activities and outputs, while the aim is to manage towards achieving the outcomes and impacts.

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The figure below illustrates the relationship between these core performance information concepts:



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3.1.3 PLANNING, BUDGETING AND REPORTING

The performance information reported in accountability documents enables Council and the public to track government performance, and to hold it accountable. Performance information also needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasises planning and managing a focus on desired results, and managing inputs and activities to achieve these results.

SO	OPERATING BUDGET				
	2011/2012	Actual	2012/2013	Actual	2013/2014
1	73 657 968	63 882 797	82 177 020	75 815 767	80 475 923
2	15 875 717	18 499 040	32 214 200	17 595 695	27 488 468
3	93 477 570	92 647 367	103 019 696	82 686 356	123 601 277
4	78 522 120	72 970 668	75 010 147	74 042 550	78 565 342
5	7 581 720	7 046 577	17 207 039	15 372 044	16 080 480
6	19 378 034	13 270 345	17 077 280	19 080 217	20 954 825
Total	288 493 129	268 316 794	326 705 382	284 592 629	347 148 315

SO	CAPITAL BUDGET				
	2011/2012	Actual	2012/2013	Actual	2013/2014
1	4 304 953	3 192 791	5 938 229	5 807 287	1 051 810
2	378 828	278 362	-	-	-
3	4 952 612	3 597 664	2 295 474	2 389 434	5 420 700
4	3 483 921	2 420 082	3 616 532	2 509 967	10 380
5	83 851	8 880	11 600	4 815	-
6	3 000	864 032	2 000	5 265	64 000
Total	13 207 165	10 361 811	11 863 835	10 716 768	6 546 890

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SO	PROJECT BUDGET				
	2011/2012	Actual	2012/2013	Actual	2013/2014
1	5 723 868	4 263 862	4 596 900	3 840 626	3 926 953
2	17 370 600	13 509 977	17 606 100	12 709 317	14 382 488
3	49 163 557	38 507 877	31 786 220	14 230 871	45 367 607
4	392 000	352 390	300 000	-	-
5	13 479 500	11 749 004	9 854 310	9 107 768	7 828 300
6	-	-	-	-	-
Total	86 129 525	68 383 110	64 143 530	39 888 581	71 505 348

3.1.4 FINANCIAL PERFORMANCE PER STRATEGIC OBJECTIVE (SO)

3.2 SUMMARY OF CAPE WINELANDS ORGANISATIONAL KEY PERFORMANCE INDICATORS 2012/2013

No comparison to previous financial year available – a combination of Organisational KPI's and score cards of Executive Directors was used as a measurement.

SO (Refer to 6.1.1)	Number of KPI's	Zero performance	Under performance <80%	Achieved 0% - 100%	Over achieved >100%	Delivery as a percentage
1	41	4	2	28	7	83%
2	26	1	1	16	8	92%
3	22	4	0	13	5	78%
4	10	0	0	5	5	100%
5	42	1	4	21	16	86%
6	19	0	0	14	5	100%
Total	160	10	7	97	46	90%

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3.2.1 CAPE WINELANDS DISTRICT DETAILED ORGANISATIONAL KEY PERFORMANCE INDICATORS

Strategic Objective 1 - To ensure the health and safety of communities in the Cape Winelands through the proactive prevention, mitigation, identification and management of environmental health, fire and disaster risks.						
CWDM PDO	Outcome Indicator	Performance Indicator	Annual Target and Performance			
			Annual Target	Actual	Comments	
1.1	1.1.1 FOOD CONTROL To provide consumer protection and ensure that all foods during production, handling, storage, processing and distribution are safe, wholesome and fit for human consumption; as prescribed by law.	1.1.1.1	% of Food Premises regulated re hygiene.	100%	82%	Due to a number of vacant positions
		1.1.1.2	Sampling of Foodstuffs at point of production, storage, distribution and consumption in accordance with relevant legislation.	1387	1079	Inadequate sampling budget.
		1.1.1.3	% of Certificates of Acceptability for Food Premises issued after receipt.	100%	100%	Achieved
		1.1.1.4	Health & Hygiene Improvement Project: Informal Meat Trade (number of mobile working stations).	9	9	Achieved
		1.1.1.5	Health & Hygiene Improvement Project: Informal Meat Trade (number of training sessions).	1	1	Achieved
		1.1.1.6	Health & Hygiene Improvement Project: Informal Meat Trade (number of handover sessions).	1	1	Achieved
	1.1.2 To ensure effective ENVIRONMENTAL POLLUTION CONTROL via the identification, evaluation, monitoring and prevention of the pollution of soil, water and air, in as far as it relates to health; and to institute remedial action according Section 27 of the Local Government: Health Act, 1977 (Act No. 63 of 1977).	1.1.2.1	Water Quality Monitoring, by means of a Water Sampling Programme, of all water resources.	2448	1959	Inadequate sampling budget
		1.1.2.2	Review of the Air Quality Management Plan.	1	1	Achieved
		1.1.2.3	% of Funeral undertakers, Mortuaries, Embalmers and Crematoria regulated.	100%	91%	Due to a number of vacant positions.
		1.1.2.4	% of Listed Notifiable Medical Conditions investigated after notification.	100%	100%	Achieved
		1.1.2.5	% of complaints re Vector activity investigated and successfully addressed.	100%	100%	Achieved
		1.1.2.6	% of Notifiable Pesticide Poisonings investigated after notification.	100%	100%	Achieved
		1.1.2.7	Subsidies re Water & Sanitation on Farms.	40	37	Due to farmers not completing building projects within the allowed timeframe. Funds will be rolled over to the next financial year.
		1.1.2.8	Clean-Up Campaign (number of projects).	47	64	Due to quotes being lower than originally anticipated the section was able to rollout more projects.
1.1.2.9	Clean-Up Campaign (number of jobs created).	490	950	Due to quotes being lower than originally anticipated the section was able to rollout more projects and subsequently create more jobs.		
1.1.2.10	Environmental Health Education Programme (number of training sessions).	82	86	These presentations are done according to need and subsequently more training		

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							sessions were required.
			1.1.2.11	Environmental Health Education Programme (number of theatre performances).	100	100	Achieved
			1.1.2.12	Greening Project (number of trees planted).	1500	1875	Quotes for trees were lower than originally anticipated and subsequently we were able to acquire and plant more trees.
			1.1.2.13	Waste Minimisation Project (number of schools).	5	5	Achieved
			1.1.2.14	Biological Rodent Control Programme (nests).	50	50	Achieved
1.1	1.1.3	To administer an effective ENVIRONMENTAL HEALTH MANAGEMENT SYSTEM, in order to achieve all environmental health objectives set.	1.1.3.1	Number of contract management reports w.r.t. MHSs reference data bank.	4	12	These reports are generated monthly.
			1.1.3.2	PMS system reporting (Isolomzi, Project Progress Reporting on Collab and Sinjani Report to PGWC).	12	12	Achieved
			1.1.3.3	Completed annual Sinjani Report to PGWC.	1	1	Achieved
1.2	1.2.1	Build Institutional Capacity.	1.2.1.1	Appoint HOC.	1	0	In progress
			1.2.1.2	Appoint centre staff.	3	0	In progress
			1.2.1.3	The establishment of a functional, streamlined and well-equipped 24 hour call-taking centre with the ability to communicate with the local municipalities and other role-players.	1	0	Delay because of SCM processes.
			1.2.1.4	Conducting of District DM Advisory forum meetings.	2	1	21 June 2013
	1.2.1.5	The formalisation of the assignment of the DM function to the CWDM in terms of Section 156 of the Constitution.	1	1	Achieved		
	1.2.2	Disaster Risk Assessment.	1.2.2.1	Review of Risk assessment.	1	1	Achieved
1.3	1.3.1	Ensure the planning, co-ordination, and regulation of fire services.	1.3.1.1	Enter into and maintain MOAs and MOUs with local Municipalities and major role players such as Cape Nature and Cape Pine (meetings/workshops).	3	3	Achieved
			1.3.1.2	Number of District Veld Fire Season report approved by Council.	1	1	Achieved
			1.3.1.3	Research most suitable IM system in co-operation with IT Department.	Revised IM System	0	Busy with alignment process with DM.
	1.3.2	Ensure specialised fire fighting service such as mountain, veld and chemical fire services.	1.3.2.1	Secure Aerial fire fighting services.	2	2	Achieved
			1.3.2.2	Maintaining an effective professional fire fighting team aligned to micro structure.	60%	86%	Achieved
	2.3.3	Ensure co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures.	2.3.3.1	Improved radio communications network coverage throughout the district.	70%	70%	Achieved
2.3.3.2			Purchase and replacements of fire fighting and fire service support vehicles and specialized equipment.	As per capital budget.	As per capital budget.	Projects 100% completed.	
1.3	2.3.4	Prevention of fires and improved Community	2.3.4.1	Maintain and expand FPA's (meetings/workshops).	5	4	Achieved

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		Fire Safety.	2.3.4.2	Creation of Fire Breaks.	As per budget.	As per budget.	All planned firebreaks completed.
			2.3.4.3	Assist FPA's by providing Fire Fighting trailers.	As per budget	As per budget	Six trailers handed over.
	2.3.5	Training of Fire Officers.	2.3.5.1	Scheduled Fire and Rescue Courses.	4	4	Achieved
			2.3.5.2	The upgrading, maintenance and equipping of the Fire and Rescue Training Academy.	As per budget.	As per budget.	All equipment budgeted for were purchased.
Strategic Objective 2 - To facilitate sustainable economic empowerment of all communities within the Cape Winelands District through economic, environmental and social infrastructure investment, poverty alleviation, job creation and skills development.							
2.1	2.1.1	Brand recognition of Cape products/services.	2.1.1.1	Number of expos, exhibitions, trade missions and road shows.	5	4	Only one and not two trade missions. Business Plan was adjusted.
	2.1.2	A well informed local government that will be able to put into place sector specific interventions.	2.1.2.1	Number of sector studies.	3	2	Insufficient funding to conduct the 3 rd study. Business Plan was adjusted
	2.1.3	Access to information for investors.	2.1.3.1	Number of investors assisted.	0	16	Investment information provided to potential investors that visited our stand during trade shows (Namibia, Botswana, South Africa)
	2.1.4	Economic opportunities packaged for investors to invest in which could lead to job creation and foreign direct investment.	2.1.4.1	Number of packaged investment projects.	2	0	Decision was taken not to go ahead with bio-energy project. Breede Valley industrial land was not ready to be packaged for investors. Business plan was adjusted. Out of the department's control.
	2.1.5	Promote job growth by identifying local businesses concerns and obstacles to expansion.	2.1.5.1	Business Retention and Expansion Programme – Number of Reports.	1	0	Project report yet to be submitted. Delays due to Procurement: had to advertise 3 times for a SP and this push back the project by 2 months
2.1	2.1.7	Reinforce relationships between the CWDM, Business and other stakeholders in the regional economy.	2.1.7.1	Number of Executive Committee meetings.	4	0	The new Council at the first strategic session resolved to hold the CWEDC at abeyance. Out of the department's control
	2.1.8	Implemented CW-GDS and shared economic growth path for all within the district.	2.1.8.1	Number of stakeholder workshops/reporting workshops.	5	0	Have been unable to arrange workshop with the relevant role-players and stakeholders re GDS. Out of the department's control
	2.1.9	Assist the economy to grow by adding value through marketing and outreach activities.	2.1.9.1	Number of stakeholder workshops	4	4	Achieved
2.1	2.1.10	To enhance the knowledge of local people to better understand tourism and to capacitate them to act as future tourism ambassadors within the Cape Winelands region	2.1.10.1	Tourism Month launched	1	1	Achieved
			2.1.10.2	Number of Tourism Awards Ceremonies	1	1	Achieved
	2.1.11	Promotion of new and niche products to the	2.1.11.1	Number of media and staff educationals undertaken?	7	9	Achieved

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		domestic and international market through free write ups and advertorials, increase in tourist spending and increased awareness amongst stakeholders of the Cape Winelands region.					
2.1	2.1.12	Increase of tourists to the Cape Winelands region. Foster partnerships between stakeholders and ensure more focussed, effective and efficient tourism marketing throughout the district.	2.1.12.1	Number of tourism events	22	22	Achieved
	2.1.13	To accelerate socio-economic growth and development through the creation of public private partnerships	2.1.13.1	Number of workshops conducted throughout the region	3	3	Achieved
	2.2.2	Increase the capacity of entrepreneurs and develop appropriate skills of the SMME's in the Tourism sector	2.2.2.1	Number of beneficiaries trained	50	202	Service provider trained additional candidates on his own account.
2.2	2.2.3	Increase knowledge, capacity and skills of learners, teachers with regards to tourism and "open up" new fields of study for potential FET's e.g. matriculants and students in tourism	2.2.3.1	Number of schools participating and benefiting from the program	120	120	Achieved
	2.2.4	To provide significant opportunities for employment in labour intensive EPWP projects with particular focus on women, youth and disabled persons.	2.2.4.1	Number of hectares cleared	600	1116.48	Refer to business plan
			2.2.4.2	Number of work opportunities created	70	272	Refer to business plan
2.2.4.3			Number of people trained	70	130	Refer to business plan	
2.2	2.2.5	To provide significant opportunities for the poorest of the poor as well as skills development. Increase water quality and quantity as well as enhance water security	2.2.5.1	Number of contracts implemented?	133	133	Achieved
			2.2.5.2	Number of people trained	700	663	Refer to business plan
2.3	2.3.1	Improved entrepreneurial thinking of SMME's, improved SMME's with business and management skills, etc.	2.3.1.1	Number of SMME's supported	107	107	In total 107 SMME's should receive support. This target has been met during Quarter 2 : 54 SMME's and Quarter 4 : 53 SMME's. Refer to Business Plan
	2.3.3	To rehabilitate degraded landscapes	2.3.3.1	Number of sites rehabilitated	2	3	Refer to business plan
	2.3.4	To increase awareness amongst youth at various age levels in terms of opportunities within the environmental planning field.	2.3.4.1	Number of camps	20	22	Refer to Business Plan Business plan amended during the Adjustment Budget
			2.3.4.2	Has the Youth Conference and Biodiversity Expo been implemented?	0	0	Project discontinued during the Adjustment Budget. Target to be adjusted to 0.
2.4	2.4.1	Accurate and reliable economic information that will assist the District to make informed decisions	2.4.1.1	Number of economic reports that contain data extracted from the database	4	4	Refer to business plan
	2.4.2	Foster good and professional working relations between CWDM and other	2.4.2.1	Number of LTA's participating on the tourism development programme	15	15	Refer to business plan22

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		stakeholders in the tourism industry by sharing of knowledge, skills and experiences.					
Strategic Objective 3 - To support and ensure the development and implementation of Infrastructural services such as bulk and internal services, functional road network and public transport services that contribute to Integrated Human Settlements in the Cape Winelands.							
3.1	3.1.1	Improved mobility of citizens in the district.	3.1.1.1	Construction of an impoundment facility in Drakenstein	0	0	Project to be re-advertised. Out of the control of the department.
			3.1.1.2	Complete the planning of Worcester precinct transportation plan.	1	0	Draft design completed. Awaiting Heritage RoD for finalisation of designs and tender documentation
	3.1.2	Improved pedestrian safety at rural schools.	3.1.2.1	Number of sidewalk and embayment's constructed.	2	0	Contractor on site
			3.1.2.2	Number of reflective bands and/or awareness pamphlets issued to learners.	8000	6870	Project completed
			3.1.2.3	Number of awareness programmes launched.	2	4	Project completed
	3.1.3	Improved passenger transport planning and regulations	3.1.3.2	Updating the safer journeys to school strategy	1	0	Project withdrawn
			3.1.3.3	Complete the CWDM Freight Strategy	1	1	Project completed
3.2	3.2.1	Improve support mechanisms for sustainable integrated human settlements.	3.2.1.1	Identification of possible interventions.	2	0	Project stopped. Lack of interest from B-municipalities. Out of the control of the department.
			3.2.1.2	Implementation of identified interventions.	2	0	Project stopped. Lack of interest from B-municipalities. Out of the control of the department.
	3.2.2	Improved coordination of human settlement structures in the District.	3.2.2.1	The establishment of a human settlement task team.	1	0	Project stopped. Province Department of Human Settlements established a Cape Winelands Regional Consultative structure (PRT's) Out of the control of the department.
			3.2.2.2	Number of meetings held by Task Team.	3	0	Project stopped. Province established a regional structure (PRT's) Out of the control of the department.
	3.2.3	Roll-out of provincial programs.	3.2.3.1	Housing consumer education training sessions.	2	6	Six smaller sessions held instead of four bigger sessions.
	3.3	3.3.1	Enhance the planning of infrastructure services in the district.	3.3.1.2	Completed stormwater master plans for B municipality.	1	1
3.3.2		Support the maintenance of proclaimed roads in the district on an agency basis for the provincial roads authority.	3.3.2.1	Distance of resealed roads(km).	25	14.64	No additional funding received – agency function.
			3.3.2.2	Distance of re-gravelled roads(km).	50	36	Lack of licenced quarries – agency function
			3.3.2.3	Distance of bladed roads(km).	4000	5402	Due to less re-gravelling done.
3.3.3		Improve the disposal of solid waste in the district.	3.3.3.1	Identify and licence solid waste disposal sites.	2	0	This is a continuous process. Sites have been identified and specialist studies required for Environmental Authorization are currently under way. Out of the control of the

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							department.
3.4	3.4.1	Enhance the living conditions of rural dwellers by providing suitable sport facilities.	3.4.1.1	Number of sport fields upgraded/developed.	2	0	The implementation of the project was delayed due to section 17(3)(j) clarification.
			3.4.1.2	Number of facilities improved/constructed at rural sport fields.	2	0	The implementation of the project was delayed due to section 17(3)(j) clarification.
	3.4.2	Enhance the living conditions of rural dwellers by providing basic lighting and hot water units.	3.4.2.1	Number of solar powered lighting units supplied.	50	0	The allocation of solar lightning units was not approved due to the number of application for solar geysers received. Out of the control of the department.
			3.4.2.2	Number of solar geysers supplied.	400	320	See comment above.
	3.4.3	Support the learning environment at rural schools by improving potable water supply and sanitation facilities.	3.4.3.1	Number of schools with improved potable water supply.	3	3	Achieved
			3.4.3.2	Number of schools with improved sanitation facilities.	3	0	The implementation of the project was delayed due to section 17(3)(j) clarification.
Strategic Objective 4 - To provide an effective and efficient support service to the CWD Municipality's executive directorates so that the organisational objectives can be achieved through the provision of: HR Management, ICT, Admin Support Services, Strategic Services and Communication Services.							
4.1	4.1.1	To ensure well functional statutory and other committees.	4.1.1.1	Administrative support.	100%	100%	Achieved
	4.1.2	Improved intergovernmental relations.	4.1.2.1	IGR meetings	8	9	Achieved
4.2	4.2.1	To ensure skilled and competent workforce in order to realise organisational strategic objectives.	4.2.1.1	Training Committee Reports	10	9	No quorum
			4.2.1.2	Training Committee Meetings	10	9	No quorum
			4.2.1.3	Workplace Skills Plan Submissions	1	1	Achieved
4.3	4.3.1	Improved Labour Relations and informed Workforce	4.3.1.1	Local Labour Forums	10	9	No quorum
			4.3.1.2	Employment Equity Reports	10	12	Monthly reports
4.4	4.4.1	Improving internal communications	4.4.1.1	Internal News Letter: Imbizo Distributions	10	21	2 Internal newsletters monthly
	4.4.2	Well informed community	4.4.2.1	Media Placements	4	62	Original target were set for compliance.
	4.4.3	Strengthening media relations	4.4.3.1	Meeting with media houses	1	3	Need arises to have more engagements.

Strategic Objective 5 - To facilitate and ensure the development and empowerment of the poor and most vulnerable people, particularly women, children, youth, the disabled, elderly persons and rural dwellers throughout the Cape Winelands.							
CWDM PDO	Outcome Indicator	Performance Indicator	Annual Target and Performance				
			Annual Target	Actual	Comments		
5.1	5.1.1	Increase awareness on social and health issues in relation to HIV/AIDS and related diseases.	5.1.1.1	Number of nutritional food parcels distributed.	150	150	Insufficient evidence provided
			5.1.1.2	Training of volunteers.	50	100	Due to vibrant partnerships, more volunteers were trained.
			5.1.1.3	Awareness Programmes	1000	1600	More people attended the awareness programmes.
	5.1.2	Successful interventions implemented to address the needs of vulnerable families and	5.1.2.1	Social Relief for Children in Foster Care.	125	300	More children were reached because of the partnership with

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		children.					Department of Social Development, Department of education and NGOs.
			5.1.2.2	Material support.	30	300	More beneficiaries required material support.
			5.1.2.3	Provide emergency social relief and food security to households.	200	100	Emergency Social relief and food security were provided as assistance was required.
	5.1.3	Improve Early Childhood Development learning.	5.1.3.1	Provision of educational toolkits to ECD's.	50	50	Achieved
			5.1.3.2	ECD's, building capacity of ECD forums.	5	8	Achieved
			5.1.3.3	Training of ECD staff	100	6	Due to the limited training opportunities in the rural areas, a need was identified for expand the training opportunity.
	5.1.4	Support Programme: To maximise poverty alleviation impact of community organisations amongst rural poor and impoverished households.	5.1.4.1	To maximise poverty alleviation impact of community organisations amongst rural poor and impoverished households.	100	184	Due to the small amounts allocated to beneficiaries, more community based organisations were accommodated as beneficiaries.
	5.1.5	Improve skills and development levels of youth and integration into communities.	5.1.5.1	Involve youth in skills development programmes.	50	15	The technical skills training were more expensive than anticipated and the targeted amount of participants could not be trained.
			5.1.5.2	Support programme for Gr 12 Learners.	500	0	Evidence provided were for Grade 10 & 11 learners
			5.1.5.3	Celebrate Youth Day.	500	500	Achieved
	5.1.6	Successful implementation of programmes focussing on the empowerment of women.	5.1.6.1	Skills development. Support to women.	50	26	The technical skill training was more expensive than anticipated and the targeted amount of participants could not be trained.
			5.1.6.2	Support to the District Gender forum initiatives.	5	2	Quarterly initiatives were implemented
5.2	5.2.1	Enhanced participation of members of vulnerable groups in sports and recreational activities.	5.2.1.1	Improve access of farm dwellers to recreational, arts, culture.	1500	1500	Achieved
			5.2.1.2	Implement School Sports Development & Support Programmes.	5	5	Achieved
			5.2.1.3	Support and CO-hosting of Sport Events.	5	5	Achieved
			5.2.1.4	District Mayoral Sports Tournaments.	5	6	Achieved
			5.2.1.5	To successfully implement a District Sports Awards Ceremony to give recognition to deserving sports achievers.	1	1	Achieved
			5.2.1.6	Rural Community & Legends Award Ceremony.	1	0	Lack of enough funding
	5.2.2	Decrease levels of substance dependency and increase awareness of the impact of substance abuse.	5.2.2.1	Train Learners in Peer Counselling.	100	100	Achieved
			5.2.2.2	Involve volunteers in FAS awareness programme.	100	100	Achieved
			5.2.2.3	Support youth in drug rehabilitation.	10	10	Achieved
	5.2.3	Increase the livelihoods of elderly from vulnerable communities.	5.2.3.1	Support participation of in health and wellness programmes.	600	700	More participants attended.

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			5.2.3.2	Involve in Awareness campaigns on Elderly Rights.	250	800	More participants attended.
			5.2.3.3	Provide food security to poverty stricken Elderly.	100	40	Stores could only provide 40 food parcels due to the earlier closure of SCM processes.
5.2	5.2.4	Increase awareness around moral issues in society.	5.2.4.1	Support Moral Regeneration initiatives.	5	1	Refer to business plan
	5.2.5	Increase support and enhance the rights of people with disabilities.	5.2.5.1	Provide spectacles, hearing aids & wheelchairs to vulnerable disabled persons. (Interventions).	3	3	The target is 3 interventions namely provision of spectacles, hearing aids and, wheelchairs.
			5.2.5.2	Successful celebration of international Disability Day.	1500	1500	Achieved
			5.2.5.3	Hosting a Disability Conference.	1	1	Achieved
5.3	5.3.1	Capacitating Health and Development Committees on farms towards NPO status.	5.3.1.1	Train members of Dev. Committees in org. capacity building.	50	70	More participants attended.
			5.3.1.2	Establish rural based NPO's.	5	0	Not Achieved
			5.3.1.3	Train farm dwellers in first aid.	100	180	Achieved
	5.3.2	Providing support to Small farmers in order to enhance their production and economic development potential.	5.3.2.1	Rural development impact by providing funding, financial and technical support to emerging and small farmers in the District.	15	19	Achieved
			5.3.2.2	Implement skills training programmes for beneficiaries.	2	1	One training session.
	5.3.3	Increase the level of awareness of civil rights amongst farm dwellers.	5.3.3.1	Train Farm Dwellers in Civil Rights.	100	150	More participants attended.
			5.3.3.2	Building the capacity of farm forums	1	0	Not achieved due to the unrest on farms.
			5.3.3.3	Design and implement a pilot intervention in the Hex Valley area.	1	1	Intervention was cancelled due to the Farm Worker unrest in the farming sector, a rural survey was implemented.
			5.3.3.4	Successfully implement of a Farm Workers Open Day.	1	1	Achieved
	5.3.4	Improve Tenure Security for farm dwellers facing eviction.	5.3.4.1	Improve Tenure Security and provide access to legal assistance for Farm Dwellers made Vulnerable by Evictions and Poverty in the District.	100	202	More participants attended.
5.3.4.2			Design and Implement consultative forums to access and plan current and future needs of Farm Dwellers and owners regarding tenure.	1	0	Intervention was cancelled due to the Farm Worker unrest in the farming sector, a rural survey was implemented.	

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Strategic Objective 6 - To ensure the financial sustainability of the Cape Winelands District Municipality and to fulfil the statutory requirements.							
CWDMP DO	Outcome Indicator	Performance Indicator	Annual Target and Performance				
			Annual Target	Actual	Comments		
6.1	6.1.1	Credible Budget and approved SDBIP.	6.1.1.1	Co-ordinate, Compile and implement the Budget and SDBIP.	Yes	Yes	Refer to approved budget.
			6.1.1.2	Adhered to IDP/PMS and Budget Process Plan approved by council.	Yes	Yes	Refer to approved budget and IDP.
	6.1.2	Timely and accurate Annual Financial Statements.	6.1.2.1	Compilation of Bank Reconciliations.	12	12	Achieved
			6.1.2.2	Updating of Cash Books.	12	12	Achieved
			6.1.2.3	Investments - Updated Investments Register.	12	12	Achieved
			6.1.2.4	Updated Insurance Register.	12	12	Achieved
			6.1.2.5	Updated Fix Asset Register.	12	12	Achieved
			6.1.2.6	Updated General Ledger.	12	12	Achieved
	6.1.3	Unqualified Audit.	6.1.3.1	Compilation of Annual Financial Statements.	31-Aug-12	31-Aug-12	Achieved
6.2	6.2.1	Transparent and accountable reporting to all stakeholders.	6.2.1.1	Compilation of In - Year Reporting.	202	202	Achieved
	6.2.2	Early identification of problem areas in order to implement appropriate corrective actions	6.2.2.1	Current Ratio (Current Assets: Current Liabilities).	2:1	8,52:1	Achieved
			6.2.2.2	Cash Ratio -acid test (Current Assets minus Inventory): (Current Liabilities).	1.5:1	8,49:1	Achieved
6.3	6.3.1	Effective systems, procedures and internal control of expenditure and revenue.	6.3.1.1	Salaries - Updated Payroll.	12	12	Achieved
			6.3.1.2	SMME/BEE Creditors - Percentage paid within 14 days after receipt of Invoice / Statement.	85%	87.55%	Achieved
			6.3.1.3	Trade Creditors - Percentage paid within 30 days after receipt of Invoice/Statement.	85%	99.81%	Achieved
			6.3.1.4	Grants Received - Updated register of all grants received as budgeted.	90%	97%	Achieved
6.4	6.4.1	Fair, Equitable, Transparent, Competitive and cost-effective SCM Policy and Regulatory Framework.	6.4.1.1	% Completed assessments of suppliers, contractors and service providers, where applicable, submitted to SCM (Value > R30 000).	90%	79.5%	Lack of completed assessments.
			6.4.1.2	Stores - Updated Stock Register.	12	12	Achieved
			6.4.1.3	Procurement - Updated Register of all procurement approvals, exceptions and deviations.	12	12 Achieved	

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3.3 SUMMARY OF CAPE WINELAND SECTION 56 KEY PERFORMANCE INDICATORS

SO (Refer to 6.1.1)	Number of KPI's	Zero performance	Under performance <80%	Achieved 80% - 100%	Over achieved >100%	Delivery as a percentage
1	35	4	1	20	10	83%
2	29	0	1	15	13	96%
3	23	1	4	13	5	72%
4	54	1	5	32	16	87%
5	26	1	3	14	8	82%
6	27	1	1	22	3	92%
Total	194	8	15	116	55	85%

3.3.1 CAPE WINELANDS DISTRICT MUNICIPALITY DETAILED SECTION 56 KEY PERFORMANCE INDICATORS 2012/2013 MUNICIPAL MANAGER

Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
6	6.1	Compliance with all legislation and policies to ensure that a Clean Audit is achieved.	Audit Outcome	Unqualified Audit	Clean Audit 2012/2013	Un-Qualified 2011/2012	Task Team established to work towards a clean audit outcome.
4	4.4	Did your municipality have an up-to-date reviewed IDP.	Approved Process Followed	Yes	Yes	Yes	Approved 23 May 2013.
4	4.1	Number Strategic Planning Sessions with Management.	Number	3	4	4	As per minutes of management meetings.
4	4.1	Number of IGR Meetings attended.	Number	8	10	19	DCF, DCF Tech, Minmay Tech, Minmay, PCF, WCMMF.
4	4.1	Number of Risk Management Meetings Called.	Number	New	4	3	As per minutes of RM Meetings, Risk Manager post vacant.
4	4.1	Number of MPAC Meetings Called.	Number	New	4	2	MPAC only established late in Q2.
4	4.3	Number of top 10 controls directly related to maintaining	Number	40	40	40	As per Internal Audit.

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		defined risk tolerance addressed.					
6	6.1	Compile operating and capital budget to applicable timeframes.	Number of budget meetings	4	4	4	Adjustment Budget & Budget Approval.
6	6.1	Timeous compilation and submission of financial statements to Auditor General.	Date	31-Aug-11	31-Aug-12	31-Aug-12	Achieved
6	6.1	Compile and Approval of SDBIP.	Yes/No	New	Yes	Yes	Signed off by Mayor
6	6.1	Adhered to IDP/PMS and Budget Process Plan approved by council.	%	100%	100%	Yes	SDBIP/Budget Approval
4	4.2	Number of individuals send on staff training and development (internal and external).	Number	1	2	2	PMS & IA
6	6.1	Timeous compilation and submission of Annual Report to Auditor General.	Date	31-Aug-11	31-Aug-12	Yes	AG report
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
4	4.1	Updated RM Implementation Plan.	Yes/No	New	Yes	Yes	Achieved
4	4.1	Audit of Risk Management Effectiveness.	Yes/No	New	Yes	Yes	Achieved
4	4.1	Annual Strategic Risk Assessment.	Yes/No	New	Yes	Yes	Achieved
4	4.1	Approval of RM Charter.	Yes/No	New	Yes	Yes	Achieved
4	4.1	Approval of RM Appetite and Tolerance Plan.	Yes/No	New	Yes	No	Scheduled for 2013/14.
4	4.1	Compile 3 year Internal Audit Plan.	Yes/No	New	Yes	Yes	AC approval.
4	4.3	Number of meetings of the performance/audit	Number	4	4	4	As per minutes.

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		committee called					
4	4.3	Number of Section 56 evaluations.	Number of assessments	4	4	4	As per minutes.
4	4.3	Number of management meetings called.	Number	16	16	13	As per minutes.
2	2.3	80% Of the KPI's of the Department: Regional Economic Development delivered as per SDBIP.	%	80%	80%	96%	Average of Organisational KPI's, Projects and Score Card.
4	4.1	80% Of the KPI's of the Department: Corporate Services delivered as per SDBIP.	%	80%	80%	92%	Average of Organisational KPI's, and Score Card.
3	3.3	80% Of the KPI's of the Department: Engineering & Infrastructure Services delivered as per SDBIP.	%	80%	80%	78%	Average of Organisational KPI's, Projects and Score Card.
6	6.1	80% Of the KPI's of the Department: Financial Management delivered as per SDBIP.	%	80%	80%	98%	Average of Organisational KPI's, and Score Card.
5	5.3	80% Of the KPI's of the Department: Rural & Social Development delivered as per SDBIP.	%	80%	80%	85%	Average of Organisational KPI's, Projects and Score Card.
1	1.1	80% Of the KPI's of the Department: Community & Developmental Services delivered as per SDBIP.	%	80%	80%	84%	Average of Organisational KPI's, Projects and Score Card.

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Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
Community and Developmental Services							
6	6.1	Compliance with all legislation and policies to ensure that a Clean Audit is achieved.	Audit Outcome	Unqualified Audit	Clean Audit 2012/13	Un-Qualified 2011/2012	Task Team established to work towards a clean audit outcome.
6	6.1	Timeous submission of information to compile the Annual Report.	Date	31-Aug-11	31-Aug-12	Yes	Achieved
4	4.3	Number of Policies/Sector Plans to be reviewed and aligned with 5 year IDP.	Number	New	2	0	Reviews due for 2013/2014.
4	4.1	Number of Risk Committee Meetings Attended.	Number	New	4	3	Risk Manager post vacant.
4	4.1	Number of MPAC Meetings attended.	Number	New	4	2	MPAC only established late in Q2.
4	4.1	Number of departmental management meetings held.	Number	4	4	5	Achieved
4	4.1	Number of district technical forums/cluster for local municipalities/sector provincial attended. (IGR).	Number	4	8	13	Refer to POE.
4	4.3	Number of top 10 controls directly related to maintaining defined risk tolerance addressed.	Number	40	40	40	Achieved
4	4.1	Number of meetings held with respective Portfolio Councillor.	Number	8	8	9	Refer to POE.
1	1.1	Project Expenditure as % of Project Budget for this period	%	85%	90%	82%	As per ISOLOMZI Due to farmers not completing the building projects in the allotted

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							timeframes. Subsidies could not be paid resulting in under expenditure.
6	6.1	Number of Contract Management Reports as per SDBIP.	Number	New	2	2	Refer to POE.
6	6.1	Adhered to IDP/PMS and Budget Process Plan approved by council.	%	100%	100%	Yes	Approved IDP & Budget on 23 May 2013.
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
4	4.1	Number of meetings of the performance/audit committee attended.	Number	4	4	4	Refer to POE.
4	4.1	Number of individuals who have entered into individual performance agreements.	Number	123	246	222	Refer to POE.
4	4.1	Number of individuals who have had at least one performance assessment.	Number	123	246	219	Refer to POE.
4	4.1	Number of individuals sent on staff training and development. (Internal and External) Target may vary per quarter.	Number	36	36	53	Refer to POE.
1	1.1	% of individuals employed as reflected in business plans of approved projects.	%	90%	90%	89%	As per ISOLOMZI.
1	1.1	% of quantities achieved as reflected in business plans of approved projects.	%	90%	90%	78%	As per ISOLOMZI.
1	1.1	% of individuals trained as reflected in business plans of approved projects.	%	90%	90%	100%	As per ISOLOMZI.
1	1.1	% of activities	%	85%	90%	95%	As per ISOLOMZI.

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		completed as set out in business plans of approved projects.					
1	1.1	% of activities completed within specified timeframes as set out in business plans of approved projects.	%	85%	90%	79%	As per ISOLOMZI.
1	1.1	% of premised undertaking listed activities that are in possession of a valid APPA certificate or Atmospheric Emission licence i.t.o. National Air Quality Act 39 of 2004 that comply.	Percentage	95%	95%	100%	Achieved
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
1	1.1	% of licences issued and corrective action implemented in cases where premises are not in possession of a valid Atmospheric Emission licence.	Percentage	100%	100%	100%	Achieved
1	1.1	Number of inspections at Funeral Undertakers premises.	Number	68	68	62	Refer to POE.
1	1.1	% of notices issued and corrective action implemented for non-compliance of operating funeral operations.	Percentage	100%	100%	100%	Achieved
1	1.1	% of corrective action implemented for non-compliance of drinking water.	Percentage	100%	100%	100%	Achieved
1	1.1	% of notices issued and corrective action	Percentage	100%	100%	100%	Achieved

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		implemented for non-compliance with Food products related legislation.					
1	1.1	Number of waste water treatment sites inspected for the presence of health nuisances and environmental pollution.	Number	84	84	109	Refer to POE
1	1.3	Percentage of fire calls responded to within 35 minutes.	Percentage	85%	70%	121%	As per call centre.
1	1.3	Percentage of mountain/veld fires responded to with a minimum of two fire fighting vehicles with a combined manpower of a minimum of 4 fire fighters.	%	85%	70%	108%	As per call centre.
1	1.2	Disaster Risk Assessment Report Approved by Council	Number	New	1	1	As per call centre.
1	1.2	Fully Operational Disaster Management Centre.	Number	New	1	0	
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
1	1.3	Compilation of the Fire Season Plan for approval by Council.	% of the completed Plan	100%	100%	100%	As per call centre
1	1.2	Conducting of Simulation of the Corporate Disaster Management Plan with all Executive Directors and Municipal Manager.	Number	1	1	0	Re-structuring process hamper delivery.
1	1.2	Presentation of International Strategy for Disaster Risk	Number	1	1	1	Achieved

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Regional Development and Planning Services		Reduction findings.					
6	6.1	Compliance with all legislation and policies to ensure that a Clean Audit is achieved.	Audit Outcome	Unqualified Audit Report	Clean Audit 2012/13	Un-Qualified 2011/12	Task Team established to work towards a clean audit outcome.
4	4.3	Number of district technical forums/cluster for local municipalities/sector provincial departments to be arranged (IGR).	Number	8	8	13	Refer to POE.
4	4.1	Number of Risk Committee Meetings Attended.	Number	New	4	3	Risk Manager post vacant.
4	4.1	Number of MPAC Meetings Attended.	Number	New	4	2	MPAC only established late in Q2.
4	4.1	Number of departmental meetings held.	Number	4	4	8	Refer to POE.
4	4.3	Number of top 10 controls directly related to maintaining defined risk tolerance addressed.	Number	40	40	40	Achieved
6	6.1	Timeous submission of information to compile Annual Report.	Date	31-Aug-11	31-Aug-12	Yes	Achieved
6	6.1	Project Expenditure as % of Project Budget for this period.	%	85%	90%	90%	As per ISOLOMZI.
6	6.1	Number of Contract Management Reports as per SDBIP.	Number	New	3	3	Refer to POE.
6	6.1	Adhere to IDP and Budget Process Plan approved by Council.	%	100%	100%	Yes	Approved Budget & IDP.

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Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
4	4.1	Number of meetings of the Performance Audit Committee attended.	Number	4	4	4	Achieved
4	4.1	Number of individuals who have entered into individual performance agreements.	Number	21	42	40	Two personnel members contracts expired.
4	4.1	Number of individuals who have had at least one performance assessment.	Number	21	42	40	Two personnel members contracts expired.
4	4.1	Number of meeting held with respective Portfolio Councillor.	Number	8	8	21	Refer to POE.
4	4.1	Number of individual sent on staff training and development (internal and external).	Number	8	8	27	Refer to POE.
2	2.1	% of activities completed within specified timeframes as set out in business plans of approved projects.	%	85%	90%	98%	As per ISOLOMZI.
2	2.3	% of activities completed as set out in business plans of approved projects.	%	85%	90%	99%	As per ISOLOMZI
2	2.1	Has the Implementation Plan of the CWDM RLED strategy been adopted by council?	Date	New	30 June 2013	25/10/2012	Refer to POE.
2	2.1	Has the Regional Local Municipalities Development Strategy (LRED) been adopted by council?	Date	New	30 June 2013	25/10/2012	Refer to POE.

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2	2.2	Number of Stakeholder meetings held as part of the Invasive Alien Vegetation Management Programme?	Number	4	4	19	Refer to POE.
2	2.4	Number of Training Programmes implemented as part of the Invasive Alien Vegetation Management Programme?	Number	4	4	14	Refer to POE.
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
2	2.4	Has the Environmental Management Framework for the geographic areas of the Witzenberg, Langeberg and Breede Valley Municipalities been adopted by council?	Date	New	30 June 2013	25/10/2012	Refer to POE.
2	2.4	Has the beautification and rehabilitation programme been implemented?	Date	New	30 June 2013	30/06/13	Refer to POE.
2	2.4	Number of meetings held as part of the beautification and rehabilitation programme.	Number	New	2	6	Refer to POE.
2	2.4	Number of meetings held with SMME's as part of the business training mentorship programme	Number	New	4	24	Refer to POE.
2	2.4	Calendar of events for the tourism sector for the Cape Winelands Area?	Number	1	1	1	Refer to POE.

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2	2.4	% of individuals employed as reflected in business plans of approved projects.	%	90%	90%	116%	As per ISOLOMZI.
2	2.4	% of quantities achieved as reflected in business plans of approved projects.	%	90%	90%	105%	As per ISOLOMZI
2	2.4	% of individuals trained as reflected in business plans of approved projects.	%	90%	90%	110%	As per ISOLOMZI
Engineering and Infrastructure Services							
6	6.1	Opinion expressed from AG on audit (Financial & predetermined objectives).	Audit opinion from annual audit conducted by the office of the Auditor General	1	Clean Audit 2012/13	Un-Qualified 2011/12	Task Team established to work towards a clean audit outcome
4	4.1	Number of district technical forums for local municipalities and provincial wide attended by the department.	Number	4	4	29	Clarity between functions were needed
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
4	4.1	Timeous submission of information required for the Annual Report.	Date	31 August 2011	31-Aug-12	31-Aug-12	Achieved
4	4.3	Number of departmental management meetings held.	Number	4	4	2	New appointed ED in November 2012.
4	4.3	Number of 10 top controls directly related to maintaining defined risk tolerance addressed.	Number	New	40	40	Achieved
4	4.1	Number of Risk Committee Meetings Attended.	Number	New	4	3	Risk Manager post vacant.
4	4.1	Number of MPAC	Number	New	4	2	MPAC only established late in

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		Meetings Attended					Q2.
4	4.2	Number of individuals sent on staff training and development.	Number	20	20	43	Depending on demand.
4	4.1	Number of meetings of the performance audit committee attended.	Number	4	4	4	See minutes of meetings.
4	4.2	Number of individuals who have entered into individual performance agreements	Number	36	36	30	Roads personnel excluded
4	4.2	Number of individuals who have had at least one performance assessment	Number	36	36	30	Roads personnel excluded
6	6.1	Number of Contract Management Reports as per SDBIP Contracts	Number	New	4	0	Contract Management System not operational
6	6.1	Budget requests provided to financial department by due dates (budget programme)	Number	1	2	2	Achieved
6	6.1	Department IDP input submitted on request by end February annually	Number	1	1	1	Achieved
4	4.1	Percentage of individuals employed as reflected in business plans of approved projects	%	85%	90%	75%	See project performance comments

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Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
4	4.1	Number of meeting held with respective Portfolio Councillor.	Number	New	8	10	New ED appointed, need for more meetings.
4	4.1	Percentage of individuals trained as reflected in business plans of approved projects.	%	85%	90%	40%	See project performance comments.
3	3.4	Project Expenditure as percentage of Project Budget for this period.	%	85%	90%	49%	See project performance comments.
3	3.4	Percentage of activities completed as set out in business plans of approved projects.	%	85%	90%	96%	Achieved
3	3.4	Percentage of quantities achieved as reflected in business plans of approved projects.	%	85%	90%	73%	See project performance comments.
3	3.3	Number of kilometres of road re-gravelled.	Number	4	6	20.77	Achieved
3	3.3	Number of kilometres of road resealed.	Number	8	25	14.64	
3	3.3	M ² Potholes repair on proclaimed roads.	m ²	4000	4000	7426	Poor conditions of roads.
Corporate Services							
4	4.1	Compliance with all legislation and policies to ensure that a Clean Audit is achieved.	Audit Outcome	Clean Audit Outcome	Clean Audit 2012/2013	Un-Qualified 2011/2012	Task Team established to work towards a clean audit outcome.
4	4.3	Number and nature of new innovations entered into by CWD.M.	Number	2	2	1	TASK
4	4.1	Number of departmental management meetings held.	Number	4	4	3	Acting as ED

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4	4.1	Number of district technical forums/cluster for local municipalities/sector provincial attended (IGR).	Number	8	8	8	Achieved
4	4.3	Number of top 10 Controls directly related to maintaining defined risk tolerance addressed.	Number	40	40	40	Achieved
4	4.4	Number of Communications: Grape Wine, IMBIZO and Radio.	Number	36 (council revised communication strategy).	14	44	IMBIZO circulated two times per month.
4	4.3	Review Interdepartmental Corporate Disaster Management Plan.	Number	0	1	2	Achieved
4	4.3	Number of Website Updates.	Number	4	4	31	Compliance driven.
4	4.1	Timeous submission of information required for the Annual Report.	Date	31-Aug-11	31-Aug-12	Yes	Achieved
4	4.3	Number of policies to be reviewed and aligned to 5 year IDP.	Number	New	2	4	Achieved
4	4.3	Number of meetings of the performance/audit committee attended.	Number	4	4	3	On training
4	4.1	Number of Risk Committee Meetings Attended.	Number	New	4	3	Risk Manager post vacant.
4	4.1	Number of MPAC meetings attended.	Number	New	4	2	MPAC only established late in Q2.
4	4.3	Coordinate with OHS a readiness, preparedness and assessment drill for emergency evacuation.	1	1	1	6	Drill per office.
4	4.3	Number of contract management reports as per SDBIP.	Number	New	4	35	Individual service delivery contracts.

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4	4.3	Adhere to IDP/PMS and Budget Process Plan approved by council.	%	100%	100%	100%	Refer to budget approval on time.
4	4.2	Number of Local Labour Forums/Training Committee Meetings/LLF Agenda Discussions Meetings.	Number	12	12	29	Forum targets were set as a cluster.
4	4.2	Number of Employment Equity Reports (Compliance with EE Plan)	Number	10	10	12	Monthly reports
4	4.2	Number of Training Committee Reports (Compliance with Workplace Skills Plan).	Number	10	10	9	No quorum for one meeting.
4	4.2	Number of individuals sent on staff training and development (internal & external).	Number	30%	18	66	More training opportunities arises.
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
4	4.3	Number of Occupational Health and Safety Reports.	Number	12	12	11	Achieved
4	4.2	Number of Students undertaking training in CWDM.	Number	13	12	14	Achieved
4	4.2	Number of individuals who have entered into individual performance agreements.	Number	64	128	94	See management decision.
4	4.2	Number of individuals who have had at least one performance assessment.	Number	64	128	94	See management decision.
4	4.3	System downtime as a result of software related issues.	Minutes/Hours	96	Less than 56 working hours per incident.	19 hours	Achieved

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4	4.3	System downtime as a result of hardware/network failure.	Minutes/Hours	480	Less than 8 working hours per incident.	12 hours	Achieved
Rural and Social Development							
6	6.1	Compliance with all legislation and policies to ensure that a clean Audit is achieved.	Audit Outcome	Clean Audit	Clean Audit 2012/13	Un-Qualified 2011/12	Task Team established to work towards a clean audit outcome.
4	4.1	Number of departmental management meetings held.	Number	4	4	4	Achieved
4	4.3	Number of policies to be reviewed and aligned with 5 year IDP.	Number	New	2	1	Food security policy.
4	4.1	Number of Risk Committee Meetings Attended.	Number	New	4	3	Risk Manager post vacant.
4	4.1	Number of MPAC Meetings Attended.	Number	New	4	2	MPAC only established late in Q2.
4	4.1	Number of district technical forums/cluster for local municipalities/sector provincial attended. (IGR).	Number	8	8	8	Achieved
4	4.3	Number of top ten controls directly related to maintaining defined risk tolerance addressed.	Number	40	40	40	Achieved
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
4	4.1	Number of meetings held with portfolio councillor.	Number	8	8	8	Achieved
5	5.1	Project Expenditure as % of Project Budget for this period.	%	85%	90%	91%	As per ISOLOMZI
6	6.1	Number of Contract	Number	New	2	4	Achieved

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		Management Reports as per SDBIP.					
6	6.1	Timeous Submission of information to compile the Annual Report.	Date	31-Aug-11	31-Aug-12	Yes	Achieved
6	6.1	Adhered to IDP/PMS and Budget Process Plan approved by council.	%	100%	100%	Yes	Referred to budget and IDP approval
4	4.1	Number of meetings of the performance/audit committee attended.	Number	4	4	3	On business trip
4	4.1	Number of individuals who have entered into individual performance agreements.	Number	24	24	22	Two officials resigned
4	4.1	Number of individuals who have had at least one performance assessment.	Number	24	24	22	Two officials resigned
5	5.2	Ensure increased awareness of prevention of new HIV/AIDS infection in the workplace - Number of sessions with staff. New KPI.	Number	4	4	4	EAP Committee is now responsible
4	4.1	Number of individuals sent on staff training and development. (Internal and External).	Number	4	4	6	Achieved
5	5.2	% of individuals employed as reflected in business plans of approved projects	%	90%	90%	0%	Concentrate on skills training
5	5.2	% of quantities achieved as reflected in business plans of approved projects.	%	90%	90%	88%	Achieved
Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments

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2017)							
5	5.2	% of individuals trained as reflected in business plans of approved projects.	%	90%	90%	82%	Concentrate on skills training
5	5.2	% of activities completed as set out in business plans of approved projects.	%	85%	90%	100%	Achieved
5	5.2	% of activities completed within specified timeframes as set out in business plans of approved projects.	%	85%	90%	90%	
5	5.2	Awareness campaign on the right of vulnerable group within service delivery New KPI.	Number	4	4	5	Achieved
15	5.3	Supporting and facilitating initiatives focussing on the empowerment of vulnerable residents through partnerships. New KPI.	Number	4	4	5	Achieved
5	5.3	Number of individuals from vulnerable groups benefiting from projects New KPI	Number	100	100	160	More people benefit.
5	5.3	Number of information sharing workshops / seminars conducted with organizations. New KPI.	Number	4	4	5	Achieved
Financial Services							
6	6.1	Compliance with all legislation and policies to ensure that a Clean Audit is achieved.	Audit Outcome	Comparison with previous year (Unqualified Audit)	Clean Audit 2012/13 Target	Un-Qualified 2011/12	Task Team established to work towards a clean audit outcome.
6	6.1	Timeous compilation and submission of Annual Report to	Date	31-Aug-11	31-Aug-12	31-Aug-12	Achieved

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Strategic Objective (IDP 2012-2017)	Predetermined Objective (IDP 2012-2017)	Key Performance Indicator	Unit of Measurement	Baseline	Annual Target	Actual Year-End	Comments
6	6.1	Auditor General. Number of policies to be reviewed and aligned to 5 year IDP.	Number	New	2	2	Achieved
6	6.2	Number of Risk Committee Meetings Attend.	Number	New	4	3	Risk Manager post vacant.
6	6.2	Number of MPAC Meetings Attended.	Number	New	4	2	MPAC only established late in Q2
4	4.1	Number of departmental management meetings held.	Number	4	4	0	Only un-scheduled meetings within the department
4	4.1	Number of technical forums/cluster for local municipalities/sector provincial attended. (IGR).	Number	8	8	8	Achieved
4	4.3	Number of top 10 controls directly related to maintaining defined risk tolerance addressed.	Number	40	40	40	Achieved
6	6.2	Coordinate, Compile and implement the Budget and SDBIP.	Yes/No	Yes	Yes	Yes	Refer to approved Budget.
6	6.1	Compilation of Bank Reconciliations.	Number	12	12	12	Achieved
6	6.1	Investments - Updated Investments Register.	Number	12	12	12	Achieved
6	6.1	Insurance - Updated Insurance Register.	Number	12	12	12	Achieved
6	6.2	Fixed Assets - Updated Fixed Asset Register.	Number	12	12	12	Achieved
6	6.2	Compilation of In - Year Reporting.	Number	202	202	202	Achieved
6	6.2	Updated General Ledger (Trial Balance)-Compile	Number	12	12	12	Achieved

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		Monthly Reconciliations.					
6	6.1	Compilation of Annual Financial Statements.	Date	31-Aug-11	31-Aug-12	31-Aug-12	Achieved
6	6.1	Current Ratio (Current Assets : Current Liabilities)	Ratio	2:1	2:1	8.52:1	Achieved
6	6.1	Cash Ratio -acid test (Current Assets minus Inventory) : Current Liabilities).	Ratio	1.5:1	1.5:1	8.49:1	Achieved
6	6.1	Updated Cash Books.	Number	12	12	12	Achieved
6	6.2	Salaries - Updated Payroll.	Number	12	12	12	Achieved
6	6.2	Stores - Updated Stock Register.	Number	12	12	12	Achieved
6	6.4	Procurement - updated register of all procurement approvals, exceptions and deviations.	Number	12	12	12	Achieved
6	6.1	Adhered to IDP/PMS and Budget Process Plan approved by council.	%	100%	100%	Yes	Refer to approved Budget, IDP and SDBIP.
4	4.1	Number of meetings of the performance audit committee attended.	Number	4	4	4	Achieved
4	4.1	Number of individuals who have entered into individual performance agreements.	Number	46	64	60	Two vacancies in the department.
4	4.1	Number of individuals who have had at least one performance assessment.	Number	46	64	60	Two vacancies in the department.
4	4.1	Number of individuals sent on staff training and development.	Number	10	14	51	Competency Training.

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3.4 SUMMARY OF PROJECT PERFORMANCE RESULTS 2012/2013 AS PER ISOLOMZI

Strategic Objective	Number of projects	Zero performance	Under performance <80%	Achieved 80% - 100%	Over achieved >100%	Delivery as a percentage 2010/2011	Delivery as a percentage 2011/2012	Delivery as a percentage 2012/2013
1	9	0	2	5	2	82%	88%	85%
2	18	0	0	13	5	96%	104%	99%
3	22	0	10	8	4	91%	87%	78%
4	No projects							
5	15	0	4	7	4	96%	99%	92%
6	No projects							
Total	64	0	16	34	14	91%	95%	89%

3.4.1 DETAILED PROJECT PERFORMANCE RESULTS 2012/2013

CWDM SO	CWDM PDO	Sub - Directorate	National KPA	Project Name	Project Code (PMS)	Vote as per budget	Budget - R	Actual	Job Creation		Training		Unit of measurement	Annual Target	Actual	Comments
									T	A	T	A				
Strategic Objective 1. To ensure the health and safety of communities in the Cape Winelands through the proactive prevention, mitigation, identification and management of environmental health, fire and disaster risks.																
1	1.1	MHS	1	Subsidies re Water and Sanitation on Farms	195	114415210	2 229 300	1 749 646	0	0	0	0	No. of Farms	40	37	Due to farmers not completing building projects within the allowed timeframe. Payment to several beneficiaries could not be made, because they were still awaiting their Tax Clearance

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																	Certificates Funds will be rolled over to the next financial year.
1	1.1	MHS	1	Clean-Up Campaign	191	114415218	1 000 000	942 658	490	950	0	0	No. of Projects	47	64		Due to quotes being lower than originally anticipated the section was able to rollout more projects.
1	1.1	MHS	1	Environmental Health Education Programme	192	114415219	474 800	410 022	0	0	0	0	No. of Training Sessions	82	86		These presentations are done according to need and subsequently more training sessions were required.
									5	5	275	130 6	No. of Theatre Performances	100	100		Achieved
1	1.1	MHS	1	Health and Hygiene Improvement: Informal Meat Sale Industry.	194	114415189	290 000	182 393	0	0	0	0	No. of mobile Working Stations	9	9		Achieved
									0	0	9	0	No. of Training Sessions. Protective clothing.	1	1		Achieved
									0	0	0	0	Handover Session.	9	9		Achieved
1	1.1	MHS	1	Greening Project.	193	114415190	233 200	232 945	75	80	0	0	No. of Trees Planted.	150 0	187 5		Quotes for trees were lower than originally anticipated and subsequently we were able to acquire and plant more trees.
1	1.1	MHS	1	Waste Minimisation Project.	196	114415225	50 000	49 700	0	0	0	0	No. of Schools.	5	5		Achieved
1	1.1	MHS	1	Biological Rodent Control.	190	114415433	169 600	167 117	0	0	0	0	No. of Owl Nests.	50	50		Achieved
1	1.3	DM	1	Population Coordination.	197	116100238	50 000	6 144	0	0	0	0	Memorandum of Agreement.	16	0		Agreement ready to be signed.
1	1.3	DM	1	Revision Risk Assessment.	198	116100449	100 000	100 000	10	0	10	0	Revised Risk Assessment.	10	1		Course being developed by US.
Strategic Objective 2. To Facilitate sustainable economic empowerment of all communities within the Cape Winelands District through economic, environmental and social infrastructure investment, poverty alleviation, job creation and skills development.																	
2	2.4	LED	3	LED Information	170	110045008	200 000	155 000	0	0	0	0	Number of Economic				

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				Management									Reports	4	4	Refer to Business Plan.
2	2.1	LED	3	Missions, Exhibitions and Trade Shows	173	110045510	368 000	331 257	0	0	0	0	Number of Missions, Exhibitions and Trade Shows	4	4	Refer to Business Plan.
2	2.1	LED	3	Business Retention Expansion programme	169	110045511	200 000	185 679	0	0	0	0	Number of BR&E Reports	1	1	Refer to Business Plan.
2	2.1	LED	3	Investment Attraction Programme	168	110041079										Project cancelled.
2	2.1	LED	3	Sector Studies	171	110045513	354 000	327 572	0	0	0	0	Number of Sector Studies	2	2	Refer to Business Plan.
2	2.3	LED	3	Mentorship Programme	172	110045514	1 154 100	1 012 351	0	0	107	107	Number of Processes Implemented	5	5	Refer to Business Plan.
2	2.2	Tourism	3	Schools Programme	182	111035019	400 000	399 161	0	0	0	0	Number of schools participating	120	124	Refer to Business Plan I.
2	2.1	Tourism	3	Tourism Month	184	11035307	100 000	91 218	0	0	0	0	Tourism Month Activities	3	3	Refer to Business Plan.
2	2.2	Tourism	3	Tourism Training	183	111035306	250 000	246 109	0	0	25	85	Number of beneficiaries trained	25	85	Target for Q4 must be 25 and not 2. Refer to Business Plan.
2	2.1	Tourism	3	Educationals	185	111035311	125 000	92 908	0	0	0	0	Number of media and staff educationals.	7	8	Refer to Business Plan.
2	2.2	Tourism	3	Community Training	179	111035328	300 000	292 431	0	0	25	25	Number of beneficiaries trained.	25	60	Refer to Business Plan.
2	2.4	Tourism	3	LTA Projects	181	111035412	150 000	149 720	0	0	0	0	Number of LTA's participating.	15	15	Refer to Business Plan.
2	2.1	Tourism	3	Culture Clinics	180	111035439	100 000	86 842	1	1	30	12	Number of workshops	3	3	Project had to be postponed until January 2013 for implementation, because of the farm unrest
2	2.1	Tourism	3	Tourism Events	186	111035441	480 000	415 088	0	0	0	0	Number of tourism events	23	21	One event was cancelled due to the Farm worker unrest and another event was cancelled due to the service provider having insufficient funds for the event.

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2	2.2	Environmental planning	3	Environmental Education, Awareness Programme.	174	115225043	750 000	713 425	0	0	900	120 0	Number of camps	15	22	During the Adjustment Budget the unit of measurement was changed from number of camps to number of schools attending. The target for schools was changed to 10.
2	2.3	Environmental planning	3	EPWP Invasive Alien Vegetation Management Programme.	175	115225140	2 000 000	1 991 054	70	272	70	138	Number of hectares cleaned.	600	112 6,48	1126.48h ha achieved.
2	2.3	LED	3	Seed Fund.	236	110045037	1 000 000	1 001 459	54	192	0	0	Number of beneficiaries	54	54	Refer to Business Plan
2	2.3	Environmental planning	3	EPWP Rehabilitation Programme.	177	115225147	300 000	267 970	0	0	0	0	Number of sites rehabilitated	2	2	Refer to Business Plan.
2	2.3	Working For Water (WFW)	3	WFW : EPWP Invasive Alien Vegetation Management Programme.	189	113311420	9 300 000	4 870 854	145 2	1452	242	663	Number of contracts implemented.	133	133	Refer to Business Plan.
Strategic Objective 3. To support and ensure the development and implementation of Infrastructural services such as bulk and internal services, functional road network and public transport services that contribute to Integrated Human Settlements in the Cape Winelands.																
3	3.2	Projects and Technical support services	3	Housing Consumer Education.	211	113305344	81 220	9 631	0	0	100	91	Number of training sessions	4	6	Six smaller sessions held instead of four bigger sessions.
3	3.2	Projects and Technical support services	3	Planning: Human Settlement Plan	201	113305187	150 000	0	0	0	0	0	Number of interventions investigated	1	0	Project Stopped. Lack of interest from B-municipalities.
3	3.3	Projects and Technical support services	3	Planning: Stormwater Master Plans	204	113305185	250 000	191 000	0	0	0	0	Number of plans completed	1	1	Target achieved
3	3.2 & 3.3	Projects and Technical support services	3	Meerlust Hous: Planning	202	113305079	1 050 000	555 217	0	0	0	0	Completed project	1	0	Final Draft feasibility study completed. Will proceed to call for proposals in new financial year.
3	3.3	Projects and	3	Provision of Water	207	113305155	600 000	23 410	0	0	0	0	Number of schools	3	3	The

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	& 3.4	Technical support services		to schools.									assisted			implementation of 2 projects were delayed due to section 17(3)(j) clarification. The 3 schools were provided with water purification systems.
3	3.3	Projects and Technical support services	3	Planning: Regional Landfill Site.	209	113305100	1 000 000	888 302	0	0	0	0	Number of licenced landfill sites	2	0	This is a continuous process. Sites have been identified and specialist studies required for Environmental Authorization are currently under way.
3	3.4	P & T	3	Rural Water Scheme: Wellington.	235	113305076	340 000	0	0	0	0	0	Number of servitudes	20	0	Delays were experienced with the registration of servitudes.
3	3.4	Projects and Technical support services	3	Infrastructure Rural Area (ren. elect.).	199	113305101	1 950 000	1 501 223	0	0	0	0	Number of units supplied	400	425	Actual number reliant on applications received and tender prices.
3	3.4	Projects and Technical support	3	Disabled Access.	210	570020261	970 000	381 320	0	0	0	0	Number of buildings	3	2	Du Toit street and Alexander street buildings (three entrances).
3	3.4	Projects and Technical support	3	Upgrading of rural sport facilities	205	113305195	1 500 000	13 127	0	0	0	0	Number of facilities upgraded	3	0	The implementation of the project was delayed due to section 17(3)(j) clarification
3	3.4 & 3.3	Projects and Technical support	3	Clearing of road reserves.	208	113305094	2 600 000	2 596 023	50	269	0	0	Kilometres of road reserves cleared	430	988	Depended on width of reserves, growth and tender price.
3	3.2 & 3.3	Projects and Technical support	3	Sewerage: meerlust hous(dopw).	200	113305060	100 000	95 461	0	0	0	0	% of planning of pipeline completed	100	100	ROD has been obtained and the planning of the sewer line is

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																	completed. Awaiting funding from DoPW	
3	3.4	Projects and Technical support	3	Upgrade rural roads: council.	206	113305151	13 000 000	5 298 587	0	0	0	0	Kilometres of upgraded road	3	0		Construction is under way and completion expected March 2014	
3	3.4	P & H	3	Planning: Nieuwedrift.	203	113305196	300 000	42 938	0	0	0	0	Percentage of planning completed	100	100		Target achieved	
3	3.1 & 3.4	Public transport planning and regulation	3	Upgrading infrastructure at various schools.	214	116155017	2 200 000	0	20	0	10	0	Number of sidewalk/embayment's constructed	2	0		Construction is under way and completion expected December 2013	
3	3.1	Public transport planning and regulation	3	Road safety education.	215	116155018	1 050 000	1 044 067	0	0	0	0	Number of activities undertaken	1	3		Project completed	
									0	0	0	0	Number of strategies updated	1	0		project withdrawn	
									10	20	40	0	Number of reflective bands and/or awareness pamphlets issued	800 0	720 0		Tender received	
3	3.1	Public transport planning and regulation	3	Worcester transport precinct (dora)	216	116155132	2 100 000	937 028	0	0	0	0	% Of planning of transport precinct completed	80	90		Awaiting Heritage RoD for continuance of project	
3	3.1	Public transport planning and regulation	3	CWDM integrated transport plan (dora) Freight	212	116155135	715 000	634 654	0	0	0	0	Number of plans updated	1	2		CPTR/OLS and Freight Strategy completed	
3	3.1	Public transport planning and regulation	3	Impoundment facility (dora)	213	116155145	2 500 000	92 982	20	0	5	0	Number of completed impoundment facilities	1	0		Project consultants to be re-advertised	
CWDM SO	CWDM PDO	Sub - Directorate	National KPA	Project Name	Project Code (PMS)	Vote as per budget	Budget - R	Actual	Job Creation				Training		Unit of measurement	Annual Target	Actual	Comments
									T	A	T	A						
Strategic Objective 5. To facilitate and ensure the development and empowerment of the poor and most vulnerable people, particularly women, children, youth, the disabled, elderly persons and rural dwellers throughout the Cape Winelands.																		
5	5.2	Social Dev.	1	HIV/AIDS Project	217	1:1475:5203	500 000	498 223	0	0	50	50	Volunteer Training sessions	5	5		Target achieved	
									0	0	0	0	Implement food	150	150		Target achieved	

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													security initiatives for PWA's			
									0	0	600	550	16 Days Activities	30	50	More activities implemented
									0	0	1200	1100	Implement HIV / AIDS Awareness Campaigns	5	5	Target achieved
5	5.2	Social Dev.	1	ECD	218	1:1475:5217	600 000	547 194	0	0	0	0	Number of ECD Toolkits delivered	50	50	Target achieved
									0	0	100	200	ECD Staff Skills training sessions implemented	5	5	Target achieved
									0	0	250	240	Building capacity of ECD Forums	5	8	
5	5.2	Social Dev.	1	Youth	219	1:1475:1113	750 000	744 920	0	0	1200	1111	Support programme for Grade 10 & 11 learners	12	12	Target achieved
									0	0	0	0	Youth Day Activity	1	1	Target achieved
									50	0	50	27	Skills Development Programmes Implemented	2	2	Target achieved
5	5.2	Social Dev.	1	Combating Substance Abuse	227	1:1475:1114	364 300	355 647	0	0	100	100	Peer counselling training session	4	5	Target achieved
									0	0	100	100	FAS Awareness Programmes	5	5	Target achieved
									0	0	10	0	Support Youth in drug rehabilitation	2	2	Target achieved
5	5.2	Social Dev.	1	Elderly	220	1:1475:1115	600 000	561 539	0	0	840	800	Support participation and Elderly Health and Wellness Programme	7	7	Target achieved
									0	0	250	700	Awareness Campaigns on Elderly rights	5	8	
									0	0	0	0	Provide food security to poverty stricken elderly	100	40	Stores could only provide 40 food parcels due to the earlier closure of SCM processes
5	5.2	Social Dev.	1	Disabled	228	1:1475:1116	500 000	442 918	0	0	0	0	Provide spectacles, wheelchairs and hearing aids (interventions)	3	3	Target achieved
									0	0	1500	0	Successful	1	1	Target achieved

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														celebration of International Disability Day			
									0	0	0	0		Disabled Conference	1	1	Target achieved
5	5.2	Social Dev.	1	Families & Children	221	1:1475:1118	1 000 000	989 112	0	0	0	0		Provide social relief, food security and material support to families and children	423	700	More people assisted
									0	0	0	0		Child Protection Seminar	1	1	Target achieved
5	5.2	Social Dev.	1	Women	222	1:1475:1125	550 000	538 420	0	0	50	26		Skills Development Programmes Implemented	2	2	Target achieved
									0	0	0	0		Support Functioning of District Gender Forum	4	4	Target achieved
5	5.1	Social Dev.	3	Community Support Programme	223	1:1475:1018	933 110	903 103	0	0	0	0		Number of SLA's with beneficiary organisations	100	183	More organisations benefited
									0	0	0	0		Marketing Intervention	1	1	Target achieved
5	5.1	Social Dev.	1	Sport, Recreation & Culture	229	1:1475:1134	1 374 100	1 339 578	0	0	1600	2000		Number of Sports Events	21	20	
5	5.1	Social Dev.	1	Capacity Building Health & Dev. Committees	230	1:1475:1138	422 800	410 681	0	0	150	230		Number of Capacity Building Training Sessions.	7	7	Target achieved
									0	0	0	0		Established rural based NPO's	5	5	Target achieved
5	5.3	Rural Dev.	3	Small Farmer Support	224	1:1477:5040	1 060 000	782 335	15	15	0	0		Number of SLA's	15	19	More organisations supported
									0	0	0	0		Marketing interventions	1	1	Target achieved
									0	0	15	40		Implementing skills training for small scale farmers	1	1	Target achieved
5	5.3	Rural Dev.	1	Civil Rights Education	225	1:1477:5110	550 000	482 555	0	0	0	0		Train farm dwellers in civil rights	5	5	Target achieved
									0	0	0	0		Capacity Building Sessions	1	0	The intervention was cancelled due to Farming sector unrest.
									0	0	0	0		Design &	1	0	The intervention

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													Implement a pilot intervention in the Hex Valley area			was cancelled due to Farming sector unrest. A Rural Study was implemented
								0	0	620	150		Farm Workers Open Day	1	1	Target achieved
5	5.1	Social Dev.	1	Moral Regeneration	231	114771142	50 000	38 735	0	0	50	0	Support moral regeneration initiatives	1	1	Target achieved
								472 807	0	0	100	202	Provide tenure security to farm dwellers	4	4	Target achieved
5	5.3	Rural Dev.	3	Improve Tenure: F'Dwellers	226	1:1477:5112	600 000		0	0	0	0	Design and implement consultative forums	1	0	The intervention was cancelled due to Farming sector unrest. A Rural Study was implemented

3.4.2 PROJECT ROLL-OVERS APPROVED DURING AUGUST 2013 ADJUSTMENT BUDGET

Vote Number 2012/2013	Department	Description	Budget 2012/2013	Actual Spending 2012/2013	Roll Over 2013/2014	Reasons for Roll Over
114415210	Municipal Health	Subsidy: Water & Sanitation on Farms	R 2 229 300	R 1 749 647	R 479 653	Payment to several beneficiaries could not be made, because they were still awaiting their Tax Clearance Certificates
113305079	Engineering	Meerlust Housing: Planning	R 1 050 000	R 662 217	R 380 000	Environmental Authorization (EA) is still sought and it is anticipated that it will be received during the 2013/2014 financial year.
113305196	Engineering	Nieuwedrift Housing: Planning	R 300 000	R 42 938	R 250 000	EA was received and appealed against. Planning of internal and bulk services to proceed while project is carried over to Drakenstein.
113305185	Engineering	Planning: Sorm Water Master Plans	R 250 000	R 191 000	R 50 000	The original plan for Bonnievale included a module with tegard to CCTV camera to inspect pipelines. This module was removed removed because of technology not available in Bonnievale.
113305151	Engineering	Upgrading Rural Roads	R 13 000 000	R 5 298 586	R 7 700 000	This is a multi-year project that progressed slower than anticipated

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

113305100	Engineering	Planning: Regional Land Fill Site	R 1 000 000	R 888 301	R 100 000	This is a multi-year project that progressed slower than anticipated
113305076	Engineering	Rural Water Scheme: Wellington	R 340 000	R 0	R 340 000	Delays were experienced with the registration of servitudes
113309195	Engineering	Upgrading: Rural Sports Facilities	R 1 500 000	R 13 127	R 1 480 000	Differences in the interpretation of the MFMA caused unforeseen delays in the implementation of the project
113305155	Engineering	Provision of water to schools	R 600 000	R 23 410	R 300 000	Differences in the interpretation of the MFMA caused unforeseen delays in the implementation of the project
113305344	Engineering	Housing Consumer Education	R 81 220	R 9 631	R 71 589	Different strategy to be implemented to ensure the spending of these funds
Vote Number 2012/2013	Department	Description	Budget 2012/2013	Actual Spending 2012/2013	Roll Over 2013/2014	Reasons for Roll Over
116155017	Engineering	Infrastructure at Rural Schools	R 2 200 000	R 0	R 2 200 000	Contractor appointment stalled. Concluded during June 2013
116155132	Engineering	Worcester Transport Precinct	R 2 100 000	R 929 698	R 1 170 000	Awaiting Heritage RoD for continuation of project
116155145	Engineering	Impoundment Facility	R 2 500 000	R 92 982	R 2 407 018	Consultants to be re-appointed

3.5 NATIONAL KEY PERFORMANCE INDICATORS 2012/2013

National Government has identified five key performance areas (KPA's) for local government:

- Service delivery and infrastructure development;
- Local economic development;
- Municipal financial viability and management;

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- Municipal transformation and organisational development; and
- Good governance and public participation.

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The Cape Winelands District Municipality contributed to the National KPA's as follows:

KPA 1 – SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (2012/2013)			
Roads	Unit	Quantity 2011/2012	2012/2013
Kilometres of road responsible for	km	4716	4716
Kilometres of roads maintained and rehabilitated	km	4716	4716
Total amount of operating budget allocated to road maintenance	Rand	84 054 653	70 199 846
Total amount of operating budget spent on road maintenance	Rand	77 533 452	67 000 619.29
KPA 2 – LOCAL ECONOMIC DEVELOPMENT (2012/2013)			
Economic growth	Unit	Quantity 2011/2012	2012/2013
Total rand value of contracts awarded	Rand	156 417 835	117 192 389
Total rand value of contracts awarded to SMMEs	Rand	50 816 606	55 444 756
Total rand value of contracts awarded to BEE suppliers	Rand	32 781 336	45 866 262
Total rand value of contracts awarded to women	Rand	37 253 603	20 990 477
KPA 3 – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (2012/2013)			
Financial viability	Unit	Quantity 2011/2012	2012/2013
Total operating transfers (grant and subsidy income)	Rand	292 272 017	279 241 814.00
Total operating expenditure	Rand	308 467 087	284 592 692.00
Capital budget spend in year	Rand	7 036 087	10 716 768.00
Council approved capital budget in year	Rand	13 207 165	11 863 835.00
Total outstanding customer debt as at 30 June 2013	Rand	512 021	537 818.00
Current assets as at 30 June 2013	Rand	405 901 744	438 531 604.00
Current liabilities as at 30 June 2013	Rand	58 218 992	44 554 529.00
Total revenue	Rand	318 798 588	307 087 996.00
Revenue from grants	Rand	207 546 589	206 969 693.00

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Debt service payments (Finance Charges)	Rand	15 310	22 860.00
Salaries budget (including benefits)	Rand	140 426 642	147 250 954.00
Total operating budget	Rand	374 622 654	326 705 382.00
Municipal systems improvement grant (MSIG)	Rand	0	1 000 000.00
Amount of this allocation utilised	Rand	0	402 998.00
Municipal infrastructure grant allocation	Rand	0	0
Amount of this allocation utilised	Rand	0	0
KPA 4 – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT (2012/2013)			
Organisational design and capacity			
	Unit	Quantity 2011/2012	2012/2013
Number of posts in the organogram as at 30 June 2013	Number	584	572
Number of posts in the organogram that were filled as at 30 June 2013	Number	520	478
Total number of staff employed in the municipality as at 30 June 2013	Number	541	494
Total number of Section 56 staff employed in the municipality as at 30 June 2013	Number	6	4
Section 56 posts vacant for more than 3 months in the financial year ending 30 June 2013	Number	1	1
Percentage of municipality's budget spent on implementing its workplace skills plan.	Percentage	0.9%	0.474%
Employment equity			
	Unit	Quantity 2011/12	2012/13
Number of Section 56 staff who were classified as Black (African, Indian and Coloured) as at 30 June 2013	Number	5	3
Number of Section 56 staff who were women as at 30 June 2013	Number	2	1
Number of staff (out of total number of staff) in the municipality who were women as at 30 June 2013	Number	163	148
Number of staff (out of total number of staff) in the municipality who were classified as disabled as at 30 June 2013	Number	6	5

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KPA 5 – GOOD GOVERNANCE AND PUBLIC PARTICIPATION (2012/2013)			
Council meetings	Unit	Quantity 2011/2012	2012/2013
How many council meetings were held in the 2012/2013 financial year?	Number	9	9
How many open council meetings were held in the 2012/2013 financial year?	Number	9	9
Corporate governance	Unit	Quantity 2011/2012	2012/2013
Number of Section 56 staff dismissed	Number	0	0
Number of Section 56 staff suspended	Number	0	0
Number of Section 56 staff resigned	Number	1	2

3.6 PERFORMANCE - INTEGRATED DEVELOPMENT PLAN

The following measuring tools were used to measure the outcomes of the Six Strategic Objectives as per the 2012/2013 Integrated Development Plan as a percentage:

- Isolomzi – measuring the project performance;
- Organisational Key Performance Indicators;
- Score Cards ED's; and
- Percentage of budget spend.

Strategic Objective	Project Score	Organisational KPI Score	Individual Score Cards	% Of Budget Spend	Average Score 2011/2012	Average Score 2012/2013
1	85%	83%	83%	88%	93%	85%
2	99%	92%	96%	74%	103%	90%
3	78%	78%	72%	56%	90%	71%
4	No projects	100%	87%	81%	90%	89%
5	91%	86%	82%	89%	97%	87%
6	No projects	100%	92%	93%	85%	95%
Total Average Score					93%	86%
Agency - Roads					91%	96%

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3.7 PROJECT PERFORMANCE/IMPLEMENTATION

The overall achievement, with regard to the 64 projects implemented in the Cape Winelands, was reflected as weighted percentages of:

- Quantities delivered;
- Budget spent;
- Employment created;
- Individuals trained; and
- Activities accomplished.

This represents an overall achievement of 88% for the municipality as a whole. The table below provides a summary of the project achievements per executive directorate. The overall project performance decreased from 95% to 88% from the 2011/2012 to the 2012/2013 financial year due to factors outside the control of the district like stakeholder inputs, approval of new structure and the resigning of two executive directors. The executive director for engineering was only appointed late in quarter 2 of the 2012/2013 financial year.

Directorate	Overall project achievement: 2010/2011	Overall project achievement: 2011/2012	Overall project achievement: 2012/2013
Community and Development	82%	88%	85%
Engineering and Infrastructure	91%	87%	78%
Regional Development and Planning	96%	104%	99%
Rural and Social Development	96%	99%	91%
Cape Winelands	91.25%	95%	88%

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

3.7.1 TRAINING AND JOB CREATION AS PER PROJECT IMPLEMENTATION PLAN

Directorate	Training Targets 2012/2013	Training Actual 2012/13	Job Creation Targets 2012/2013 (Temporary)	Job Creation Actual 2012/2013 (Temporary)
Community and Development	294	1665	580	1035
Engineering and Infrastructure	105	91	100	346
Regional Development and Planning	1399	2170	1577	1787
Rural and Social Development	8835	7626	65	15
Total Cape Winelands 2012/2013	10633	11552	2322	3183
Total Cape Winelands 2011/2012	7225	7112	3580	5972

3.8 PERFORMANCE IMPROVEMENT MEASURES

The followings actions were taken throughout the 2012/13 financial year to improve the culture of performance management in the organisation:

- Strategic Sessions with the Mayoral Committee, Management were held during November 2012 and February 2013;
- Members of the Audit Committee attend a training session on MFMA Circular 65;
- All Executive Directors were task by the Municipal Manager to prepare up to date evidence files on projects and key performance indicators as per scorecards and must be available at all times;
- Random sampling of key performance indicators and projects were done by external auditors to verify the quality of data and evidence of performance. Audit reports are submitted to management for response and action to address any identified shortcomings. These reports are also served before audit and mayoral committee for oversight;
- A process to measure predetermined objectives as per the IDP were developed and will be implemented from 1July 2013; and
- A Clean Audit Task Team was established with representatives from all departments.

CAPE WINELANDS DISTRICT MUNICIPALITY 2012/2013 ANNUAL REPORT

3.9 PMS AUDIT FOCUS FOR 2013/2014

The focus from council's Internal auditors for the 2013/2014 financial year will be as follows:

- Quarter 1: Compliance Review to Legislation, Regulation and National Treasury circulars;
- Quarter 2: Executive Directors Scorecard Sampling – 3e's (effective, efficiency and economic) and functionality;
- Quarter 3: Project Sampling - 3e's and functionality; and
- Quarter 4: Executive Directors Scorecard, Project (continuation of quarter 2 and 3) and Directorate KPI Sampling – 3e's and functionality.



CAPE WINELANDS DISTRICT

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

14 February 2014

OVERSIGHT REPORT REGARDING THE 2012/2013 ANNUAL REPORT OF CAPE WINELANDS DISTRICT MUNICIPALITY (CWDM)

1. OBJECTIVE

To submit to Council, in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), the Oversight Report on the Annual Report, covering Cape Winelands District Municipality (CWDM) in respect of the 2012/2013 financial year.

2. BACKGROUND

The 2012/2013 Draft Annual Report was tabled in Council on 26 September 2013, reporting on the Cape Winelands District Municipality's performance for the period from 01 July 2012 until 30 June 2013.

By doing so, Council complied with Section 133 of the MFMA which stipulates that the Executive Mayor must table the Annual Report in Council within 7 months after the end of the financial year, i.e. by the end of January 2014.

The Council of the Cape Winelands District Municipality (CWDM) is furthermore required to engage with, and finalise the Annual Report within 9 months after the end of the financial year, which is before 31 March 2014.

The process for the finalisation and approval of the 2012/2013 Annual Report is set out in the table below:

Activity Description	Provision	Target
Preparation of annual financial statements of the municipality and submission to the Auditor-General	MFMA Section 122(1)(2)	31 August 2013
Receipt of final audit report from Auditor-General	MFMA Section 126(3)(b)	30 November 2013
Tabling of Un-Audited Annual Report in Council by Executive Mayor	MFMA Section 127(2)	26 September 2013
Allowing for comment by community and relevant state organs	MFMA Section 127(5)(a) & (b)	End November 2013
Corrective actions to AG's opinion formulated and tabled in Council	MFMA Section 121(3)(g)	27 February 2014

Activity Description	Provision	Target
Consideration and adoption of Annual Report and Oversight Report	MFMA Section 129(1)	27 February 2014
Submission of Annual Report and Oversight Report to AG, Provincial Treasury and MEC: Local Government	MFMA Section 129(2)(b)	03 March 2014
Communication of final Annual Report / Oversight Report (Website, hard copies and other mediums)	MFMA Section 129(3)	03 March 2014

3. OVERSIGHT REPORT

The Oversight Report is a separate product from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Executive Mayor, and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the municipality in the financial year.

The Oversight Report is considered to be a report of the Municipal Council. After tabling the 2012/2013 Un-Audited Annual Report on 26 September 2013, in line with Section 127(5) of the MFMA, Cape Winelands District Municipality (CWDWM) allowed for public comments regarding the 2012/2013 Annual Report from 03 October 2013 until 04 November 2013.

The Annual Report was made available on Council's website, and also to the six Municipal Offices (Stellenbosch, Worcester, Paarl, Ceres, Montagu and Robertson). In addition, the Annual Report was made available to the following offices:

- The Office of the Auditor-General
- The Provincial Treasury
- The MEC for Local Government

The Accounting Officer (Municipal Manager) of Cape Winelands District Municipality attended the Council meeting on 26 September 2013 where the Annual Report was discussed. A copy of the minutes of the Oversight Committee meeting held on 14 February 2014, which was also attended by the Accounting Officer, is attached to this report as Annexure "A"

4. KEY COMMENTS AND RESPONSES

Circular 32 of the National Treasury recommends that the summary of key issues raised by the community, Auditor-General and other spheres of government, be detailed in the Oversight Report. In addition, the Circular proposed that responses to questions raised in written representations be captured in the Oversight Report. This section summarises the key questions and comments from the Auditor-General, the District Municipality's Audit Committee, the Council, as well as the responses by the District Municipality's Executive Management.



4.1 AUDIT OPINION ON THE FINANCIAL STATEMENTS – ANNEXURE “B”

(a) **Paragraph 6 of the AG’s Report:**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Winelands District Municipality as at 30 June 2013 and its financial performance, cash flows and comparison of budget and actual amounts for the year ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

(b) **Emphasis of Matter**

Paragraph 7 of the AG’s Report:

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

(c) **Restatement of Corresponding Figures**

Paragraph 8 of the AG’s Report:

With reference to note 40 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2013 in the financial statements of the Cape Winelands District Municipality at, and for the year ended, 30 June 2012.

(d) **Additional Matters**

Paragraph 9 of the AG’s Report:

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

(e) **Material Inconsistencies in other Information Included in the Annual Report**

Paragraph 10 of the AG’s Report:

The draft annual report has been received and no material inconsistencies with the financial statements have been found. The final printer’s proof of the annual report will be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.



(f) Unaudited supplementary schedules

Paragraph 11 of the AG's Report:

The supplementary information set out on pages 52 to 77 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

4.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Paragraph 12 of the AG's Report:

In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

4.3 PREDETERMINED OBJECTIVES

Paragraph 16 of the AG's Report:

There are no material findings on the annual performance report concerning the usefulness and reliability of the information.

Paragraph 18 of the AG's Report:

Of the total number of 159 targets planned for the year, 39 of the targets were not achieved during the year under review. This represents 255 of total planned targets that were not achieved during the year under review.

Paragraph 19 of the AG's report:

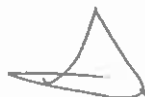
Material misstatements in the annual performance report were identified during the audit, all of which were corrected by management.

4.4 COMPLIANCE WITH LAWS AND REGULATIONS

(a) Financial Statements

Paragraph 21 of the AG's report:

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122 of the MFMA. Material misstatements of property, plant and equipment, revenue, expenditure and disclosure items identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.



(b) Expenditure Management

Paragraph 22 of the AG's report:

Reasonable steps were not taken to prevent irregular expenditure as required by Section 62(1)(d) of the MFMA.

(c) Procurement and Contract Management

Paragraph 23 of the AG's report:

Goods and services with a transaction value below R200,000 were procured without obtaining the required price quotations as required by SCM Regulation 17(a) & (c).

(d) Asset Management

Paragraph 24 of the AG's report:

An effective system of internal control for assets (including an asset register) was not in place, as required by Section 63(2)(c) of the MFMA.

4.5 INTERNAL CONTROL

Paragraph 25 of the AG's report:

I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.


4.6 LEADERSHIP

Paragraph 26 of the AG's report:

The accounting officer did not ensure that adequate and skilled resources are in place to ensure that financial disclosures are dealt with in terms of GRAP disclosures, and adequate policies and procedures to address GRAP compliance were not appropriately formulated.

Paragraph 27 of the AG's report:

An action plan to address the clean-up of the assets register was not adequate as the appointment of the consultants was done not done timeously to allow adjustments to the financial statements to be subjected to adequate review before submission for audit purposes.



4.7 FINANCIAL AND PERFORMANCE MANAGEMENT

Paragraph 28 of the AG's report:

The financial statements contained material errors in respect of non-current assets, liabilities, revenue, expenses and disclosure items that were identified during the audit process. This was mainly due to the municipality not implementing adequate controls to ensure that information used to support the amounts in the financial statements was valid, accurate and complete and no credibility reviews were performed.

4.8 MANAGEMENT COMMENTS ON AG'S REPORT

*** See audit action plan attached as Annexure "C".

4.9 KEY COMMENTS: COMMUNITY AND ORGANS OF STATE

No comments were received from the community, the Provincial Treasury and the MEC for Local Government.

4.10 KEY COMMENTS: COUNCIL

*** Minutes of the Council Meeting of 26 September 2013 is attached as Annexure "D"

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The 2012/2013 Annual Report and Oversight Report have been prepared in compliance with the provisions of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and conform to the guidelines in Circular 32 issued by National Treasury.

6. COMMUNICATIONS IMPLICATIONS

The full text of the 2012/2013 Annual Report and Oversight Report will be distributed to the MEC: Local Government, Provincial Treasury, the Auditor-General and Provincial Legislature. The full text will also be published on Cape Winelands District Municipality's website.

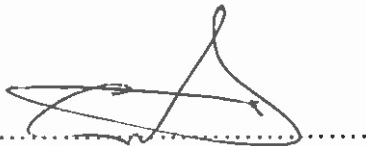
7. RECOMMENDATION: That -

- (a) Council, having considered the 2012/2013 Annual Report of the Cape Winelands District Municipality (CWDM), adopts the Oversight Report in terms of section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA);



- (b) The 2012/2013 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA;
- (c) The minutes of the meetings where the Annual Report was discussed, in the presence of the Accounting Officer be submitted to the Auditor-General, the Provincial Treasury, and the Western Cape Department of Local Government, as attached to the report, in terms of Section 129(2) of the MFMA;
- (d) The following corrective measures be implemented:
 - (i) Compilation of quarterly financial statements;
 - (ii) Adequate review of financial statements by internal audit on a quarterly basis;
 - (iii) Providing GRAP training to relevant officials within the finance unit;
 - (iv) Implementation of standard operating procedures for performance management;
 - (v) Review of quarterly financial statements by subject expert; and
 - (vi) Implementation of compliance model.
- (e) The 2012/2013 Oversight Report of Cape Winelands District Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.

Yours faithfully



COUNCILLOR C MCAKO
CHAIRPERSON

14 February 2014



CAPE WINELANDS DISTRICT MUNICIPALITY

**MINUTES OF A MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
HELD ON FRIDAY, 14 FEBRUARY 2014 AT 10:00 IN THE COUNCIL CHAMBER, 46
ALEXANDER STREET, STELLENBOSCH**

PRESENT:

Committee Members: Cllr. C. Mcako (Chairperson)
Cllr. J.J. Abrahams
Cllr. N.M. Bushwana
Cllr. (Adv.) J.B. Cronje
Cllr. J. Matthee
Cllr. M.H. Yabo

Officials: Mr M. Mgajo
Ms F.A. du Raan-Groenewald
Mr F. van Eck
Ms K. Smit
Mr B.N. Nieuwoudt
Mr R. Zeelie
Ms J. van Rensburg
Mr W.J. Basson

MPAC.1 OPENING (3/2/5/15)

The Chairperson welcomed all the Councillors and officials present.

Cllr N.M. Bushwana opened with prayer.

MPAC.2 ELECTION OF ACTING CHAIRPERSON, IF NECESSARY (3/2/5/15)

None.

MPAC.3 APPLICATIONS FOR LEAVE OF ABSENCE (3/2/5/15)

Cllr C.C. Brink
Cllr J.D.F. van Zyl
Mr C.V. Schroeder
Mr G.J.P. Falck
Ms W.M. Neethling

**MPAC.4 STATEMENTS AND COMMUNICATIONS BY THE CHAIRPERSON
(3/2/5/15)**

None.

MPAC.5 MINUTES

**MPAC.5.1 CONFIRMATION OF THE MINUTES OF THE MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) HELD ON FRIDAY, 25 OCTOBER 2013
(3/2/5/15)**

RESOLVED:

That the minutes of the meeting of the Municipal Public Accounts Committee (MPAC) held on Friday, 25 October 2013 be taken as read and duly confirmed.

**MPAC.5.2 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) HELD ON FRIDAY, 25 OCTOBER 2013
(3/2/5/15)**

None.

MPAC.6 MATTERS FOR NOTIFICATION

MPAC.6.1 EMPLOYMENT EQUITY REPORTS FOR THE PERIOD FROM 01 OCTOBER 2013 TO 31 JANUARY 2014

That the Municipal Public Accounts Committee (MPAC) established in terms of and in accordance with Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) takes cognisance of the monthly employment equity reports for the period from 01 October 2013 to 31 January 2014.

BACKGROUND

Attached as Annexure "A" is the following monthly employment equity reports:

Municipal Public Accounts Committee
14 February 2014

- (a) October 2013
- (b) November 2013
- (c) December 2013
- (d) January 2014

RECOMMENDATION BY MUNICIPAL MANAGER:

That the Municipal Public Accounts Committee (MPAC) established in terms of and in accordance with Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) takes cognisance:

- (a) Of the monthly employment equity reports for the period from 01 October 2013 to 31 January 2014.
- (b) That the monthly employment equity reports for the period from 01 October 2013 to 31 January 2014 have also been submitted to the Mayoral Committee and Council as part of the minutes of the Local Labour Forum.

RECOMMENDATION BY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): 14 FEBRUARY 2014: ITEM MPAC.6.1

RESOLVED: That -

- (a) It be recommended to Council that cognisance be taken-
 - (i) Of the monthly Employment Equity Reports for the period 01 October 2013 to 31 January 2014;
 - (ii) That the monthly Employment Equity Reports for the period 01 October 2013 to 31 January 2014 have also been submitted to the Mayoral Committee and Council as part of the minutes of the Local Labour Forum (LLF);
- (b) The annual submission of the Employment Equity Report to the Department of Labour be submitted at the next Municipal Public Accounts Committee meeting.

MPAC.7 MATTERS FOR CONSIDERATION

MPAC.7.1 DRAFT ANNUAL REPORT 2012/2013 FOR THE CAPE WINELANDS DISTRICT MUNICIPALITY (CWDM) AND DRAFT OVERSIGHT REPORT FOR THE 2012/2013 FINANCIAL YEAR (10/1/2/1)

PURPOSE OF SUBMISSION

That the members of the Municipal Public Accounts Committee (MPAC) consider to recommend to Council to approve the draft Annual Report for 2012/2013 for the Cape Winelands District Municipality (CWDM) and the draft Oversight Report for the 2012/2013 financial year.

BACKGROUND

At Item C.14.1 of 28 September 2013 Council resolved that cognisance be taken of the draft unaudited Annual Report 2012/2013, included under separate cover in the agenda.

Included under separate cover as Annexure "A", is a copy of the draft Annual Report for 2012/2013.

The draft Annual Report for 2012/2013 is tabled in Council for adoption in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Systems Act).

Section 121(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), stipulates that the purpose of the draft annual report is to provide a record of activities of Municipality during the financial year, to provide a report on the performance against the budget for the financial year and to promote accountability to the local community for the decisions made throughout the year.

COMMENT

In accordance with Section 46 of the Systems Act –

- (a) The draft Annual Report for the 2012/2013 financial year was advertised in the media for comments and representations.
- (b) The draft Annual Report was also made available on the website of the Cape Winelands District Municipality (CWDM) and hard copies were also made available at the various offices of the Cape Winelands District Municipality (CWDM) for viewing.

No inputs from the public were received at the due date.

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*** Attached as Annexure "B" is a copy of the advertisement.

*** Included under separate cover as Annexure "C" is a copy of the draft Oversight Report pertaining to the draft Annual Report for the 2012/2013 financial year.

IMPLICATIONS:

PERSONNEL

None.

Comment prepared by: Ms K. Smit

FINANCIAL

None.

Comment prepared by: Ms F.A. du Raan-Groenewald

LEGAL

The preparation, tabling and adoption of the 2012/2013 Annual Report is done in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Systems Act), quoted hereunder for ease of reference:

Annual reports

46. (1) A municipality must prepare for each financial year an annual report consisting of—
- (a) a performance report reflecting—
 - (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
 - (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and
 - (iii) measures that were or are to be taken to improve performance; 10
 - (b) the financial statements for that financial year prepared in accordance with the standards of generally recognised accounting practise referred to in section 89 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
 - (c) an audit report on the financial statements and the report on the audit performed in terms of section 45(b); and 15
 - (d) any other reporting requirements in terms of other applicable legislation.
- (2) A municipality must table its annual report within one month of receiving the audit report referred to in subsection (1)(c).
- (3) (a) The municipal manager must—
- (i) by prior notice in the media, inform the local community of the meeting or 20 meetings of the council at which the municipality's annual report is tabled or discussed, which meetings must be open to the public;
 - (ii) give written notice of such meetings to the Auditor-General and the MEC for local government in the province;
 - (iii) submit copies of the minutes of those meetings to the Auditor-General and the 25 MEC for local government in the province;
- (b) Representatives of the Auditor-General and the MEC for local government in the province are entitled to attend and to speak at such meetings, and the municipal manager must be available to respond to questions related to the annual report.
- (4) The municipality must adopt its annual report, and within 14 days— 30
- (a) make copies of the report accessible to the public, interested organisations and the media, free of charge or at a reasonable price; and
 - (b) submit a copy of the report to—
 - (i) the MEC for local government in the province; ✓
 - (ii) the Auditor-General; and 35
 - (iii) such other institutions as may be prescribed by regulation.

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The draft annual report of municipalities is governed by Chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). It is the statutory responsibility of the mayor to table the annual report in Council for adoption within 7 months after the end of the financial year. If the mayor fails in this responsibility the mayor must table in council written reasons for the failure and an explanation thereof.

The table below is a short summary of the Chapter 12 process:

ACTION	DEADLINE
The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council.	31 January 2014
The Accounting Officer must publish the draft Annual Report.	Immediately after tabling
The Accounting Officer must invite submissions.	Immediately after tabling
The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.	Immediately after tabling
Council must deal with the draft Annual Report within 9 months after the end of the financial year. Part of this process includes the drafting of an oversight report.	31 March 2014

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) provides a list of what the draft Annual Report must include:

- (a) The Annual Financial Statements;
- (b) The Auditor General's audit report on the Financial Statements;
- (c) The Annual Performance Report of the Municipality prepared in terms of Section 46(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- (d) The Auditor General's audit report on the results of the performance measurements;
- (e) An assessment by the Accounting Officer of any arrears on municipal taxes and service charges and of the performance of the municipality against the measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget for the year;

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- (f) Particulars of any corrective action to issues raised by the Auditor General;
- (g) Explanations that may be necessary to clarify issues in connection with the financial statements;
- (h) Recommendations by the Audit Committee, if any.

Comment prepared by: Ms W.M. Neethling

RECOMMENDATION BY MUNICIPAL MANAGER:

That the members of the Municipal Public Accounts Committee (MPAC) consider recommending to Council to -

- (a) Take cognisance of:
 - (i) The report on the draft Annual Report for 2012/2013 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality (CWDM) for the year ended 30 June 2013 as contained in the draft Annual Report;
- (b) Approve:
 - (i) The draft Annual Report for 2012/2013 of the Cape Winelands District Municipality (CWDM), attached as Annexure "A" to the agenda item;
 - (ii) The draft Oversight Report for the 2012/2013 financial year, attached as Annexure "C" to the agenda item.

COMMENT BY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC):

Several issues and questions of clarity were raised by the Committee. The Chief Financial Officer also proceeded with a presentation regarding the 2012/2013 Audit Outcome.

In respect of the Service Delivery Overview (page 18) it was requested that site inspection visits be arranged in order to establish whether the systems in respect of solar warm water, water purification, sanitation and roads are effective. It was proposed that a one-day visit to sites be arranged and that the public be engaged in the visits, where possible. Should there be a need to extend the site visits for another day a further decision can be taken.

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Although there are appreciation for the Organisational Design Project and reduction of the Macro Structure, concern was expressed over the employee cost of 59% as stated on page 18.

The Committee was informed that although it was a challenge to reduce the salary budget as a result of the difference between the percentage increase in income from National Treasury and the percentage increase in salaries, the salary budget actually decreased over the past two years. The number of posts also came down from the previous year. It was pointed out that the discrepancy between the number of employees on page 20 and 84 is caused by the fact that the number of employees on page 84 refers to all people on the payroll.

The Committee requested that the reference to “staff compliment” on page 20 be changed to “the number of approved posts on the organogram”.

The Committee further requested that on page 25 under the heading “Political Decision-taking” further lines be included with the wording “Number of Mayoral Committee resolutions and Number of Mayoral Committee resolutions not tabled before Council”.

Concern was expressed about the poor attendance of IDP meetings by Councillors as reflected on page 30. It was proposed that the matter be brought to the attention of the Executive Mayor and Speaker and that the Administration Officer: IDP be requested to send invitations for IDP meetings to all Councillors. It was pointed out that Councillors in some areas are experiencing problems with e-mail reception and that these Councillors should be informed of events by short message service (sms). Councillors were reminded that they must arrange for their own 3G devices, as they receive allowances for mobile data cards. The Division: Information and Communication Technology can also be contacted if their e-mails do not work.

In respect of Supply Chain Management (page 33) it was confirmed that the reluctance of Companies and their Agents to provide the necessary documents for accreditation are causing delays in the procurement process.

The Committee was informed that in respect of Water Provision (page 35), the Section 17(3)(j) issue had been sorted out. According to legal opinions which had been obtained, Section 17(3)(j) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) is not applicable in this instance.

As far as Waste Management (page 36) was concerned, the Committee was informed that a landfill site had been identified on the Eastern side of the mountain. Problems are however being experienced to find a suitable landfill site on the Western side of the mountain.

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In respect of Housing (page 36) the Cape Winelands District Municipality is in discussions with Stellenbosch and Drakenstein Municipalities respectively over the transfer of the Meerlust and Nieuwedrift Housing Projects. The Municipalities will come back to Cape Winelands District Municipality on the issue. The Committee requested that the sentence of paragraph 3 on page 37 be amended by replacing the words “due to farmworker strikes” with “due to the wage dispute of farmworkers”.

The Committee also requested that the Private Work Policy (page 90) be revised and updated.

**RECOMMENDATION BY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
(MPAC): 14 FEBRUARY 2014: ITEM MPAC.7.1**

RESOLVED:

That it be recommended to Council that -

- (a) Cognisance be taken of-
 - (i) The report on the draft Annual Report for 2012/2013 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality (CWDM) for the year ended 30 June 2013 as contained in the draft Annual Report;
- (b) The draft Annual Report for 2012/2013 of the Cape Winelands District Municipality (CWDM), attached as Annexure “A” to the agenda-item be approved subject to the amendments as set out under Comment of Committee;
- (c) Site inspection visits to solar warm water, water purification, sanitation and roads projects be arranged for members of the Municipal Public Accounts Committee;
- (d) The presentation of the Chief Financial Officer regarding the 2012/2013 Audit Outcome also be presented to the Audit Committee;
- (e) The following corrective measures be included as part of the recommendations in the Oversight Report:
 - (i) Compilation of quarterly financial statements;
 - (ii) Adequate review of financial statements by Internal Audit on a quarterly basis;

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON CAPE WINELANDS MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Cape Winelands Municipality set out on pages 6 to 51, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit 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. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Winelands Municipality as at 30 June 2013 and its financial performance, cash flows and comparison of budget and actual amounts for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

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

Restatement of corresponding figures

8. With reference to note 40 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of an error discovered during 2013 in the financial statements of the Cape Winelands District at, and for the year ended, 30 June 2012.

Additional matters

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

Material inconsistencies in other information included in the annual report

10. The draft annual report has been received and no material inconsistencies with the financial statements have been found. The final printer's proof of the annual report will be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.

Unaudited supplementary schedules

11. The supplementary information set out on pages 52 to 77 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the performance report as set out on pages x to x of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development objectives. The usefulness of information further relates to whether 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.
15. The reliability of the information in respect of the selected development objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
16. There are no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

17. Although no material findings concerning the usefulness and reliability of the performance were identified in the annual performance report, I draw attention to the following matters below.

Achievement of planned targets

18. Of the total number of 159 targets planned for the year, 39 of targets were not achieved during the year under review. This represents 25% of total planned targets that were not achieved during the year under review.

Material adjustments to annual performance report

19. Material misstatements in the annual performance report were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

20. I performed procedures to obtain evidence that the municipality has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Financial statements

21. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, revenue, expenditure and disclosure items identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure Management

22. Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MFMA.

Procurement and contract management

23. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) & (c).

Asset management

24. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

26. The accounting officer did not ensure that adequate and skilled resources are in place to ensure that financial disclosures are dealt with in terms of GRAP disclosures, and adequate policies and procedures to address GRAP compliance were not appropriately formulated.
27. An action plan to address the clean-up of the asset register was not adequate as the appointment of the consultant was not done timeously to allow adjustments to the financial statements to be subjected to adequate review before submission for audit purposes.

Financial and performance management

28. The financial statements contained material errors in respect of non-current assets, liabilities, revenue, expenses and disclosure items that were identified during the audit process. This was mainly due to the municipality not implementing adequate controls to ensure that information used to support the amounts in the financial statements was valid, accurate and complete and no credibility reviews were performed.

Auditor-General

Cape Town

30 November 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



CAPE WINELANDS DISTRICT

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

14 February 2014

OVERSIGHT REPORT REGARDING THE 2012/2013 ANNUAL REPORT OF CAPE WINELANDS DISTRICT MUNICIPALITY (CWDM)

1. OBJECTIVE

To submit to Council, in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), the Oversight Report on the Annual Report, covering Cape Winelands District Municipality (CWDM), in respect of the 2012/2013 financial year.

2. BACKGROUND

The 2012/2013 Draft Annual Report was tabled in Council on 26 September 2013, reporting on the Cape Winelands District Municipality's performance for the period from 01 July 2012 until 30 June 2013.

By doing so, Council complied with Section 133 of the MFMA which stipulates that the Executive Mayor must table the Annual Report in Council within 7 months after the end of the financial year, i.e. by the end of January 2014.

The Council of the Cape Winelands District Municipality (CWDM) is furthermore required to engage with, and finalise the Annual Report within 9 months after the end of the financial year, which is before 31 March 2014.

The process for the finalisation and approval of the 2012/2013 Annual Report is set out in the table below:

Activity Description	Provision	Target
Preparation of annual financial statements of the municipality and submission to the Auditor-General	MFMA Section 122(1)(2)	31 August 2013
Receipt of final audit report from Auditor-General	MFMA Section 126(3)(b)	30 November 2013
Tabling of Un-Audited Annual Report in Council by Executive Mayor	MFMA Section 127(2)	26 September 2013
Allowing for comment by community and relevant state organs	MFMA Section 127(5)(a) & (b)	End November 2013
Corrective actions to AG's opinion formulated and tabled in Council	MFMA Section 121(3)(g)	27 February 2014

Activity Description	Provision	Target
Consideration and adoption of Annual Report and Oversight Report	MFMA Section 129(1)	27 February 2014
Submission of Annual Report and Oversight Report to AG, Provincial Treasury and MEC: Local Government	MFMA Section 129(2)(b)	03 March 2014
Communication of final Annual Report / Oversight Report (Website, hard copies and other mediums)	MFMA Section 129(3)	03 March 2014

3. OVERSIGHT REPORT

The Oversight Report is a separate product from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Executive Mayor, and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the municipality in the financial year.

The Oversight Report is considered to be a report of the Municipal Council. After tabling the 2012/2013 Un-Audited Annual Report on 26 September 2013, in line with Section 127(5) of the MFMA, Cape Winelands District Municipality (CWDM) allowed for public comments regarding the 2012/2013 Annual Report from 03 October 2013 until 04 November 2013.

The Annual Report was made available on Council's website, and also to the six Municipal Offices (Stellenbosch, Worcester, Paarl, Ceres, Montagu and Robertson). In addition, the Annual Report was made available to the following offices:

- The Office of the Auditor-General
- The Provincial Treasury
- The MEC for Local Government

The Accounting Officer (Municipal Manager) of Cape Winelands District Municipality attended the Council meeting on 26 September 2013 where the Annual Report was discussed. A copy of the minutes of the Oversight Committee meeting held on 14 February 2014, which was also attended by the Accounting Officer, is attached to this report as Annexure "A"

4. KEY COMMENTS AND RESPONSES

Circular 32 of the National Treasury recommends that the summary of key issues raised by the community, Auditor-General and other spheres of government, be detailed in the Oversight Report. In addition, the Circular proposed that responses to questions raised in written representations be captured in the Oversight Report. This section summarises the key questions and comments from the Auditor-General, the District Municipality's Audit Committee, the Council, as well as the responses by the District Municipality's Executive Management.



4.1 AUDIT OPINION ON THE FINANCIAL STATEMENTS – ANNEXURE "B"

(a) **Paragraph 6 of the AG's Report:**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Winelands District Municipality as at 30 June 2013 and its financial performance, cash flows and comparison of budget and actual amounts for the year ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

(b) **Emphasis of Matter**

Paragraph 7 of the AG's Report:

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

(c) **Restatement of Corresponding Figures**

Paragraph 8 of the AG's Report:

With reference to note 40 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2013 in the financial statements of the Cape Winelands District Municipality at, and for the year ended, 30 June 2012.

(d) **Additional Matters**

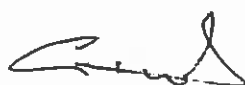
Paragraph 9 of the AG's Report:

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

(e) **Material Inconsistencies in other Information Included in the Annual Report**

Paragraph 10 of the AG's Report:

The draft annual report has been received and no material inconsistencies with the financial statements have been found. The final printer's proof of the annual report will be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.



(f) Unaudited supplementary schedules

Paragraph 11 of the AG's Report:

The supplementary information set out on pages 52 to 77 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

4.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Paragraph 12 of the AG's Report:

In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

4.3 PREDETERMINED OBJECTIVES

Paragraph 16 of the AG's Report:

There are no material findings on the annual performance report concerning the usefulness and reliability of the information.

Paragraph 18 of the AG's Report:

Of the total number of 159 targets planned for the year, 39 of the targets were not achieved during the year under review. This represents 255 of total planned targets that were not achieved during the year under review.

Paragraph 19 of the AG's report:

Material misstatements in the annual performance report were identified during the audit, all of which were corrected by management.

4.4 COMPLIANCE WITH LAWS AND REGULATIONS

(a) Financial Statements

Paragraph 21 of the AG's report:

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122 of the MFMA. Material misstatements of property, plant and equipment, revenue, expenditure and disclosure items identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.



(b) Expenditure Management

Paragraph 22 of the AG's report:

Reasonable steps were not taken to prevent irregular expenditure as required by Section 62(1)(d) of the MFMA.

(c) Procurement and Contract Management

Paragraph 23 of the AG's report:

Goods and services with a transaction value below R200,000 were procured without obtaining the required price quotations as required by SCM Regulation 17(a) & (c).

(d) Asset Management

Paragraph 24 of the AG's report:

An effective system of internal control for assets (including an asset register) was not in place, as required by Section 63(2)(c) of the MFMA.

4.5 INTERNAL CONTROL

Paragraph 25 of the AG's report:

I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

4.6 LEADERSHIP

Paragraph 26 of the AG's report:

The accounting officer did not ensure that adequate and skilled resources are in place to ensure that financial disclosures are dealt with in terms of GRAP disclosures, and adequate policies and procedures to address GRAP compliance were not appropriately formulated.

Paragraph 27 of the AG's report:

An action plan to address the clean-up of the assets register was not adequate as the appointment of the consultants was done not done timeously to allow adjustments to the financial statements to be subjected to adequate review before submission for audit purposes.



4.7 FINANCIAL AND PERFORMANCE MANAGEMENT

Paragraph 28 of the AG's report:

The financial statements contained material errors in respect of non-current assets, liabilities, revenue, expenses and disclosure items that were identified during the audit process. This was mainly due to the municipality not implementing adequate controls to ensure that information used to support the amounts in the financial statements was valid, accurate and complete and no credibility reviews were performed.

4.8 MANAGEMENT COMMENTS ON AG'S REPORT

*** See audit action plan attached as Annexure "C".

4.9 KEY COMMENTS: COMMUNITY AND ORGANS OF STATE

No comments were received from the community, the Provincial Treasury and the MEC for Local Government.

4.10 KEY COMMENTS: COUNCIL

*** Minutes of the Council Meeting of 26 September 2013 is attached as Annexure "D"

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The 2012/2013 Annual Report and Oversight Report have been prepared in compliance with the provisions of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and conform to the guidelines in Circular 32 issued by National Treasury.

6. COMMUNICATIONS IMPLICATIONS

The full text of the 2012/2013 Annual Report and Oversight Report will be distributed to the MEC: Local Government, Provincial Treasury, the Auditor-General and Provincial Legislature. The full text will also be published on Cape Winelands District Municipality's website.

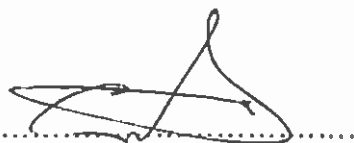
7. RECOMMENDATION: That -

- (a) Council, having considered the 2012/2013 Annual Report of the Cape Winelands District Municipality (CWDM), adopts the Oversight Report in terms of section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA);



- (b) The 2012/2013 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA;
- (c) The minutes of the meetings where the Annual Report was discussed, in the presence of the Accounting Officer be submitted to the Auditor-General, the Provincial Treasury, and the Western Cape Department of Local Government, as attached to the report, in terms of Section 129(2) of the MFMA;
- (d) The following corrective measures be implemented:
 - (i) Compilation of quarterly financial statements;
 - (ii) Adequate review of financial statements by internal audit on a quarterly basis;
 - (iii) Providing GRAP training to relevant officials within the finance unit;
 - (iv) Implementation of standard operating procedures for performance management;
 - (v) Review of quarterly financial statements by subject expert; and
 - (vi) Implementation of compliance model.
- (e) The 2012/2013 Oversight Report of Cape Winelands District Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.

Yours faithfully



COUNCILLOR C MCAKO
CHAIRPERSON

14 February 2014



CAPE WINELANDS DISTRICT MUNICIPALITY

**MINUTES OF A MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
HELD ON FRIDAY, 14 FEBRUARY 2014 AT 10:00 IN THE COUNCIL CHAMBER, 46
ALEXANDER STREET, STELLENBOSCH**

PRESENT:

Committee Members: Cllr. C. Mcako (Chairperson)
Cllr. J.J. Abrahams
Cllr. N.M. Bushwana
Cllr. (Adv.) J.B. Cronje
Cllr. J. Matthee
Cllr. M.H. Yabo

Officials: Mr M. Mgajo
Ms F.A. du Raan-Groenewald
Mr F. van Eck
Ms K. Smit
Mr B.N. Nieuwoudt
Mr R. Zeelie
Ms J. van Rensburg
Mr W.J. Basson

MPAC.1 OPENING (3/2/5/15)

The Chairperson welcomed all the Councillors and officials present.

Cllr N.M. Bushwana opened with prayer.

MPAC.2 ELECTION OF ACTING CHAIRPERSON, IF NECESSARY (3/2/5/15)

None.

MPAC.3 APPLICATIONS FOR LEAVE OF ABSENCE (3/2/5/15)

Cllr C.C. Brink
Cllr J.D.F. van Zyl
Mr C.V. Schroeder
Mr G.J.P. Falck
Ms W.M. Neethling

**MPAC.4 STATEMENTS AND COMMUNICATIONS BY THE CHAIRPERSON
(3/2/5/15)**

None.

MPAC.5 MINUTES

**MPAC.5.1 CONFIRMATION OF THE MINUTES OF THE MEETING OF THE
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) HELD ON
FRIDAY, 25 OCTOBER 2013 (3/2/5/15)**

RESOLVED:

That the minutes of the meeting of the Municipal Public Accounts Committee (MPAC) held on Friday, 25 October 2013 be taken as read and duly confirmed.

**MPAC.5.2 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) HELD ON
FRIDAY, 25 OCTOBER 2013 (3/2/5/15)**

None.

MPAC.6 MATTERS FOR NOTIFICATION

**MPAC.6.1 EMPLOYMENT EQUITY REPORTS FOR THE PERIOD FROM
01 OCTOBER 2013 TO 31 JANUARY 2014**

That the Municipal Public Accounts Committee (MPAC) established in terms of and in accordance with Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) takes cognisance of the monthly employment equity reports for the period from 01 October 2013 to 31 January 2014.

BACKGROUND

Attached as Annexure "A" is the following monthly employment equity reports:

Municipal Public Accounts Committee
14 February 2014

- (a) October 2013
- (b) November 2013
- (c) December 2013
- (d) January 2014

RECOMMENDATION BY MUNICIPAL MANAGER:

That the Municipal Public Accounts Committee (MPAC) established in terms of and in accordance with Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) takes cognisance:

- (a) Of the monthly employment equity reports for the period from 01 October 2013 to 31 January 2014.
- (b) That the monthly employment equity reports for the period from 01 October 2013 to 31 January 2014 have also been submitted to the Mayoral Committee and Council as part of the minutes of the Local Labour Forum.

RECOMMENDATION BY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): 14 FEBRUARY 2014: ITEM MPAC.6.1

RESOLVED: That -

- (a) It be recommended to Council that cognisance be taken-
 - (i) Of the monthly Employment Equity Reports for the period 01 October 2013 to 31 January 2014;
 - (ii) That the monthly Employment Equity Reports for the period 01 October 2013 to 31 January 2014 have also been submitted to the Mayoral Committee and Council as part of the minutes of the Local Labour Forum (LLF);
- (b) The annual submission of the Employment Equity Report to the Department of Labour be submitted at the next Municipal Public Accounts Committee meeting.

MPAC.7 MATTERS FOR CONSIDERATION

MPAC.7.1 DRAFT ANNUAL REPORT 2012/2013 FOR THE CAPE WINELANDS DISTRICT MUNICIPALITY (CWDM) AND DRAFT OVERSIGHT REPORT FOR THE 2012/2013 FINANCIAL YEAR (10/1/2/1)

PURPOSE OF SUBMISSION

That the members of the Municipal Public Accounts Committee (MPAC) consider to recommend to Council to approve the draft Annual Report for 2012/2013 for the Cape Winelands District Municipality (CWDM) and the draft Oversight Report for the 2012/2013 financial year.

BACKGROUND

At Item C.14.1 of 28 September 2013 Council resolved that cognisance be taken of the draft unaudited Annual Report 2012/2013, included under separate cover in the agenda.

Included under separate cover as Annexure "A", is a copy of the draft Annual Report for 2012/2013.

The draft Annual Report for 2012/2013 is tabled in Council for adoption in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Systems Act).

Section 121(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), stipulates that the purpose of the draft annual report is to provide a record of activities of Municipality during the financial year, to provide a report on the performance against the budget for the financial year and to promote accountability to the local community for the decisions made throughout the year.

COMMENT

In accordance with Section 46 of the Systems Act –

- (a) The draft Annual Report for the 2012/2013 financial year was advertised in the media for comments and representations.
- (b) The draft Annual Report was also made available on the website of the Cape Winelands District Municipality (CWDM) and hard copies were also made available at the various offices of the Cape Winelands District Municipality (CWDM) for viewing.

No inputs from the public were received at the due date.

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Municipal Public Accounts Committee
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*** Attached as Annexure "B" is a copy of the advertisement.

*** Included under separate cover as Annexure "C" is a copy of the draft Oversight Report pertaining to the draft Annual Report for the 2012/2013 financial year.

IMPLICATIONS:

PERSONNEL

None.

Comment prepared by: Ms K. Smit

FINANCIAL

None.

Comment prepared by: Ms F.A. du Raan-Groenewald

LEGAL

The preparation, tabling and adoption of the 2012/2013 Annual Report is done in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Systems Act), quoted hereunder for ease of reference:

Annual reports

46. (1) A municipality must prepare for each financial year an annual report consisting of—

- (a) a performance report reflecting—
 - (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
 - (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and
 - (iii) measures that were or are to be taken to improve performance. 10
 - (b) the financial statements for that financial year prepared in accordance with the standards of generally recognised accounting practice referred to in section 89 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).
 - (c) an audit report on the financial statements and the report on the audit performed in terms of section 45(b); and 15
 - (d) any other reporting requirements in terms of other applicable legislation.
- (2) A municipality must table its annual report within one month of receiving the audit report referred to in subsection (1)(c).
- (3) (a) The municipal manager must—
- (i) by prior notice in the media, inform the local community of the meeting or meetings of the council at which the municipality's annual report is tabled or discussed, which meetings must be open to the public;
 - (ii) give written notice of such meetings to the Auditor-General and the MEC for local government in the province;
 - (iii) submit copies of the minutes of those meetings to the Auditor-General and the MEC for local government in the province. 25
- (b) Representatives of the Auditor-General and the MEC for local government in the province are entitled to attend and to speak at such meetings, and the municipal manager must be available to respond to questions related to the annual report.
- (4) The municipality must adopt its annual report, and within 14 days— 30
- (a) make copies of the report accessible to the public, interested organisations and the media, free of charge or at a reasonable price; and
 - (b) submit a copy of the report to—
 - (i) the MEC for local government in the province;
 - (ii) the Auditor-General; and 35
 - (iii) such other institutions as may be prescribed by regulation.

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Municipal Public Accounts Committee
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The draft annual report of municipalities is governed by Chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). It is the statutory responsibility of the mayor to table the annual report in Council for adoption within 7 months after the end of the financial year. If the mayor fails in this responsibility the mayor must table in council written reasons for the failure and an explanation thereof.

The table below is a short summary of the Chapter 12 process:

ACTION	DEADLINE
The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council.	31 January 2014
The Accounting Officer must publish the draft Annual Report.	Immediately after tabling
The Accounting Officer must invite submissions.	Immediately after tabling
The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.	Immediately after tabling
Council must deal with the draft Annual Report within 9 months after the end of the financial year. Part of this process includes the drafting of an oversight report.	31 March 2014

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) provides a list of what the draft Annual Report must include:

- (a) The Annual Financial Statements;
- (b) The Auditor General's audit report on the Financial Statements;
- (c) The Annual Performance Report of the Municipality prepared in terms of Section 46(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- (d) The Auditor General's audit report on the results of the performance measurements;
- (e) An assessment by the Accounting Officer of any arrears on municipal taxes and service charges and of the performance of the municipality against the measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget for the year;

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- (f) Particulars of any corrective action to issues raised by the Auditor General;
- (g) Explanations that may be necessary to clarify issues in connection with the financial statements;
- (h) Recommendations by the Audit Committee, if any.

Comment prepared by: Ms W.M. Neethling

RECOMMENDATION BY MUNICIPAL MANAGER:

That the members of the Municipal Public Accounts Committee (MPAC) consider recommending to Council to -

- (a) Take cognisance of:
 - (i) The report on the draft Annual Report for 2012/2013 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality (CWDM) for the year ended 30 June 2013 as contained in the draft Annual Report;
- (b) Approve:
 - (i) The draft Annual Report for 2012/2013 of the Cape Winelands District Municipality (CWDM), attached as Annexure "A" to the agenda item;
 - (ii) The draft Oversight Report for the 2012/2013 financial year, attached as Annexure "C" to the agenda item.

COMMENT BY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC):

Several issues and questions of clarity were raised by the Committee. The Chief Financial Officer also proceeded with a presentation regarding the 2012/2013 Audit Outcome.

In respect of the Service Delivery Overview (page 18) it was requested that site inspection visits be arranged in order to establish whether the systems in respect of solar warm water, water purification, sanitation and roads are effective. It was proposed that a one-day visit to sites be arranged and that the public be engaged in the visits, where possible. Should there be a need to extend the site visits for another day a further decision can be taken.

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Although there are appreciation for the Organisational Design Project and reduction of the Macro Structure, concern was expressed over the employee cost of 59% as stated on page 18.

The Committee was informed that although it was a challenge to reduce the salary budget as a result of the difference between the percentage increase in income from National Treasury and the percentage increase in salaries, the salary budget actually decreased over the past two years. The number of posts also came down from the previous year. It was pointed out that the discrepancy between the number of employees on page 20 and 84 is caused by the fact that the number of employees on page 84 refers to all people on the payroll.

The Committee requested that the reference to "staff compliment" on page 20 be changed to "the number of approved posts on the organogram".

The Committee further requested that on page 25 under the heading "Political Decision-taking" further lines be included with the wording "Number of Mayoral Committee resolutions and Number of Mayoral Committee resolutions not tabled before Council".

Concern was expressed about the poor attendance of IDP meetings by Councillors as reflected on page 30. It was proposed that the matter be brought to the attention of the Executive Mayor and Speaker and that the Administration Officer: IDP be requested to send invitations for IDP meetings to all Councillors. It was pointed out that Councillors in some areas are experiencing problems with e-mail reception and that these Councillors should be informed of events by short message service (sms). Councillors were reminded that they must arrange for their own 3G devices, as they receive allowances for mobile data cards. The Division: Information and Communication Technology can also be contacted if their e-mails do not work.

In respect of Supply Chain Management (page 33) it was confirmed that the reluctance of Companies and their Agents to provide the necessary documents for accreditation are causing delays in the procurement process.

The Committee was informed that in respect of Water Provision (page 35), the Section 17(3)(j) issue had been sorted out. According to legal opinions which had been obtained, Section 17(3)(j) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) is not applicable in this instance.

As far as Waste Management (page 36) was concerned, the Committee was informed that a landfill site had been identified on the Eastern side of the mountain. Problems are however being experienced to find a suitable landfill site on the Western side of the mountain.

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In respect of Housing (page 36) the Cape Winelands District Municipality is in discussions with Stellenbosch and Drakenstein Municipalities respectively over the transfer of the Meerlust and Nieuwedrift Housing Projects. The Municipalities will come back to Cape Winelands District Municipality on the issue. The Committee requested that the sentence of paragraph 3 on page 37 be amended by replacing the words "due to farmworker strikes" with "due to the wage dispute of farmworkers".

The Committee also requested that the Private Work Policy (page 90) be revised and updated.

**RECOMMENDATION BY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
(MPAC): 14 FEBRUARY 2014: ITEM MPAC.7.1**

RESOLVED:

That it be recommended to Council that -

- (a) Cognisance be taken of-
 - (i) The report on the draft Annual Report for 2012/2013 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality (CWDM) for the year ended 30 June 2013 as contained in the draft Annual Report;
- (b) The draft Annual Report for 2012/2013 of the Cape Winelands District Municipality (CWDM), attached as Annexure "A" to the agenda-item be approved subject to the amendments as set out under Comment of Committee;
- (c) Site inspection visits to solar warm water, water purification, sanitation and roads projects be arranged for members of the Municipal Public Accounts Committee;
- (d) The presentation of the Chief Financial Officer regarding the 2012/2013 Audit Outcome also be presented to the Audit Committee;
- (e) The following corrective measures be included as part of the recommendations in the Oversight Report:
 - (i) Compilation of quarterly financial statements;
 - (ii) Adequate review of financial statements by Internal Audit on a quarterly basis;

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
PARLIAMENT AND THE COUNCIL ON CAPE WINELANDS MUNICIPALITY**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Cape Winelands Municipality set out on pages 6 to 51, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit 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. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Winelands Municipality as at 30 June 2013 and its financial performance, cash flows and comparison of budget and actual amounts for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

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

Restatement of corresponding figures

8. With reference to note 40 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of an error discovered during 2013 in the financial statements of the Cape Winelands District at, and for the year ended, 30 June 2012.

Additional matters

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

Material inconsistencies in other information included in the annual report

10. The draft annual report has been received and no material inconsistencies with the financial statements have been found. The final printer's proof of the annual report will be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.

Unaudited supplementary schedules

11. The supplementary information set out on pages 52 to 77 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the performance report as set out on pages x to x of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development objectives. The usefulness of information further relates to whether 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.
15. The reliability of the information in respect of the selected development objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
16. There are no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

17. Although no material findings concerning the usefulness and reliability of the performance were identified in the annual performance report, I draw attention to the following matters below.

Achievement of planned targets

18. Of the total number of 159 targets planned for the year, 39 of targets were not achieved during the year under review. This represents 25% of total planned targets that were not achieved during the year under review.

Material adjustments to annual performance report

19. Material misstatements in the annual performance report were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

20. I performed procedures to obtain evidence that the municipality has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Financial statements

21. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, revenue, expenditure and disclosure items identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure Management

22. Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MFMA.

Procurement and contract management

23. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) & (c).

Asset management

24. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

26. The accounting officer did not ensure that adequate and skilled resources are in place to ensure that financial disclosures are dealt with in terms of GRAP disclosures, and adequate policies and procedures to address GRAP compliance were not appropriately formulated.
27. An action plan to address the clean-up of the asset register was not adequate as the appointment of the consultant was not done timeously to allow adjustments to the financial statements to be subjected to adequate review before submission for audit purposes.

Financial and performance management

28. The financial statements contained material errors in respect of non-current assets, liabilities, revenue, expenses and disclosure items that were identified during the audit process. This was mainly due to the municipality not implementing adequate controls to ensure that information used to support the amounts in the financial statements was valid, accurate and complete and no credibility reviews were performed.

Auditor-General

Cape Town

30 November 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

BYLAE C
ANNEXURE C

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Introduction

The report includes audit findings arising from the audit of the financial statements, reporting on predetermined objectives and compliance with laws and regulations for the year ended, 30 June 2013 which were communicated to management. Furthermore the report also includes Management's proposed corrective actions to these findings, and information on the internal control deficiencies which were identified as the root causes for the matters reported. Addressing these deficiencies will assist in ensuring an improvement in the audit outcomes.

Please take cognisance that for the purposes of this report, the detailed audit findings have been classified as follows:

(a) MATTERS AFFECTING THE AUDITOR'S REPORT	These matters should be addressed as a matter of urgency.
(b) OTHER IMPORTANT MATTERS	These matters should be addressed to achieve clean administration.
(c) ADMINISTRATIVE MATTERS	These matters are unlikely to affect the decisions of the users of the financial statements or performance information and should be addressed at the discretion of the entity

Overview of Audit Findings

A - Matters affecting the auditor's report

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
ANNUAL FINANCIAL STATEMENTS					
1. Misstatements corrected in the initial financial statements submitted					
<p>During the audit, the municipality submitted two sets of financial statements. The first set was submitted on 31 August 2013 (without a supporting trial balance) and the second set was submitted on 16 September 2013 with a trial balance that tied up to the amounts disclosed. The reason for the differences was mainly linked to the fact that the asset register was not finalised.</p> <p>The misstatements for accumulated surplus, general expenditure, payments from supplies in cash flows from operating activities and the increase in non-current borrowings in cash flows from financing activities are all quantitatively material.</p> <p>The financial statements submitted for auditing on 31 August 2013 was not materially correct, and therefore did not fairly present the financial results of the municipality as required by section 122(1)(a) of the MFMA.</p>	<p><i>Financial management</i></p> <ul style="list-style-type: none"> Prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. <p>Management processes implemented for the review of the financial statements were inadequate as they were not performed in a timely manner to ensure that the financial statements submitted by the legislated deadline was a final accurate set supported by a trial balance.</p>	<p>Management should prepare quarterly financial statements, and as part of the quarterly review processes management should ensure that the financial statements are supported by reliable information. This will alert the municipality to potential errors in a timely manner to correct before the submission of the financial statements at the legislated date.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies</p>	<p>The errors were not due to a lack of review by management of the financial statements, but due to insufficient time to investigate and correct the error at the time of financial statement submission on 31 August 2013.</p> <p>It should be noted that some of the items are linked to once off items relating to the clean-up exercise undertaken by management to correct the Municipality's Fixed Asset Register. The other material difference is linked to the accounting treatment, from a financial statement perspective, of amounts posted to the prior period error vote in SAMRAS.</p>	<p>Regular financial statements will be compiled to be reviewed by Internal Audit.</p> <p>The Municipality will prioritise the appropriation of funds during the 2012/2013 Adjustments Budget and 2014/2015 IDP budget process to allow for GRAP training once / twice per annum.</p>	<p>Management comment is noted: the material adjustments made to the financial statements submitted resulted in a material non-compliance.</p>

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>2. Misstatements in accumulated surplus disclosed in the financial statements</p> <p>The amount disclosed for accumulated surplus in the statement of changes in net assets does not agree to the amount disclosed for accumulated surplus in the statement of financial position</p>	<p><i>Financial management</i></p> <ul style="list-style-type: none"> Prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information <p>Management processes implemented for the review of the financial statements were inadequate as they were not performed in a manner to ensure that the financial statements submitted are accurate.</p>	<p>Management should prepare quarterly financial statements, and as part of the quarterly review processes management should ensure that the financial statements are supported by reliable information. This will alert the municipality to potential errors in a timely manner to correct before the submission of the financial statements at the legislated date.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies.</p>	<p>The audit observation is noted. Once all the 2012/13 audit adjustments have been processed, management will ensure that the accumulated surplus details per the Statement of Changes in Net Assets agree with the accumulated surplus details disclosed in the Statement of Financial Position.</p> <p>The error was not due to a lack of review by management of the financial statements, but due to insufficient time to investigate and correct the error at the time of financial statement submission on 31 August 2013. The difference is linked to the prior period error in SAMRAS that had to be reallocated for financial statement purposes.</p>	<p>As indicated earlier, regular financial statements will be compiled to be reviewed by Internal Audit.</p> <p>The Municipality will prioritise the appropriation of funds during the 2012/2013 Adjustments Budget and 2014/2015 IDP budget process to allow for GRAP training once / twice per annum</p>	<p>Managements' response is acknowledged. The final set of financial statements was reviewed to confirm that the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement</p>
<p>BUDGETS</p> <p>3. Disclosure deficiencies in the budget statement</p> <p>During the audit of the Statement of Comparison of Budget and Actual Amounts, the following non-compliance with GRAP 24 disclosure was discovered:</p> <p>Paragraph 12</p> <ul style="list-style-type: none"> The municipality did not present a Statement of Comparison of Budget and Actual amounts relating to financial performance. A budgeted statement of financial performance was presented in the budget approved by the council. Therefore it should be included in the statement of comparison of budget and actual amounts. Appendices E (1) and E (2) were not referenced to any note or financial statement. There are no reasons given for material variances in either the statement of comparison of budget and actual amounts in the statements of financial position or the Cash Flow statement. The accounting policy does not include a definition of what constitutes material variance 	<p><i>Financial management</i></p> <p>Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.</p> <p>Management did not identify and address emerging risks adequately such as the implementation of new standards, by ensuring the municipalities readiness to deal with new GRAP statements and to ensure adequate review of this disclosure.</p>	<p>Management should incorporate GRAP 24 in their quarterly reporting process in order to learn and refine the application of this statement. This will assist management when compiling annual financial statements at year-end. Internal audit should review these statements to ensure that they are valid, accurate and complete.</p>	<p>Paragraph 12</p> <p>A Statement of Comparison of Budget and Actual amounts relating to financial performance will be included in the updated 2012/13 financial statements of the municipality and referenced to the necessary appendices reflecting the following:</p> <ul style="list-style-type: none"> Approved budgeted amounts Budget adjustments Final budget Actual amounts on a comparable basis Difference between final budget and actual amounts <p>In addition to the aforesaid a comparison of actual vs. budgeted revenue and expenditure is disclosed in Appendix E(1) and E(2) respectively detailing reasons for variances in excess of 10%. Management has therefore not included this in the Statement of Comparison of Budget and Actual in order to avoid duplication.</p>	<p>Adjust the annual financial statements as stated.</p>	<p>Paragraph 12</p> <ul style="list-style-type: none"> Inspected AFS and confirmed that a Statement of Comparison of Budget and Actual amount is included after audit finding. Inspected AFS and confirmed that appendices E (1) and E (2) are referenced to financial statements after audit finding. Inspected AFS and confirmed explanations were provided for financial position and cash flow statement variances.

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<p>Cont. A.3 Paragraph 27</p> <ul style="list-style-type: none"> Appendices G (1) to G (5) were not cross referenced to a note in the financial statements or the statement of comparison of budget and actual amounts. There are no reasons given for material adjustments to approved budget in a note or a report cross referenced to a note in the financial statements. <p>Paragraph 38</p> <ul style="list-style-type: none"> The accounting policy states that the budget is prepared on cash basis. However the budget is prepared on accrual basis. The classification basis was not disclosed and explained in the note to financial statements. <p>The statement of comparison of budget and actual amounts and notes related to this statement are qualitatively misstated due to the inaccuracies and omissions stated.</p>	<p>Internal Control Deficiency</p> <p>The municipality will develop an accounting policy in order to determine the materiality threshold for differences in budgeted and actual amounts. This policy will then be submitted to council for approval.</p> <p>The accounting policy will specify materiality in terms of both a percentage as well as a Rand value.</p> <p>Reasons will then be disclosed in the notes to the annual financial statements for material variances.</p> <p>Paragraph 27</p> <p>These appendices will be referenced to the financial statements.</p> <p>Reasons for material variance, where disclosed elsewhere in the financial statements will be referenced to the financial statements.</p> <p>Reasons will be provided for differences not dealt with elsewhere in the financial statements and these will be disclosed in the notes to the financial statements</p> <p>Paragraph 38</p> <p>The accounting policy will be amended to state that the budgets were prepared on the accrual basis and that the classification basis is according to guidelines provided by National Treasury in their Specimen Financial Statements.</p>	<p>AGSA Recommendation</p> <p>It is recommended that</p> <ul style="list-style-type: none"> management implement appropriate review controls ensures that staff attends training on the preparation of the AFS in terms of the applicable financial reporting framework. <p>Management must also investigate the differences and amend the financial statement to be in line with GRAP 2.</p>	<p>Managements Response</p> <p>The municipality will develop an accounting policy in order to determine the materiality threshold for differences in budgeted and actual amounts. This policy will then be submitted to council for approval.</p> <p>The accounting policy will specify materiality in terms of both a percentage as well as a Rand value.</p> <p>Reasons will then be disclosed in the notes to the annual financial statements for material variances.</p> <p>Paragraph 27</p> <p>These appendices will be referenced to the financial statements.</p> <p>Reasons for material variance, where disclosed elsewhere in the financial statements will be referenced to the financial statements.</p> <p>Reasons will be provided for differences not dealt with elsewhere in the financial statements and these will be disclosed in the notes to the financial statements</p> <p>Paragraph 38</p> <p>The accounting policy will be amended to state that the budgets were prepared on the accrual basis and that the classification basis is according to guidelines provided by National Treasury in their Specimen Financial Statements.</p>	<p>Proposed Corrective Action</p>	<p>Auditors Conclusion</p> <p>Paragraph 27</p> <ul style="list-style-type: none"> Inspected AFS and confirmed explanations were provided for statement of comparison of budget and actual amounts Financial position and statement of comparison of budget and actual amounts Cash Flow variances. Inspected note 1.25 and confirmed that the accounting policy was adjusted to include a definition of material variance. <p>Paragraph 38</p> <ul style="list-style-type: none"> Inspected AFS and confirmed the accounting policy was adjusted reflect the correct basis of preparation.
<p>CASH AND CASH EQUIVALENTS</p>					
<p>4. Misstatements identified in the cash flow statement</p> <p>The cash flow statement is misstated by an amount of R39 260 335</p>	<p>Financial management</p> <ul style="list-style-type: none"> Prepare regular, accurate & complete financial reports that are supported & evidenced by reliable information Inadequate review of the financial statements before submission for audit. Staff lacks understanding of the requirements of the financial reporting framework. 	<p>It is recommended that</p> <ul style="list-style-type: none"> management implement appropriate review controls ensures that staff attends training on the preparation of the AFS in terms of the applicable financial reporting framework. <p>Management must also investigate the differences and amend the financial statement to be in line with GRAP 2.</p>	<p>The audit observation is noted by management. Management will update the cash flow statement, to the extent necessary, once all audit adjustments have been processed.</p> <p>It should be noted that some of the items are linked to once off items relating to the clean-up exercise undertaken by management to correct the Municipality's Fixed Asset Register. The other material difference is linked to the accounting treatment, from a financial statement perspective, of amounts posted to the prior period error vote in SAMRAS</p>	<p>As indicated earlier, regular financial statements will be compiled to be reviewed by Internal Audit.</p> <p>The Municipality will prioritise the appropriation of funds during the 2012/2013 Adjustments Budget and 2014/2015 IDP budget process to allow for GRAP training once / twice per annum.</p>	<p>Managements' response is acknowledged. The final set of financial statements was reviewed to confirm that the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement</p>

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CONTINGENT LIABILITIES					
<p>5. Wage curve agreement dispute - Contingent liability not disclosed</p> <p>There was a Labour Court ruling during 2012 that indicated that where a municipality implemented the Wage Curve agreement as from 1 July 2010, an adjustment of 8.48% to the scales implemented as of 1 July 2010 needs to be made. This adjustment could in some instances require employees to pay back monies received in terms of the implemented scales.</p> <p>The judgement follows the dispute between SALGA, and the South African Municipal Workers Union (SAMWU) and the Independent Municipal and Allied Trade Union (IMATU), regarding the implementation of the new municipal wage scale notches as stipulated in the collective agreement.</p> <p>SALGA took the matter on appeal to the Labour Appeals Court during August 2013 and a judgment is still awaited.</p> <p>A review of the financial statements of the municipality revealed that the above matter was not disclosed anywhere in the financial statements, even though the municipality did implement the Wage Curve agreement with effect from 1 July 2010, and therefore needed to determine the financial implications of the ruling.</p>	<p><i>Financial management</i></p> <ul style="list-style-type: none"> Prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. <p>Management did not put adequate review procedures in place to ensure that the contingent liability disclosures were accurate and complete and adequately disclosed in the financial statements</p>	<p>Management should correct the misstatements identified.</p> <p>Management should prepare quarterly financial statements, and as part of the quarterly review processes management should ensure that the financial statements are supported by reliable information. This will alert the municipality to potential errors in a timely manner to correct before the submission of the financial statements at the legislated date</p>	<p>Management acknowledges the finding by the Auditor General.</p> <p>The omission of the Wage Curve Dispute from the listing of contingent liabilities resulted from the assessment made nationally by SALGA that government cannot afford to implement the proposed 8.48% wage scale increase. As such, SALGA (acting on behalf of the employer) will be exhausting all possible avenues of appeal prior to considering implementation.</p> <p>SALGA together with the Unions entered into a mediation process in terms of which the mediator proposed a 14th cheque be paid to all affected individuals. The Unions agreed to the proposal put forth by the mediator, but SALGA however did not agree to the proposal, thus the matter has been referred back to the courts to continue the court appeal process.</p> <p>Exercising prudence in the preparation of the annual financial statements, the contingent liability was not disclosed as the possibility of an outflow of resources seemed remote.</p>	<p>A payable shall be included and disclosed in the annual financial statements in the total amount of R 9 498 667.48.</p> <p>Please note that the amount disclosed is based on a best estimate of the possible financial implication in terms of total cost to company.</p> <p>Personnel remunerated according to the previous post level scales, shall be remunerated in accordance with the appropriate Task level, granted that the current remuneration received does not exceed the maximum of the appropriate scale.</p>	<p>Based on the guidance provided a payable should be recognised for the 30 June 2011, 30 June 2012 and 30 June 2013 where employees' job evaluations had been completed, but those employees were not paid according to the wage curve agreement and/or did not receive the 9 month retrospective increase/backpay. the municipality should have recognized a payable for such payments at the 30 June 2011, 30 June 2012 and 30 June 2013 year ends. If this was not done in prior years it should be treated as a prior period misstatement that should be corrected.</p> <p>Management recognized the payables for the June 2011, June 2012 and June 2013 in the latest financial statements provided to audit.</p>
EMPLOYEE COSTS					
<p>6. Employee benefits - Prior year error relating to long service award</p> <p>The amount for 2011-12 comparative in the current years financial statements is understated by R4 498 313 when compared to the actuarial valuation report.</p> <p>As a result of the above error, employee benefits as disclosed in the statement of financial position and note 15 to the financial statements is misstated as documented above.</p> <p>Management did not ensure financial statements are adequately reviewed before submission to audit.</p>	<p><i>Financial management</i></p> <p>Management processes implemented for the review of the financial statements were inadequate as the employee benefits note and the prior period error note was not adequately disclosed during the preparation and finalisation of the financial statements</p>	<p>Management must</p> <ul style="list-style-type: none"> amend the financial statements to reflect the correct amounts. Implement adequate review processes should be to ensure before AFS are submitted for audit. The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies. 	<p>Long service awards in the previous financial years were calculated by the payroll system, VIP. Management decided in the current year to obtain an actuarial valuation in respect of the long service awards.</p> <p>Management updated the disclosure in the 2012/13 financial statements to reflect the outcome of the actuarial valuation. The necessary correcting journal entries were however not processed. This was an oversight due to tight time constraints. Management has continued to perform an in depth review of the annual financial statements, subsequent to the submission to the auditors in order to satisfy itself as to the validity, accuracy and completeness of information disclosed in the financial statements.</p>	<p>Management will process the correcting journal entries to process the applicable amount as a prior period error and to restate the 2011/12 results to the extent necessary</p> <p>Adjust the annual financial statements as stated.</p>	<p>Managements' response is acknowledged. The final set of financial statements was reviewed to confirm that the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement</p>

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<p>HERITAGE ASSETS</p> <p>7. Heritage assets - Overstatement of heritage assets</p> <p>The building at 46 Alexander Street, Stellenbosch, is used mainly for administrative purposes as an office building. Therefore, the building should be accounted for as property, plant and equipment in terms of GRAP 17, <i>Property, Plant and Equipment</i>.</p> <p>It is further noted that the municipal office building in Paarl has been accounted for as property, plant and equipment in terms of GRAP 17, even though this building has been declared a national heritage monument by the South African Heritage Resources Agency (SAHRA). The building is also used mainly for administrative purposes.</p> <p>It is apparent that the two buildings are the same in nature and usage, but have not been treated in the same manner. These conflicting treatments are indicative of a lack of a policy for the identification, recognition, measurement and subsequent management of heritage assets.</p> <p>As a result, heritage assets and depreciation expense have been understated by R 5 416 848 in the financial statements.</p>	<p><u>Leadership – Policies and procedures</u></p> <ul style="list-style-type: none"> Establish & communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities. Did not identify and address emerging risks adequately such as the implementation of new standards, by ensuring readiness to deal with new GRAP statements. Resulted in the municipality not identifying & dealing with heritage assets consistently, and the heritage assets being overstated in the FAR and AFS. <p><u>Leadership – Implement effective HR management</u></p> <ul style="list-style-type: none"> The accounting authority did not ensure that adequate HR management is in place to identify & address the skill shortages within the assets component. The municipality lacks the required skills to ensure that assets are managed and disclosed in terms of GRAP. The misstatement resulted due to the incorrect application of the accounting framework and the relevant standards. 	<p>The misstatement should be corrected in the financial statements.</p> <p>The accounting authority should implement and approve a heritage asset policy to facilitate a clear understanding by all staff personnel of the required expectations, which will mitigate potential error of misstating heritage assets.</p> <p>The municipality should consider the appointment of a dedicated person with the requisite skills to prepare and maintain the fixed asset register in compliance with all the requisite GRAP disclosure requirements.</p>	<p>Management has established the general Asset Management Policy and the accounting policies dealing with heritage assets. These policies are communicated effectively to enable the support and understanding of internal control objective, processed and responsibilities. As such, management does not agree with the internal control deficiencies.</p> <p>A separate policy dealing with the heritage was not specifically compiled and implemented as it was not thought necessary due to the fact that the heritage assets were dealt with in the Asset Management Policy. Also refer to Management's comments per COMAF 5.</p> <p>As stated in COMAF 5, the municipality currently deals with Heritage assets of its Asset Management Policy and the accounting Management Policy and if considered necessary will develop a specific policy dealing with heritage assets to mitigate any risks associated therewith.</p>	<p>A policy dealing specifically with heritage assets will be implemented and the 2012/13 annual financial statements will be amended to reflect the heritage building in Paarl as a heritage asset</p> <p>The amount in respect of the heritage building in Paarl will be reclassified to be reflected as a heritage asset.</p>	<p>Management agreed to adjust the financial statements which were verified.</p> <p>The buildings at 46 Alexander Street and Main Street Paarl were classified as property, plant and equipment.</p> <p>A policy which documents the principles of GRAP 103 will assist municipal staff in making the correct decisions with regards to the recognition, measurement and disclosure of all heritage assets.</p>

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<p>INVENTORY</p> <p>8. Low cost housing handed over to beneficiaries included in inventory During the audit it was identified that housing stock of R17 149 124 (2012: R17 149 124) has been included in inventories, note 5 to the financial statements.</p> <p>The background with regards to this housing stock is as follows:</p> <p>1. With the establishment of new municipal structures after year 2000 and the introduction of wall to wall municipalities, many functions undertaken by the Cape Winelands District Municipality (CWDm) were transferred to the local municipalities. Uncertainty, however, existed around the provision of housing, since it was viewed as a status quo function, in other words the CWDm carry on with the planning and implementation of housing projects it started in the rural areas of the newly established wall to wall municipalities.</p> <p>2. A decision was therefore taken to continue with certain projects that had been identified at the district level. Thus the idea was that the CWDm continues to act as developer, and that the formal townships established should be transferred to the relevant local municipalities in whose jurisdiction they fall, once completed.</p> <p>3. Although construction has been completed and the beneficiaries have taken occupation of the houses, a few administrative matters were outstanding on each project. (These are documented per project below.)</p> <p>4. Ownership of the houses has been transferred to beneficiaries when they occupied the premises.</p> <p>The fact that the rand value of the housing stock did not change from the prior year and that the beneficiaries had taken occupation of the houses prompted us to assess whether the houses still met the recognition criteria as inventory of the municipality. We therefore assessed the economic substance of the transaction as event, rather than its legal form.</p> <p>Substance over form concept entails the use of judgment on the part of the preparers of the financial statements in order for them to derive the business sense from the transactions and events and to present them in a manner that best reflect their true essence.</p>	<p><i>Financial management</i></p> <p>Management did not prepare accurate and complete financial statements that are supported and evidenced by reliable information that adheres to the GRAP 12 requirements for recognition, measurement and disclosure of inventory relating to low cost housing.</p>	<p>Management must implement stringent controls for the preparation, presentation and review of the financial statements with increased focus on the requirements of the GRAP reporting framework to enable the municipality to identify any amounts which might have been omitted during the preparation of the financial statements.</p> <p>Management should quantify the total cost spent towards the top structures and ensure that all occupied houses are expensed in the year of occupation.</p> <p>Management should process the necessary correcting journals to retrospectively restate the opening balances of inventory and accumulated surplus for the earliest period presented and amend the financial statement accordingly to correctly account for inventory.</p>	<p>Management agrees with the audit finding. The background and classification of these items either as inventory or PPE are set out below.</p> <p>The timing of de-recognition (transfer of significant risks and rewards associated with ownership) are discussed in a separate section below.</p> <p>CLASSIFICATION OF HOUSING SCHEME – INVENTORY vs. PPE</p> <p>Background:</p> <p>CWDm has housing units which either have been bought or constructed using funds from various sources, such as state subsidies. The units, mainly consisting of low cost houses, will be transferred beneficiaries for no consideration.</p> <p>Over the years, some units have been transferred to beneficiaries, while there are still some units which have not yet been transferred. These units will be transferred once the outstanding issues – such as legal have been resolved.</p> <p>Classification:</p> <p>CWDm has considered the classification of these units in the financial statements. GRAP 17 defines Property, plant and equipment as “are tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.</p> <p>Parks and community halls will be disclosed as PPE</p> <p>The definition of inventory in GRAP 12 includes assets held for sale or distribution in the ordinary course of operations; or in the process of production for sale or distribution.</p> <p>As indicated in the background section, these units will be transferred to the beneficiaries rather than be held by CWDm for use in production or supply of goods or services or for rental or administrative purposes.</p>	<p>A clean audit committee has been established.</p> <p>Regular reports on the clean audit process with regard to each finding are going to be submitted and scrutinized by the committee.</p> <p>Furthermore interim financial statements for the following periods are going to be compiled and submitted to Internal Audit for review:</p> <ul style="list-style-type: none"> • November 2013 • December 2013 • March 2014 	<p>The adjustment to the financial statements was verified. The remaining balance of R10 318 was remaining as inventory is for 3 houses in Hermon.</p> <p>An average cost of R47 008 per house was calculated and the amount is therefore understated by R130 706 which will be taken to the statement of uncorrected misstatements.</p>

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<p><i>Cont. A.8</i></p> <p>Whereas legal aspects of transactions and events are of great importance, they may have to be disregarded at times in order to provide more useful and relevant information to the users of the financial statements.</p> <p><i>The following details were provided regarding the low cost housing projects that are currently reflected as inventory by the Municipality:</i></p> <p>1. La Motte</p> <p>The land for the project was made available free of charge by the State to CWDM per agreement for purposes of individual ownership and township establishment.</p> <p>Of the 201 housing opportunities created, 190 have been transferred to the respective beneficiaries. Eleven transfers are therefore still outstanding. Although only 190 were transferred to the respective beneficiaries all 201 housing opportunities are occupied by beneficiaries.</p> <p>2. Wemmershoek</p> <p>Repair work to existing 125 houses and construction of 60 new in-filling dwellings (185 in total). Out of the 185 houses, 12 bigger dwellings were not fully subsidized and the occupiers of these units needed to make a financial contribution toward the selling price.</p> <p>Transfer of 18 residential properties. Council decision to sell or rent a property to an occupier that has another property outside Wemmershoek.</p> <p>These houses appear to be property of the Municipality however 18 properties were transferred.</p> <p>3. Hermon</p> <p>Total housing opportunities of 127 houses were created consisting of 91 new houses and 36 subdivided units. 10 of the 91 new housing units still need to be transferred to the beneficiaries. Three new houses could not be developed due to heritage constraints.</p> <p>All 127 housing opportunities are occupied.</p>			<p>Previous accounting treatment:</p> <p>Previously the housing units were classified and accounted for as property, plant and equipment. CWDM's accounting policy for land and buildings is to carry these assets at revalued amount subsequent to initial recognition. As a result, the housing units were also revalued and depreciated subsequent to initial recognition.</p> <p>Effect of the change in classification:</p> <p>The accounting treatment previously followed by CWDM was incorrect. The housing units should have been classified and accounted for as inventory. The effect of the change in classification and accounting treatment is the correction of the prior period error. The prior period error is due to the depreciation and revaluation. Therefore, the correction of the prior period error affects the following:</p> <p>(a) Revaluation reserve relating to these units should be reversed;</p> <p>(b) Accumulated surplus should be adjusted for the effect of the depreciation previously recognised; and</p> <p>(c) Reclassification from PPE to Inventory</p> <p>De-recognition (transfer of significant risks and rewards associated with ownership):</p> <p>Management will deal with the de-recognition of housing units on a case by case basis. Where houses are occupied by the nominated beneficiaries and transfer is only dependant on the conclusion of administrative processes, such units will be de-recognised at time of occupation.</p>		

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<p><i>Cont. A.8</i> Through thorough inspection we can conclude that the majority of the properties are occupied by beneficiaries. Although legally ownership of all properties was not transferred, the risks and rewards of ownership have been transferred to the beneficiaries. The municipality has in the current year, by virtue of a prior year error note adjustment, transferred the housing balance (2012: R22 114 514) from property, plant and equipment (PPE) to inventory of R17 149 124. (The R4 106 197 difference relates to an adjustment as a result of subsequent measurement at the lower of cost or current replacement cost). Based on the above assessment, we conclude that the municipality's inventory is overstated by the houses included in inventory where occupation has been transferred to the beneficiaries as the significant risks and rewards of ownership have been transferred and vests with the beneficiaries. If all houses are intended to be transferred to the occupants inventory could be overstated by this amount. (PPE could be understated by a portion of this amount depending on the nature of the agreement and development at Wemmershoek).</p>					
<p>PAYABLES FROM EXCHANGE TRANSACTIONS</p>					
<p>9. Trade Payables - Accruals raised in prior year not reversed in current year Trade payables, disclosed as part of trade and other payables from exchange transactions in note 16 to the financial statements, represent current liabilities outstanding at year end which is expected to be settled within the next 12 months. During the audit of trade payables it was identified that accruals to the amount of R1 926 440.29 raised as at 30 June 2012 and paid during the current year was not reversed out of the account. As a result, trade payables and expenditure are overstated by the amount of R1 926 440.29</p>	<p>Financial management</p> <ul style="list-style-type: none"> Implement controls over daily and monthly processing and reconciling of transactions. <p>Management in the finance division did not adequately review the trade payables listing at year end to ensure that accruals relating to the prior year and paid in the current year are not reflected in the current year end trade payables balance.</p>	<p>It is recommended that management in the finance division should review the trade payables listing at year end to ensure that accruals relating to the prior year and paid in the current year are not reflected in the current year end trade payables balance.</p> <ul style="list-style-type: none"> ensure adequate review of the financial statements is performed to ensure accuracy and completeness. consider implementation of a checklist which will assist with this matter 	<p>Management identified that the 2012 accrual was not reversed in the 2013 financial year. This was, however, only identified after the submission of the annual financial statements to the auditors on the statutory deadline of 31 August 2013. As a result, the adjustment was not processed in the set of financial statements provided to the audit team. The correcting journal entry will be processed and the 2012/13 annual financial statements will be updated accordingly</p>	<p>A "Clean Audit" committee has been established. Regular reports on the clean audit process with regard to each finding are submitted and scrutinized by the committee. Furthermore, interim financial statements will be compiled and submitted to Internal Audit for review. Management envisages that interim financial statements will in future be prepared on a quarterly basis. A correcting journal entry has been prepared to reverse the 2012 accrual of R1 926 440.29</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly. Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>10. Trade Payables – Housing funding utilised in prior years still reflected as payables</p> <p>Trade payables, disclosed as part of trade and other payables from exchange transactions in note 16 to the financial statements, represent current liabilities outstanding at year end which is expected to be settled within the next 12 months.</p> <p>During the audit of trade payables it was identified that housing funding to the amount of R5 600 000 received in prior years and spent in 2011-12 financial year are still reflecting in the opening balance of trade payables.</p> <p>As a result, trade payable are overstated by the amount of R5 600 001.00</p>	<p>Financial management</p> <ul style="list-style-type: none"> Implement controls over daily and monthly processing and reconciling of transactions. <p>Management in the finance division did not adequately review the trade payables listing at year end to ensure that housing funding received in prior years and spent are not reflected in the opening balance of trade payables.</p>	<p>It is recommended that management in the finance division should review the trade payables listing at year end to ensure that trade payables relating to the prior year and no longer existing in the current year are removed from the trade payables balance at year end.</p>	<p>Management agrees with the audit finding apart from the fact that the entire R5.6 million was not expensed in the 2011/12 financial year, i.e. R4 831 406.07 was expensed in years prior to the comparative year (2011/12) and R768 594.93 was expensed during the 2011/12 financial year.</p> <p>In line with the accounting policy for revenue recognition on government grants (refer accounting policy 1.10 per the 2012/13 annual financial statements), income should be recognised (and liabilities settled) to the extent that grant conditions have been met, i.e. in this instance to the extent that expenditure has been incurred.</p>	<p>Payables relating to the housing projects must be decreased by R5.6 million, whilst R768 594.93 must be recognised as revenue in the 2011/12 financial year (restatement of 2011/12 results) and the balance of R4 831 406.07 must be processed as a prior period adjustment against opening accumulated surplus in 2011/12 and disclosed appropriately. The financial statements will be adjusted as set out above.</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>
<p>PREDETERMINED OBJECTIVES</p>					
<p>11. Reliability – Performance reported not accurate for strategic objective 3: Engineering & Infrastructure</p> <p>During the audit of AOPO the following misstatements were discovered in strategic objective 3 – Engineering & Infrastructure: To support and ensure the development and implementation of infrastructural services such as bulk and internal services, functional road network and public transport services that contribute to Integrated Human Settlements in the Cape Winelands.</p> <p>(a) It was identified that the information for the following key performance indicators (KPI's) (5 out of 22 tested, 22, 7%), the portfolio of evidence provided by the municipality did not provide adequate information about the achievement of the KPI's. We are therefore unable to verify the validity, accuracy and completeness of these KPI's</p> <p>(b) In addition to this the following misstatement was also identified, where the information in the portfolio of evidence differed from the information reported in the annual performance report (1 out of 22, 4.5%)</p> <p>Resulted in a total error rate of 27.27% (6 out of 22 tested) for the strategic objective 3: To support and ensure the development and implementation of infrastructural services such as bulk and internal services, functional road network and public transport services that contribute to Integrated Human Settlements in the CW. This represents a material misstatement in the strategic objective</p>	<p>Performance management</p> <ul style="list-style-type: none"> Management did not ensure that information as reported in the Annual Performance Plan is accurate and complete. <p>The line/project managers including their directors did not regularly prepare accurate and complete performance reports that are supported and evidenced by reliable information.</p> <p>The information in the annual performance report was not reviewed by senior independent official to ensure that the reported targets are supported by sufficient appropriate evidence.</p>	<p>Management should standardise their source documentation for each target.</p> <p>Furthermore the source documentation should relate directly and specifically to the reported target.</p>	<p>Management agree with the audit finding. Management already start a process to revisit all KPI's and System Descriptions to:</p> <ul style="list-style-type: none"> (a) follow the SMART principle, (b) to look at inconsistencies in reporting and (c) to redefine source documentation. <p>Responsibility lies with the ED's and identified champions in each department. The misstatement, reference 3.1.2.2 corrected in performance report see page 11. Management also started a process re POE file management with consultant from collaborator will take place on Friday 8 November 2013.</p>	<p>Please refer to Management response</p>	<p>We confirmed the adjustment in the Annual Performance Report.</p> <p>The matter will be included as an "other matter" paragraph in the Audit Report</p>

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Management's Response	Proposed Corrective Action	Auditors Conclusion
<p>12. Reliability - Performance reported not accurate for strategic objective 5: Rural & Social Development</p> <p>During the audit of APOO the following misstatements were discovered in strategic objective 5 – Rural & Social Development: To facilitate and ensure the development and empowerment of the poor and most vulnerable people, particularly women, children, youth, the disabled, elderly persons and rural dwellers throughout the Cape Winelands.</p> <p>(a) For 6 out of the 31 key performance indicators (KPI's) tested the reported actual performance was not accurate as it did not agree to the supporting documentation provided in the portfolio of evidence.</p> <p>(b) For 4 out of the 31 key performance indicators (KPI's) tested the reported actual performance was not adequately supported by the portfolio of evidence provided</p> <p>(c) For the 1 KPI selected for testing below, no supporting documentation was provided to support the performance reported</p> <p>The above misstatements results in a total error rate of 35.48% (11 out of 31 tested) for the strategic objective 5: To facilitate and ensure the development and empowerment of the poor and most vulnerable people, particularly women, children, youth, the disabled, elderly persons and rural dwellers throughout the Cape Winelands. This represents a material misstatement in the strategic objective</p>	<p>Performance management</p> <ul style="list-style-type: none"> Prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information <p>Management did not put in place adequate controls such as reviews of evidence supporting performance prior to reporting in the Performance Report to ensure that all reported targets agree with evidence supplied.</p>	<p>Management should do a thorough review of evidence supporting performance prior to inclusion in the performance report to ensure that all performance reported is accurate.</p>	<p>(a) Performance reported for strategic objective 5 not accurate</p> <ol style="list-style-type: none"> The Department of Health reported on the total number of food parcels received since the implementation of the Nutritional Food Parcel support to patients on ARVs. They have send a revised letter for the 2012/2013 financial year which is on the attached file There was an omission in submitting the Financial Management Training report on the 4 sessions held. It is on the attached file. There was an oversight in the unit of measurement and it need to be rectified. The unit of measurement should be the total training sessions held. The difference is incorrect because it cannot be 36 if the target is 4. The gender forum meetings held is part of the initiatives supported. This evidence of the meetings is on the file The 27 clients were carried over from the previous reporting periods, but not mentioned expressly in the final report – letter from legal Aid Clinic is on the attached file as proof. <p>(b) For 4 out of the 31 key performance indicators (KPI's) ...</p> <ol style="list-style-type: none"> The South Africa Air force Aviation Awareness training serves as evidence of skills training which is on file .The report on the photography skills training is on the attached file Due to the total of learners which attended the Career exhibitions attendance registers were not completed. The letter from department of Education confirms the total of Grade 12 learners per school but Mr Lizo Holomani said it is not sufficient. As a corrective measure for career exhibitions, attendance registers will be provided to schools for completion before learners get on to the busses This information was omitted but it was provided in a file on 30 October 2013 This information was omitted and is on the attached file. <p>(c) For the 1 KPI selected for testing below...</p> <ol style="list-style-type: none"> The NPO applications were done online by the Service Provider. The NPO's are still awaiting the NPO Registration Certificates. 	<p>We confirmed the adjustment in the Annual Performance Report. The matter will be included as a material adjustment in the Audit Report</p>	
<p>13. Limitation of scope on current year disposals</p> <p>Disposals were made in the prior periods and not removed from the asset register. To rectify the error, the municipality recognised the disposal in the current year. This occurred because sufficient information was not provided to or requested by the consultant to determine the proper period for the disposals.</p> <ul style="list-style-type: none"> The abovementioned accounting treatment was incorrect as the disposals were not recognised in the relevant financial period and constitutes an error. The entity was required to retrospectively adjust for the error, thereby recognising the disposal in the relevant financial period. 	<p>Leadership – Implement effective HR management</p> <p>Leadership did not ensure that adequate HR management is in place to identify and address the skill shortages within the assets component.</p>	<p>Management should correct the misstatements identified.</p> <p>Management should consider appointing a dedicated person to prepare and maintain the asset register and asset management of the municipality in order to ensure the asset register is maintained and reflect the accurate quantity and value of the assets in</p>	<p>General</p> <p>Reference should also be made to COMAF 4 (PPE additions recorded in the incorrect financial year).</p> <p>Management is in agreement with the audit finding that disposals of PPE should be accounted for in the year of the disposal. In certain instances this information is available, e.g. the items disposed on auction to the value of R174K in years prior to the comparative (2011/12) financial year. For the majority of items disclosed as 2012/13 disposals, the "disposal" dates are not known.</p> <p>These items were identified as either:</p> <ul style="list-style-type: none"> "Missing items" during the 2012/13 physical verification of PPE items OR These items (recorded on the Fixed Asset Register) could not be linked to the assets verified, i.e. these items had Asset IDs recorded in the Fixed 	<p>The information provided by management was verified and found in order. Management could not provide evidence for the disposal of R1 180 755.44. However, based on audit test performed disposed could be accepted</p>	

PROPERTY, PLANT AND EQUIPMENT

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p><u>Conf. A.13</u> As a result the following amounts are misstated in the financial statements:</p> <p><u>Prior Period Error adjustments</u></p> <ul style="list-style-type: none"> The accumulated surplus (relating to the loss on disposal) was overstated by R4 461 789 The property, plant and equipment cost opening balance was overstated R10 927 773 The opening balance accumulated depreciation was overstated by R6 248 505 <p><u>Current year adjustments</u></p> <ul style="list-style-type: none"> Depreciation is overstated by R529 446.83 (depreciation was not to be calculated on disposed assets) Accumulated depreciation is overstated by R529 446.83 Loss on disposal is overstated by R3 870 102 <p>Accumulated depreciation is understated by R3 870 102</p>	<p>The municipality lacks the required skills to ensure that assets are managed and disclosed in terms of GRAP.</p> <p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>Management did not put adequate review procedures in place to ensure that the asset register was accurate. Although consultants were utilised to correct the asset register, officials of the municipality did not review the changes to ensure that the corrections implemented were accurate and GRAP compliant</p>	<p>use as well as ensuring the existence of the property, plant and equipment disclosed.</p> <p>Perform quarterly asset count, and as part of the quarterly review process, management should perform a supervisory function where spot checks are performed.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies.</p>	<p>Asset Register with no barcodes assigned to it. Management was unable to link these assets in the Fixed Asset Register to assets counted and therefore accounted for these items as 2012/13 disposals.</p> <p>Cognisance should also be taken of the following:</p> <ul style="list-style-type: none"> The authorisation needed to dispose/write off these assets was only obtained in the current year (2012/13). The money received in the prior years for the items sold on auctions were recognised as miscellaneous income in the applicable year. However, management processed adjustments in 2012/13 to account for these items as 2012/13 disposals as the SAMRAS system does not allow disposals to be backdated to prior periods. <p>Proposed solution</p> <p>Management is proposing the following solution:</p> <ul style="list-style-type: none"> Assets with Asset IDs but no barcode <ul style="list-style-type: none"> No further action required. Management cannot determine the date of disposal and is therefore of the opinion that the accounting treatment that can be best supported is to reflect these items as disposals in the current year (2012/13). Assets sold on auctions in prior years <ul style="list-style-type: none"> Management can correct these items by removing them from the new Fixed Asset Register. The prior period error will then be adjusted accordingly OR These items can be reflected on the schedule of "Unadjusted audit differences" as the impact (R174K) to record these items as 2012/13 disposals instead of reflecting the adjustments related thereto as a "prior period error" is being regarded by management as immaterial <p>The municipality currently has dedicated personnel to prepare and maintain the asset register and asset management of the municipality. Emphasis will be placed on the review procedures in order to identify such instances going forward and to ensure that the relevant adjustments are processed in the appropriate years.</p> <p>Due to the limitations of the SAMRAS system, manual adjustments will be made to the Fixed Asset Register. The software service provided will then assist in processing these transactions on the system.</p>	<p>Management decided to do a comprehensive review on the assets acquired with funds received from the provincial Department of Transport and Public Works. The agreement entered into between the municipality and Western Cape Provincial Government, as well as the service delivery agreement entered into between the municipality and the provincial government were used as the basis to determine the correct accounting treatment of assets utilised in performing the Roads Agency function. Management has also considered the substance of the transaction in making this determination.</p> <p>The following clauses are relevant in management's decision to exclude the Agency assets from the financial records of the municipality:</p> <ul style="list-style-type: none"> Clause 3: Funds may only be utilised for the purposes for which it has been approved. 	<p>Based on a technical opinion obtained, it was concluded that these asset should be accounted for by the municipality. The reversal was verified in the asset register and financial statements.</p>
<p><u>14. Assets relating to the roads agency function not recognised</u></p> <p>A contract agreement was concluded between the municipality and the Department of Transport and Public Works. The parties reached an agreement in terms of which the Province will allocate funds for the purpose of maintaining proclaimed provincial roads under the control of the District Municipality. The funds are required to be utilized for capital works and current expenditure including all indirect costs and administration fees.</p> <p>The municipality has over the years acquired assets in performing this task such as office furniture and equipment and tools to the value of R2 989 467.74 as reflected in the FAR.</p>	<p><u>Leadership – Policies and procedures</u></p> <ul style="list-style-type: none"> Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities 	<p>The municipality should first ensure that consensus is reached with the department of Transport and Public Works & that agreement is reached before a decision can be made with regard to the treatment of these assets, until such agreement the municipality should account for these assets.</p>	<p>Management decided to do a comprehensive review on the assets acquired with funds received from the provincial Department of Transport and Public Works. The agreement entered into between the municipality and Western Cape Provincial Government, as well as the service delivery agreement entered into between the municipality and the provincial government were used as the basis to determine the correct accounting treatment of assets utilised in performing the Roads Agency function. Management has also considered the substance of the transaction in making this determination.</p> <p>The following clauses are relevant in management's decision to exclude the Agency assets from the financial records of the municipality:</p> <ul style="list-style-type: none"> Clause 3: Funds may only be utilised for the purposes for which it has been approved. 	<p>Management decided to do a comprehensive review on the assets acquired with funds received from the provincial Department of Transport and Public Works. The agreement entered into between the municipality and Western Cape Provincial Government, as well as the service delivery agreement entered into between the municipality and the provincial government were used as the basis to determine the correct accounting treatment of assets utilised in performing the Roads Agency function. Management has also considered the substance of the transaction in making this determination.</p> <p>The following clauses are relevant in management's decision to exclude the Agency assets from the financial records of the municipality:</p> <ul style="list-style-type: none"> Clause 3: Funds may only be utilised for the purposes for which it has been approved. 	<p>Based on a technical opinion obtained, it was concluded that these asset should be accounted for by the municipality. The reversal was verified in the asset register and financial statements.</p>

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Management's Response	Proposed Corrective Action	Auditors Conclusion
<p><i>Cont. A.14</i> These assets were purchased in the name of the municipality and utilised by staff of the municipality in performing their duties with regard to the roads agency function. The municipality decided to remove these assets from their books as it is deemed to belong to the department of Transport and Public Works, however, no documentation could be provided that such agreement/decision was actually agreed upon. The entity possesses control over the assets and should thus recognize the assets in the statement of financial position and accompanying disclosure note. As a result, the PPE balance is understated by R2 989 467.74.</p>	<p>It would appear that decisions made with regards to the transfer of assets between entities are not made in terms of clear policies approved by the accounting authority to manage the roads agency function.</p>	<p>Management must amend the financial statements to reflect the correct amounts for the affected balance and disclosure note.</p>	<ul style="list-style-type: none"> • Clause 4.1: The Municipality is required to submit a business and project management plan to the value of the allocated amount and where necessary assist in the loading of this plan onto the departmental RPM system. • Clause 5: Prepayments in relation to the allocated amount shall be deposited into a separate trust account opened in the name of the District Municipality • Clause 6.1: Interest earned shall only be for the benefit of the approved projects • Clause 7: Should a project not commence within six months after the funds have been paid over, those funds, with interest, must immediately be refunded to the Department: Transport and Public Works • Clause 8: Surplus funds, including available interest, on completion of the project must be paid back to the Department: Transport and Public Works immediately, clearly indicating the departmental reference of the project. • Clause 10: An audited financial statement which indicates the total allocation, total expenditure and total interest earned, must be forwarded to the Deputy Director-General: Transport within six months of completion of the project or at the end of the District Municipality's financial year. • Clause 14: The CFO of the District Municipality must submit a Monthly Expenditure Statement for April 2013 by early May 2013 and every month thereafter for the duration of the agreement. This is to enable input of this expenditure on the Departmental Finance Management System (BAS) and the department's RPM system. 	<p>The following clauses from the service delivery agreement were also considered:</p> <ul style="list-style-type: none"> • The District Municipality undertakes to maintain, repair, protect and manage the proclaimed Provincial Roads in their area as identified by the District Roads Engineer in a safe and reliable condition. • The Provincial Government Western Cape via the District Roads Engineer will supply the necessary funds, specifications, plant and Professional Engineering support and also measure, monitor, manage the works, delegate and instruct, if and when necessary. • Reasonable administration overhead (Agency fee) and indirect costs must be budgeted for in detail for each year and provided to the District Roads Engineer for approval with a copy to the Provincial Roads Branch Head Office. In the event of unforeseen expenditure (e.g. floods, reseal etc.) the District Municipality will then also provide a budget for reasonable additional administration overhead costs that will also have to be approved. • Plant and equipment will be supplied by Provincial Government Western Cape and must be maintained and utilized to the optimum. <p>CWDM is, given the reasons outlined above, interpreted that these assets belong to the Provincial Government and not CWDM. This view is supported by what has been stipulated in the agreements between the Provincial Department and CWDM. The District Municipality only undertakes to maintain, repair, protect and manage the proclaimed Provincial Roads in their area. The Provincial Government supply the necessary funds, specifications, plant and equipment and Professional Engineering support and also measure and monitor manage the works.</p>	

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>15. Additions incorrectly recognised in the current period</p> <p>The following issues were identified relating to assets recorded as additions in the current year:</p> <p>1. The entity discovered that it had failed to recognise a purchased asset on the fixed asset register (FAR) in the relevant prior period. To rectify the error, the following asset was recognised as an addition in the current financial year at market value.</p> <p>This accounting treatment was incorrect as the non-recognition of the asset in the relevant period constitutes an error. The entity was required to retrospectively adjust for the error, thereby recognising the asset in the relevant financial period.</p> <p>2. Assets valued at zero were identified on the FAR in the prior year. The future economic benefits embodied in the assets were not fully realised as the assets were still being utilised by the entity and thus valuation of the assets at zero was incorrect. To rectify the valuation error, the following assets were recognised by the entity in the current year as new additions on the FAR at a market value determined by consultants</p> <p>The accounting treatment was incorrect because the valuation of the asset at zero was an indicator that the estimated useful life of the assets was initially inappropriately estimated. As a result, the basis of determination for the estimated useful life was incorrect and constituted an error.</p> <p>Management was required to retrospectively adjust the opening balances of property, plant and equipment, accumulated surplus and accumulated depreciation, thereby increasing the opening balance of PPE and accumulated surplus and reducing accumulated depreciation.</p> <p>Further inspection of the asset register was performed and it was discovered that the total value of assets that were zero valued or purchased in prior periods but incorrectly added to the current year is R3 090 580.</p>	<p><u>Leadership – Implement effective HR management</u></p> <ul style="list-style-type: none"> To ensure that adequate and sufficiently skilled resources are in place and that performance is monitored <p>Leadership did not ensure that adequate HR management is in place to identify and address the skill shortages within the assets component. The municipality lacks the required skills to ensure that assets are managed and disclosed in terms of GRAP.</p> <p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>Management did not put adequate review procedures in place to ensure that the asset register was accurate. Although consultants were utilised to correct the asset register, officials of the municipality did not review the changes to ensure that the corrections implemented were accurate and GRAP compliant.</p>	<p>Management should inspect the entire population of assets affected by the above errors, to determine an accurate misstatement for all accounts affected. This assessment should be presented, together with proposed corrections to the financial statements, to the auditors to determine the accuracy and completeness of the correction to be made.</p> <p>The municipality should consider the appointment of a dedicated person with the requisite skills to prepare and maintain the fixed asset register in compliance with all the requisite GRAP disclosure requirements.</p> <p>Management should prepare quarterly financial statements, and as part of the quarterly review processes management should evaluate the disclosures for material account balances, classes of transactions and note disclosures against the requirements of the GRAP reporting framework to ensure that all requirements have been adequately met.</p>	<p>Management will respond to each of the audit sub-findings individually.</p> <p>Finding 1: Recognition of VW CITI GOLF C-J47124 as an addition in the 2012/13 financial year</p> <ul style="list-style-type: none"> Also refer to management's detailed response per "Finding 2" below. The municipality became the owner of the vehicle on 1 July 2004 when Mrs E Marshall was transferred from Drakenstein Municipality to Cape Winelands District Municipality. The cost of the vehicle at the time, as evidenced by the Auto Dealer's Guide, was R66 270. Applying a residual value of 35% and an estimated useful life of 10 years this would have equated to: A depreciation charge of R4 307.55 in 2012/13 compared to the current charge of R542.90, resulting in a difference of R3 764.65 A carrying value of R27 502.05 compared to the carrying value of R24 457.10 currently reflected on the Fixed Asset Register Management further interrogated the Fixed Asset Register and did not identify any other items of property, plant and equipment of which the initial recognition can be backdated to prior periods – also refer to management's response per "Finding 2" below. Due to the fact that this is an isolated incidence and the relative immateriality of the amount involved, it is suggested that this is reflected on the schedule of "Unadjusted audit differences". Alternatively, management can make the necessary adjustments to the 2012/13 financial statements to reflect the relevant amount as a correction of a prior period error. <p>Finding 2: Assets with a carrying value of zero recognised as an addition in 2012/13</p> <p>Management disagrees with the audit finding for the reasons detailed below:</p> <ul style="list-style-type: none"> The accounting of these items as additions in 2012/13, as explained below, was not done to correct the zero book value issue raised by the audit team in prior years, but in order to assign a cost to these items, i.e. the actual cost of these items are unknown and management had to estimate the cost using fair values (based on the depreciated replacement cost model) at the time of initial recognition in 2012/13. Management physically verified all assets belonging to the municipality during the 2012/13 financial year. Per the Fixed Asset Register, Asset IDs are recorded for all items. Bar-codes of assets are recorded during the physical verification process. As from 2007, management are recording both the Asset IDs and barcodes on the Fixed Asset Register, i.e. not all items per the "old" Fixed Asset Register had a barcode recorded against it. As a result, management realised that certain items purchased in prior years and verified as still being in existence could not be linked to the "old" Fixed Asset Register. These items had no Asset IDs assigned to it and could also not be linked to source documents, e.g. invoices as the purchase dates of these items are unknown. 	<p>Finding 1: Recognition of VW CITI GOLF C-J47124 as an addition in the 2012/13 financial year</p> <p>Management's response is noted. As per discussion with CFO on 05 November 2013 the municipality agreed to adjust the financial statements in regard to this issue. Adjustments will be followed up by audit team.</p> <p>Finding 2: Assets with a carrying value of zero recognised as an addition in 2012/13</p> <p>Management's response is noted. Based on the discussions held with management and further audit work done confirmed that the assets listed below were added to asset register in the current year after the management performed a verification process wherein these assets were identified and included on asset register. Therefore auditors accept management response.</p>	

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>Cont. A.15 As a result:</p> <ul style="list-style-type: none"> the opening balance for other assets is understated by R 3 090 580 the accumulated depreciation is understated and; the accumulated surplus is overstated <p>3. Costs incurred in prior periods for improvements to buildings were included as additions the current year. The following improvements were identified</p> <p>The accounting treatment is incorrect because the entity was required to capitalise the relevant expenditure in the financial period the expenditure was incurred.</p> <ul style="list-style-type: none"> The opening balance of buildings is understated by R8 926 380.54 which is the projected amount based on the sample tested. Accumulated Surplus was overstated and understated Accumulated depreciation was understated 			<ul style="list-style-type: none"> In terms of the provisions of GRAP 17, management recognised these items under the cost model in the 2012/13 financial year using the fair value of these items at initial recognition. Management did, where applicable, make retrospective adjustments to correct the errors in the Fixed Asset Register associated with property, plant and equipment. These retrospective adjustments also addressed the zero book value issue raised by the audit team in prior years. <p>Finding 3: Cost of building improvements incurred in prior periods recognised as additions in the current year</p> <ul style="list-style-type: none"> Management agrees that certain expenses previously disclosed as "work-in-progress" are currently reflected as 2012/13 additions. A separate class of PPE, "Work-in-progress", will be added to the 2012/13 annual financial statements. Improvements to buildings previously capitalised as "Work-in-progress" will be disclosed as a transfer from "Work-in-progress" to "Buildings". Management, however, disagrees the audit observation in the following instances: <ul style="list-style-type: none"> The following items were purchased and will remain as additions in the 2012/13 financial year. No adjustments will be made for these items 		<p>Finding 3: Cost of building improvements incurred in prior periods recognised as additions in the current year</p> <p>Management's response is noted. Based on discussions held with management and further audit work performed confirmed the following current year additions and "Work in Progress"</p> <p>Management agreed that "Work in Progress" is incorrectly included as additions in the current year. The financial statements were adjusted for the amount of the "Work in Progress". The adjustment made was verified</p>
<p>RECEIVABLES</p> <p>16. Firefighting function performed by the municipality not recognised</p> <p>The municipality has firefighting debtors of approximately R6 million and based on recent age analysis 99% of this debt is >120 days (R5 900 467.31 of R5 947 470.86).</p> <p>Although the municipality regularly bills these debtors, they are not reflected in the financial statements of the municipality</p> <p>When the billing run occurs on a monthly basis, the firefighting revenue is billed automatically on the SAMRAS financial systems, but are then subsequently reversed and not reflected in the ledger and financial statements. The reason why this is done is because on initial recognition the municipality takes into account the recoverability of the revenue and assesses it to be not recoverable at that point and thus no do recognize the revenue and related debtor in its financial statement. The revenue that is recognized is recognized when the debtor pays, thus on a cash basis.</p>	<p>Financial Management:</p> <p>Management did not ensure that policies and procedures were established to ensure the treatment of the revenue and receivable related to firefighting is accounted for in terms of the accounting framework.</p>	<p>Management must amend the processing and accounting for the firefighting revenue and debtors and impairment to ensure it is GRAP compliant.</p>	<p>The statement that the "accounting treatment is inappropriate" is unjust as the reclassification of Fire Fighting accounts from a debtor to a contingent asset, had only occurred upon a former recommendation (CoMAF 14) made by the Auditor General whilst conducting the 2008/2009 annual audit.</p> <p>At the time of the reclassification, management stated that they did not agree with the finding but that they would apply the recommendation made by the Auditor General.</p> <p>Enquiries from the other four District Municipalities in the Western Cape brought to light that there is a consistent uncertainty as to how and when firefighting accounts should be raised and how these debtors should be accounted for.</p> <p>We acknowledge the application requirements published in IGRAP 1, Applying the Probability Test on Initial Recognition of Revenue, paragraphs 8 - 10, but should consider the application of paragraph 28 specifically to the outcome of the transaction and the probability of cost incurred to be recovered.</p> <p>The Fire Services compiles Incident Reports after a service has been rendered and endeavours to submit it to the Finance Department timeously. What makes the submission difficult at times is very often it is difficult to ascertain the details of the responsible person or landowner and in the event of wild land / veld fires the origin of the fire. When we deal with a</p>		<p>Management comment noted and the adjustment to the financial statements was verified.</p> <p>The deficiencies in internal control and commitments made will be followed up with the key control reviews</p>

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>Cont. A.16 The accounting treatment is inappropriate as the assessment (probability test on initial recognition) should firstly be done on an individual transaction basis and not an overall level. Secondly, on initial recognition it is inappropriate to assume collectability will not occur as there is an obligation to collect and a decision not to collect is a subsequent event which should be accounted for as a separate transaction. Finally, impairment testing takes place after initial recognition and is accounted for a separate transaction.</p> <p>The debtors and revenue, including subsequent impairment expenditure, relating to firefighting services are not recognised in the financial statements of the municipality and therefore the financial statements are materially misstated</p>			<p>major fire which normally affects many neighbouring landowners, our resources are deployed throughout the fire area, thus making it impossible to determine the service each landowner received as the fire fighting vehicles are constantly redirected at the scene.</p> <p>Of the total outstanding balance as at 30 June 2013 of R5 947 470.86 (186 accounts outstanding), relating to the provision of firefighting services, 85 (R3 091 086.22) have been handed over to Theron and Partners for further legal action, the first having been handed over in 2004 and the last in 2009, none of which have been successfully collected.</p> <p>The dilemma of the 186 outstanding accounts can be broken down further, indicating that –</p> <ul style="list-style-type: none"> • 21 of the total of 186 outstanding accounts include charges for aerial services utilised by the Fire Department in the amount of R4 560 013.79 <ul style="list-style-type: none"> o 84.75% (R3 864 778.61) of which relates solely to the use of aerial services by the Fire Department. o resulting in only 15.25% (R695 234.98) representing tariff charges for other incidental cost related to service rendered • Outstanding accounts not including the use of aerial services, represent 165 of the total of 186 outstanding accounts, at the value of R1 387 457.07 <p>Therefore, it would be advisable to reconsider the appropriateness and economic feasibility of including aerial services billed as a proposed debtor in the annual financial statements since these cases would have to be settled in a court of law, most instances the High Court, resulting in further legal costs, without any form of assurance of success when pursuing the intended legal action, due to the fact that –</p> <ul style="list-style-type: none"> • the service rate charged is uneconomic and unaffordable to the average man, thereby crippling the local economy and GDP growth of one of the largest contributors to employment and economic activity within the CWDM. • lack of proof of origin and accountability of landowners by Fire Services • in most instances the fire service was not procured or requested by the landowner <p>However granting consideration for the aforementioned Auditor's conclusion, management recommends that;</p> <ol style="list-style-type: none"> a) a policy be developed guiding the functionality of and accounting for firefighting services rendered by the CWDM b) an item be put before Council for the impairment of the aerial service debt as discussed above in the amount of R 4 560 013.79, together with one other, account #650 311 88 in the amount of R 217 194.19 as the service is unaffordable and a single account was raised for a fire that spread across multiple properties. Thus the total amount to be put forth to Council for impairment will be R 4 777 207.98 c) 164 accounts in the annual financial statements for the remaining a debtor be raised in the amount of R 1 170 262.88, as it may be argued that a probability of collection exists as per the Auditor Generals finding above. <p>The provision for bad debt shall also be adjusted accordingly at 65% of firefighting accounts raised as the probability for non-collection before implementation of a sound policy, is greater than that of collection as at 30 June 2013.</p>		

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>REVENUE</p> <p>17. Incorrect treatment of revenue from roads agency function</p> <p>During the audit of Revenue it was identified that the municipality incorrectly accounted for the Roads agency funds received.</p> <p>The municipality recognised revenue to the extent of cost incurred relating to employee cost only (The cost of employees specifically employed by the Municipality to perform the roads function), while all other funds received was netted off against the expenditure incurred.</p> <p>The basis for our conclusion that the above treatment is incorrect is set out below:</p> <p>A service delivery agreement exists between the Cape Winelands District Municipality and the Provincial Government Western Cape: Transport and Public works.</p> <p>In terms of this agreement "The District Municipality undertakes to maintain, repair, protect and manage proclaimed provincial roads in their area as identified by the District Roads Engineer in a safe and reliable condition within the legal framework of the various ordinances, Acts and Regulations.</p> <p>The funds may only be utilised for the purpose for which it has been approved, i.e. roads funds may not be used by the District Municipality for non – roads purposes.</p> <p>Projects that have not commenced within 6 months after the funds have been paid over, these funds, with interest, must immediately be refunded to the Department of Transport and Public Works.</p> <p>Surplus funds, including available interest, on completion of the project must be paid back to the Department of Transport and Public Works immediately.</p> <p>Should the District Municipality breach any of all of the terms and conditions contained within the agreement, The Province, without detriment to any other remedy which may be available to it in Law, shall be entitled to immediately and without notice to the District Municipality, cancel the agreement and reclaim all funds allocated, together with interest thereon.</p>	<p><i>Financial management</i></p> <p>Management did not interpret the financial reporting requirements correctly which has led to the incorrect treatment of revenue from the Roads agency function and therefore misstatements in the financial statements.</p> <p>The misstatement is material including prior year error which should be reversed and corrected.</p>	<p>Management should ensure that the amendments are made to the financial statements to correctly account for the Roads agency function in terms of GRAP.</p> <p>Management should further ensure that quarterly financial statements are produced as reviewed for quality against the GRAP reporting framework, to ensure that the municipality is able to ensure that complicated GRAP matters are dealt with correctly.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies.</p>	<p>Management takes cognisance of the audit finding and will adjust the 2012/2013 financial statements in line with the audit recommendation in order to avoid an audit qualification.</p> <p>The audit team is extensively referring to GRAP 23 on Revenue from Non-exchange Transactions (Taxes and Transfers), whilst Management interpreted that all activities relating to performing this function on behalf of the Provincial Department of Transport should be accounted for in terms of GRAP 9, Revenue from exchange transactions, including reference to the principles on accounting treatment of principal / agent transactions.</p> <p>In considering the underlying elements or facts relating to the transaction is firstly the road network / infrastructure which belong to the Provincial Department of Transport (i.e. the road network / infrastructure asset is not an asset of the Municipality and as such is not recognised in the financial statements of the Municipality). Secondly, the roads function in this case (i.e. construction and maintenance) is the function and responsibility of the Provincial Department of Transport and not that of the Municipality.</p> <p>This was interpreted that it is the intention of the Provincial Department of Transport to record in their financial statements the accounting transaction relating to this function. Thus accounting for this function as recommended by the AG, might result in "double counting" of this function and might not result in a fair presentation.</p> <p>Previous accounting treatment:</p> <p>In prior years, the Municipality recognised in its fixed asset register and the annual financial statements moveable assets which were acquired using the funds allocated by the Provincial Government. These assets were not depreciated as the Provincial Government did not recognise "depreciation" as an expense item for budgeting purposes.</p> <p>When the assets were recognised, the other side of the entry (the credit) was recognised as income. Then, the same amount was transferred from accumulated surplus to a reserve (Government Grant reserve).</p> <p>Correction of the previous accounting:</p> <p>CWDM reviewed the accounting treatment previously applied in relation to the assets which have been acquired using the funds allocated by the Provincial Government as part of the above agreement. On review of the agreement, CWDM is of the view that the roads function is actually the function of the Province and not that of the District Municipality. As a result, the related assets and expenses should be recognised at the Provincial Government and not by CWDM. This view is supported by what has been indicated in the background section above. The District Municipality only undertakes to maintain, repair, protect and manage the proclaimed <u>Provincial Roads in their area.</u></p>	<p>Given the fact that audit team considered the inconsistencies in the application of this function and the number of issues related to this agreement which affected not only the different forms of revenue but the treatment of assets and inventory it was decided that a technical submission to the AGSA's Audit Research and Development unit should be done where it was concluded that:</p> <p>The municipality is not acting as the departments' agent but as its principle in providing repairs and maintenance.</p> <p>The revenue received should not be recognised as grant revenue, but as exchange revenue for road repair and maintenance services provided.</p> <p>Expenditure incurred should be classified either by the function or nature, if the municipality has elected on present expenses based on their nature then the expenses related to the road repair and maintenance service should be presented in the PER according to their nature, e.g. employee benefits, purchases of materials, transport costs, etc.</p> <p>Day-to-day minor routine maintenance material that the municipality must purchase through its own procurement section should be accounted for by the municipality as its inventory.</p>	

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p><i>Cont. A.17</i> Based on the above terms of the agreement (Which is attached for ease of reference) it is evident that the funds received by the District Municipality are subject to stipulations as defined in GRAP 23. These stipulations are conditional in its nature as defined in GRAP 23.</p> <p>It is noted per the agreement that the municipality is entitled to an agency fee for performing the road maintenance function; however this is incidental which is correctly recognised separately as exchange revenue.</p> <p>The receipt of the agency fee does not however change the substance of the agreement and/or the treatment of the rest of the funds received; they meet the definition of non – exchange revenue as they are subject to conditions as defined in GRAP 23 and thus should be accounted for in terms of GRAP 23. The correct accounting treatment is to account for the revenue as non-exchange revenue in terms of paragraphs 42, 43 and 45 above.</p> <p>In terms of GRAP 1, offselling is only allowed if required or permitted by a standard of GRAP. In this case GRAP 23 is applicable and it does not allow for the netting off of assets and liabilities and revenue and expenditure. Per paragraphs 42, 43 and 45 of GRAP 23 as defined above a separate assets and liability is recognised when the funds are received and revenue is recognised when the conditions have been satisfied.</p> <p>As stated earlier, separate revenue recognition is applicable to the agency fee received based on the requirements of GRAP 9 (Revenue from exchange transactions). The following reconciliation performed by us indicates the following possible misstatement: R 15 867 877</p> <p>UNAUTHORISED EXPENDITURE</p>			<p>The Provincial Government supply the necessary funds, specifications, plant and equipment and Professional Engineering support and also measure, monitor, manage the works.</p> <p>The agreement also indicates that the CFO of the Municipality must supply the department with the monthly expenditure statement to enable the department to recognise the expenditure incurred. This also demonstrates that the repairs and the maintenance of Provincial roads is the function of the Province rather than that of CWDM.</p> <p>In terms of the agreement, reasonable administration overhead (Agency fee) and indirect costs must be budgeted for in detail for each year and provided to the District Roads Engineer for approval with a copy to the Provincial Roads Branch Head Office. Therefore, the agency fee should be recognised as income, and the recovery of overheads to an extent that the recovery relates to the expenses incurred by CWDM.</p> <p>Effect of correcting previous accounting:</p> <p>The accounting treatment previously followed was incorrect. The amounts involved are significant and therefore, there has been a prior period error</p>		<p>Maintenance material other than minor routine materials that the department will provide based on monthly request in accordance with business or project management plans.</p> <p>It therefore appears that this category of materials is controlled by the department and should be accounted for by the department.</p> <p>It would appear that the plant and equipment are controlled by the department and should be accounted for in the department's AFS.</p> <p>The adjustment made was verified</p>
<p>18. Unauthorised Expenditure During the audit of unauthorised expenditure the following was discovered.</p> <p>The over expenditure of R5 353 139.91 was confirmed to a SAMRAS report provided by management.</p>	<p><i>Financial management</i></p> <ul style="list-style-type: none"> Review and monitor compliance with applicable laws and regulations 		<p>Management is not in agreement with the audit finding relating to the Corporate Services vote for the following reasons: Corporate Services - In making the comparison, the auditors made use of the SAMRAS trial balance and expenditure per vote. The 2012/13 annual financial statements are based on the Caseware (adjusted) trial balance.</p>		<p>Managements' response is acknowledged. The final set of financial statements was inspected to confirm that the disclosure has been made.</p>

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>Cont. A.18</p> <p>The unauthorised expenditure was not disclosed in the financial statements. Management did adequately review the financial statements to ensure that the correct disclosures were made</p>	<p>Management did not review or monitor expenditure per vote to ensure that the budget is not exceeded and this has resulted in unauthorised expenditure</p>	<p>Management should review and monitor expenditure per vote regularly to ensure that expenditure per vote is not exceeded.</p>	<p>The expenditure per vote, as per CaseWare, must therefore be used by the audit team when comparing budgeted and actual amounts per vote to identify possible unauthorised expenditure and not the balances per the SAMRAS report, e.g. the depreciation charge for the year changed due to the comprehensive review of the Fixed Asset Register as more fully explained below.</p> <p>During the 2012/13 financial year, management undertook an extensive review of the property, plant and equipment (fixed assets) controlled by the municipality. A full review was performed of the residual values and useful lives of the entity. As a result, the depreciation expense per the corporate services vote was significantly lower than expected and budgeted for.</p> <p>As per attached schedule, the actual final depreciation charge for the Corporate Services vote is R3 540 323.67 less than the depreciation charge per SAMRAS resulting in no overspent/ unauthorised expenditure in respect of this vote for the 2012/13 financial year, i.e. this equates to an underspend of R194 386.64 on the Corporate Services vote which is a variance of less than 1% of the total approved budget for this vote.</p> <p>Financial Services:</p> <p>Management is in agreement that the budgeted amount for Financial Services was overspent. This was as a result of the entity not budgeting for the long service award. This amount was previously calculated by the VIP Payroll system, but the municipality obtained an actuarial valuation of this defined benefit obligation during the 2012/13 financial year. As a result, there was an allocation to the Financial Services division of long service bonuses (employee costs) amounting to R2 531 709.97. This is the reason why the actual expenditure for the Financial Services vote exceeded the budgeted amounts for the 2012/13 financial year.</p> <p>The annual financial statements will be adjusted to reflect this amount as unauthorised expenditure. Reasons for the variance/ unauthorised expenditure will also be provided.</p> <p>Internal control deficiencies:</p> <p>Adequate review procedures did occur. Significant variances occurred due to a comprehensive review of the fixed asset register and actuarial valuations done for the first time. Management is of the view that these instances are of a once off nature.</p> <p>Where possible, any adjustments due to actuarial valuation, fixed asset review and alike will be performed closer to the beginning of the financial period in an attempt to adjust the budget to accommodate changes necessitated by the aforesaid.</p>	<p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>	

B - Other Important Matters

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
BUDGETS					
1. Compliance with the municipal budget and reporting regulations					
<p>During the audit of Budgets discovered the following:</p> <ul style="list-style-type: none"> Monthly budget statements are not disclosed on municipality's website. Management was unaware of the requirement to publish monthly budget statements on the website. This has resulted in non-compliance with MFMA Municipal Budget and Reporting Regulations GN 393 paragraph 30. 	<p><i>Financial management</i></p> <ul style="list-style-type: none"> Review and monitor compliance with applicable laws and regulations Management did not put processes in place to adequately monitor compliance with the MFMA regulations, to ensure that the monthly budgets were published on the municipality's website. 	<p>Management must disclose the monthly budget statements on the website.</p> <p>Management must review all applicable laws and regulations to ensure compliance</p>	<p>Management did not publish the section 71 reports on its website because it is not a requirement of the MFMA. Cognisance is taken of your finding with regard to the requirement of the Municipal Budget and Reporting Regulations</p> <p>A clean audit committee has been established. Regular reports on the clean audit process with regard to each finding are going to be submitted and scrutinized by the committee. . Furthermore Interim financial statements for the following periods are going to be compiled and submitted to Internal Audit for review:</p> <ul style="list-style-type: none"> November 2013 December 2013 March 2014 	<p>Management will in future publish the section 71 Monthly Reports on the municipality's website.</p> <p>The Municipality already adopted a Compliance Checklist (refer to COMAF 7) as part of its Clean audit drive however compliance with the relevant Section 123 of the MFMA has been omitted from the said list but will be incorporated accordingly. In addition, Provincial Government Western Cape availed funds to enable the Municipality to acquire the IGNITE Compliance model to ensure improved compliance</p>	<p>Managements' response is acknowledged.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement</p>
2. Budget disclosures in appendix G misstated					
<p>Appendices referenced to notes in financial statements must be valid, accurate and complete. Information disclosed must be supported by source documents and an accounting system.</p> <p>During the audit of budgets discovered the following:</p> <ul style="list-style-type: none"> There are differences between budgeted and actual figures on SAMRAS and the figures disclosed in Appendix G of financial statements. 	<p><i>Financial management – Prepare regular, accurate and complete</i></p> <p>Management did not ensure that the information utilized to prepare the budget information is accurate. This information provided to audit could not be substantiated by any other evidence for the differences as indicated above.</p>	<p>Appendix G should be amended to reflect figures per the accounting system.</p> <p>To avert this in future management should prepare quarterly financial statements and ensure that information in the financial statements (and appendices) is supported by accounting system and source documents.</p>	<p>Differences resulted due to the following:</p> <ul style="list-style-type: none"> The difference that exists in the strategic objective Economic Development and Regional Services is due to the treatment of Working for Water. The expenditure is treated as an reimbursement in the Annual Financial Statement, but on SAMRAS the vote is still part of Economic Development and Regional Services. The differences that exist in the strategic objective Corporate Services is due to the treatment of the Roads Agency. Item 1 1002 0623 was treated as part of the Roads in order to be consistent. The differences that exist in the strategic objective Financial Services is due to the treatment of the Roads Agency. Item 1 1235 0644 relates to the recovery of store issues chargers. The difference in the strategic objective Agency Roads is due to the treatment of the Roads function as a reimbursement Income. 	<p>The financial statements will be amended to reflect the correct amounts for the affected balance and disclosure note, considering the technical opinion obtained by the AG on the application of the relevant GRAP standard.</p>	<p>Management response noted. Auditors accept management's response as actual amounts have changed on Appendix G no longer reference the Statements of Comparison of Budget and Actual amounts. Appendices E(1) and (2) and Appendix K are the new appendices.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
Cont. B.2 Inspection of the financial statements revealed that note 29, <i>Short-term investments</i> , did not disclose the following as required by section 125(2)(a) of the MFMA: <ul style="list-style-type: none"> • The type of account is not disclosed • The opening balance of the main bank account (ABSA) is not disclosed for each year. 	<p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>The reviews of the financial statements were not adequate as the cash and cash equivalent note did not contain all information as required, resulting in non-compliance with s125 (2)(a) of the MFMA.</p>	<p>The disclosure should be amended to comply with the requirements of section 125(2)(a) of the MFMA.</p> <p>Management should ensure adequate review of the financial statements is performed to ensure accuracy and completeness.</p> <p>Management should consider implementation of a comprehensive checklist which will assist with this matter.</p>	<ul style="list-style-type: none"> • Journals related to the depreciation and other issues were not passed on SAMRAS and will only be done after the audit. The reason behind this is the CWDM wants to be sure that the Auditor General is satisfied with the way the journals were done. • The depreciation was calculated for the different departments and then the SAMRAS depreciation was written back and then reallocated in the Appendixes to give a true reflection of the expenditure for the 2012/2013 financial year. • In general the differences are due to the treatment of the votes Roads Agency and Working for water and the depreciation. <p>The Differences elaborated on above will be adjusted with the restatement of the Revenue and Expenditure of the Agency functions.</p> <p>The changes in the accounting policy were done at year end and system configuration is necessary to split the expenses into different strategic objectives.</p> <p>The Municipality appointed a service provider to assist management to review the application of GRAP; hence the misstatements are as a result of interpretation differences</p>	<p>Adjustments to the disclosure in the financial statements have been made.</p> <p>The Municipality adopted a Compliance Checklist (attached) as part of its Clean audit drive however compliance with s125 of the MFMA has been omitted from the said list but will be incorporated accordingly.</p> <p>In addition, PGWC availed funds to enable the Municipality to acquire the IGNITE Compliance model to ensure improved compliance</p>	<p>The final set of financial statements was inspected to confirm that the relevant accounts have been updated and corrected accordingly. Internal control deficiency identified will be reviewed at the next key controls engagement.</p>
<p>CASH AND CASH EQUIVALENTS</p>					
<p>3. Insufficient disclosure of bank details in the financial statements</p>					
Inspection of the financial statements revealed that note 29, <i>Short-term investments</i> , did not disclose the following as required by section 125(2)(a) of the MFMA: <ul style="list-style-type: none"> • The type of account is not disclosed • The opening balance of the main bank account (ABSA) is not disclosed for each year. 	<p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>The reviews of the financial statements were not adequate as the cash and cash equivalent note did not contain all information as required, resulting in non-compliance with s125 (2)(a) of the MFMA.</p>	<p>The disclosure should be amended to comply with the requirements of section 125(2)(a) of the MFMA.</p> <p>Management should ensure adequate review of the financial statements is performed to ensure accuracy and completeness.</p> <p>Management should consider implementation of a comprehensive checklist which will assist with this matter.</p>	<ul style="list-style-type: none"> • Journals related to the depreciation and other issues were not passed on SAMRAS and will only be done after the audit. The reason behind this is the CWDM wants to be sure that the Auditor General is satisfied with the way the journals were done. • The depreciation was calculated for the different departments and then the SAMRAS depreciation was written back and then reallocated in the Appendixes to give a true reflection of the expenditure for the 2012/2013 financial year. • In general the differences are due to the treatment of the votes Roads Agency and Working for water and the depreciation. <p>The Differences elaborated on above will be adjusted with the restatement of the Revenue and Expenditure of the Agency functions.</p> <p>The changes in the accounting policy were done at year end and system configuration is necessary to split the expenses into different strategic objectives.</p> <p>The Municipality appointed a service provider to assist management to review the application of GRAP; hence the misstatements are as a result of interpretation differences</p>	<p>Adjustments to the disclosure in the financial statements have been made.</p> <p>The Municipality adopted a Compliance Checklist (attached) as part of its Clean audit drive however compliance with s125 of the MFMA has been omitted from the said list but will be incorporated accordingly.</p> <p>In addition, PGWC availed funds to enable the Municipality to acquire the IGNITE Compliance model to ensure improved compliance</p>	<p>The final set of financial statements was inspected to confirm that the relevant accounts have been updated and corrected accordingly. Internal control deficiency identified will be reviewed at the next key controls engagement.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
COMMITMENTS					
4. Accounting policy for commitments not disclosed in the financial statements					
The entity did not disclose the accounting policy for future commitment to ensure the users of financial statement have an understanding of the financial statements. This is a disclosure deficiency in terms of GRAP 1.	<p>Financial management – Regular, accurate and complete financial reports</p> <p>Management did not put adequate review procedures in place to ensure that the financial statements were accurate and GRAP compliant before submission for audit.</p>	<p>Management should disclose the accounting policy for future commitments in the summary of significant accounting policies.</p> <p>Management should prepare financial statements timeously to ensure that the adequate review is performed and non-compliance to GRAP is identified and fixed accordingly.</p>	<p>Management did not deem an accounting policy on Contingent liabilities to be a significant accounting policy and as such, this was not compiled and disclosed in the annual financial statements.</p>	<p>Management will update the 2012/13 annual financial statements to incorporate an accounting policy on commitments.</p> <p>An accounting policy to deal with commitments will be compiled and incorporated in the 2012/13 financial statements</p>	<p>Further discussions indicated that GRAP 17 require disclosure of the future capital commitments only. Due to the amount not being material management indicated that an accounting policy is not required.</p> <p>The error in the disclosure of the commitments however can be attributed to the fact that no accounting policy was formulated.</p> <p>This matter will remain in the management report, as it is recommended to consider including an accounting policy and will be followed up with the next key controls engagement.</p>
CONTINGENT LIABILITIES					
5. Accounting policy for contingent liabilities not disclosed in the financial statements					
<p>Paragraph 127(c) of GRAP 1, <i>Presentation of Financial Statements</i>, states that an entity shall disclose in the summary of significant accounting policies the other accounting policies that are relevant to an understanding of the financial statements.</p> <p>The entity did not disclose the accounting policy for contingent liabilities to ensure the users of financial statement have an understanding of the financial statements. This is a disclosure deficiency in terms of GRAP 1.</p> <p>This was missed because the municipality's review process of the financial statements was not rigorous enough to detect all disclosure deficiencies.</p> <p>The impact of this is that users of the financial statements would not have sufficient information to understand the municipality's recognition and measurement criteria for contingent liabilities disclosed in the financial statements</p>	<p>Financial management – Regular, accurate and complete financial reports</p> <p>Management did not put adequate review procedures in place to ensure that the financial statements were accurate and GRAP compliant before submission for audit.</p>	<p>Management should disclose the accounting policy for contingent liabilities in the summary of significant accounting policies.</p> <p>Management should prepare financial statements timeously to ensure that the adequate review is performed and non-compliance to GRAP is identified and fixed accordingly.</p> <p>The implementation of a checklist should be considered to assist with the review</p>	<p>Management did not deem an accounting policy on Contingent liabilities to be a significant accounting policy and as such, this was not compiled and disclosed in the annual financial statements.</p>	<p>Management will amend the 2012/13 annual financial statements accordingly.</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected to confirm that the accounting policies have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Management's Response	Proposed Corrective Action	Auditors Conclusion
<p>DISCLOSURES</p> <p>6. <i>Compulsory MFMA disclosures not reported</i></p> <p>During the audit of the financial statements the following non compliance with disclosures as per the MFMA were discovered:</p> <ol style="list-style-type: none"> Expenditure from allocations received were not disclosed per vote (MFMA s123(1)(c)) No reasons were given for non-compliance with conditions of allocations received (MFMA s123(1)(e)) Inspected the Division of Revenue Act (DoRA), 2012 and confirmed that the allocation to the municipality was R205 814 000. Recalculated the amounts disclosed as DoRA grants per the financial statements and determined that it is R200 081 000. The difference is R5 733 000. These funds were destined for the municipality and were not received. No reasons are given for delay or withholding. (MFMA s123(1)(f)) The financial statements do not disclose the total amount of contributions to organised local government for the financial year, and the amount of any contributions outstanding as at the end of the financial year. (MFMA s125(1)(b)) <p>Management did not adequately review compliance with laws and regulations when compiling financial statements.</p> <p>This has resulted in non compliance with sections 123(1)(c), 123(1)(e), 123(1)(f) and 125(1)(b) of the MFMA.</p>	<p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>As classified by the Internal control framework, this is typical of a failure in - <i>Financial management</i></p> <ul style="list-style-type: none"> Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. <p>The reviews of the financial statements were not adequate as the disclosure notes did not contain all information as required by the MFMA, resulting in non-compliance with section 123 and 125 of the MFMA.</p>	<p>The disclosure should be amended to comply with the requirements of section 123 and 125 of the MFMA.</p> <p>Management should ensure adequate review of the financial statements is performed to ensure accuracy and completeness.</p> <p>Management should consider implementation of a comprehensive checklist which will assist with this matter.</p>	<p>1. Expenditure from allocation per vote (MFMA s123(1)(c)) Management will adjust Appendix F to indicate the expenditure per vote (e.g. "Financial Services" for the Financial Management Grant and "Corporate Services" for the Municipal Systems Improvement Grant) for grant monies received.</p> <p>2. No reasons for non-compliance of allocations (MFMA s123(1)(e)) Management disagrees with the audit finding. The municipality spent grant monies received in accordance with the grant conditions. Management, however, did not indicate the reason(s) why grant monies were not fully utilised at year-end.</p> <p>3. No reasons for withholding (MFMA s123(1)(f)) The amount not disclosed comprise of 2 parts:</p> <ul style="list-style-type: none"> A contingent asset of R 4 830 000 was disclosed in note 30 to the 2012/13 annual financial statements. This amount relates to MIG funding that was withheld by National Treasury. This grant was incorrectly regarded as unspent by National Treasury and therefore deducted from the Municipality's 2012/13 Equitable Share allocation as it reverted back to the National Revenue Fund. Reasons were disclosed in note 30 "Contingent asset" Note 18 relating to the recognition of revenue relating to government grants will be updated to reflect that an amount of R4.8 million was withheld by National Treasury from the municipality's equitable share allocation during the 2012/13 financial year due to the reasons outlined above, i.e. the aforesaid details will be added to note 18 and note 18 will be referenced to note 30. <p>• Management omitted to disclose the reasons for the unused balances at 30 June 2011 relating to the following grants: Note 18 to the 2012/13 financial statements will be updated to reflect that the municipality's 2012/13 equitable share allocations were reduced by the above listed amounts as these unused monies reverted back to the National Revenue Fund.</p> <p>4. Non-disclosure of total amount of contributions to organised local government (MFMA s125(1)(b)) The municipality disclosed the pre-payment of membership fees to organised local government in Note 6 (Other receivables from exchange transactions) to the financial statements. As such, management did not deem it necessary to disclose it in a separate note. However, a note pertaining to contributions to organised local government will be included to indicate the said contribution.</p> <p>Management agrees with your recommendation. Adjustments to the disclosure in the financial statements have already been made.</p>	<p>Audit agrees and verified explanations for 2 above.</p> <p>The disclosures as indicated by management were verified to the final set of financial statements</p>	

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>EMPLOYEE COSTS</p> <p>7. Provision not raised for performance bonuses</p> <p>The municipality has a policy of paying a performance bonus to qualifying employees, subject to the approval by the Council. In the prior year the municipality raised a provision for performance bonuses of R469 414.00.</p> <p>During the current year a provision was not created for performance bonuses under the short-term employee benefits disclosed in note 15 to the financial statements. The current year's actual expense of R327 211.00 paid with regards to the performance bonuses provided for in the prior year was set off against the prior year provision of R142 203 being deducted from employee related costs in note 22 to the financial statements.</p> <p>At the year-end, the municipality has a present obligation to pay performance bonuses, based on the policy setting out the performance terms and percentages of bonuses. As the outflow of resources is probable and a reliable estimate can be made of the amount of the obligation, a provision should be raised for the estimated cost of the performance bonus to be paid for the 2012-13 financial year.</p> <p>Management stated that the reason for no provision created during the current year is that the performance bonuses are directly expensed in the next year. This is not in terms of the principles of GRAP, as indicated by paragraph 37 of the <i>Framework for the preparation of financial statements</i>, which indicates that the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent are received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.</p> <p>The results in a misstatement as the provision for performance bonus and performance bonus expense are both understated in the current year.</p>	<p>Financial management— Regular, accurate and complete financial reports</p> <p>Management did not ensure that the principles of GRAP were used correctly and consistently from the prior year with regards to the recognition of a performance bonuses, due to a lack of understanding by those preparing the financial statements. The financial statement review processes also did not identify and correct this error.</p>	<p>Management should ensure that the financial statements undergo a thorough review process before being submitted to audit.</p> <p>Management should also correct the error identified by providing for the year-end performance bonus, and submitting all supporting schedules and calculations for the provision for audit.</p>	<p>Management does not agree with the audit finding for the following reasons:</p> <ul style="list-style-type: none"> Per the definition of a "provision", a constructive obligation exists at year-end to pay performance bonuses. However, management is of the view that a reliable estimate of the obligation cannot be made and as such no provision was made for the payment of performance bonuses. Management is further of the view that the accounting treatment of performance bonuses should be evaluated with reference to GRAP 25 on Employee Benefits rather than GRAP 19 on Provisions, Contingent Liabilities and Contingent Assets. The only known factor at year-end is the maximum amount (7% of cost of employment excluding the performance bonus) – that may be paid to qualifying employees, i.e. Section 57 Managers. This is in terms of a resolution passed by Council at a Council Meeting held on 25 April 2012. The actual amount (percentage) paid may differ significantly from one Section 57 manager to another. Section 57 manager as this is based on performance of the individual managers. This is evidenced by the amount of R469K included in the 2012 annual financial statements compared to the actual amount paid of R327K - this is a difference of 30% which in management's view is material. Also the actual amount due and payable to qualifying employees and the date at which the performance bonuses are approved by Council may vary significantly from year to year. <p>Also the payment of performance bonuses is subject to the following of a rigorous assessment process with no certainty as to the outcome of the assessment. The roadmap of the assessment process can be provided to the audit team to substantiate this statement.</p> <p>Management does not agree with the internal control deficiency. In deciding not to provide or disclose for the performance bonus, management has considered the definitions of Provision as contained in terms of GRAP 19.</p> <p>The financial statements were reviewed prior to submission thereof to the auditors. Management has considered the recognition of 2013 performance bonuses in the 2012/13 financial statements, but decided against it for the reasons outlined above.</p>	<p>Management's response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>	

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>8. Employee benefits - Prior year errors in disclosure of information</p> <p>Paragraph 44 of GRAP 3, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>, states that an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:</p> <p>(a) Restating the comparative amounts for the prior period(s) presented in which the error occurred; or</p> <p>(b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets for the earliest prior period presented</p> <p>As a result of the above errors, employee benefits as disclosed in the statement of financial position and note 15 to the financial statements is misstated as documented above.</p> <p>Management did not ensure financial statements are adequately reviewed before submission to audit.</p>	<p>Financial management – Regular, accurate and complete financial reports</p> <p>Management processes implemented for the review of the financial statements were inadequate as the employee benefits note and the prior period error note was not adequately disclosed during the preparation and finalisation of the financial statements.</p>	<p>Management must amend the financial statements to reflect the correct amounts for the affected balance and disclosure note.</p> <p>Adequate review processes should be implemented to ensure the financial statements are reviewed before it is submitted for audit.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies.</p>	<p>This query will be answered by looking at the items individually.</p> <p>Line 2</p> <p>Management would like to place on record that the current service costs for Long Service Awards in 2012/13 is R641 497, whilst the amount estimated by the actuaries for the 2013/14 financial year is R699 128, i.e. the audit finding is linking these amounts to the incorrect financial year.</p> <p>In terms of GRAP 25 Employee Benefits, other long term employee benefits are defined as "employee benefits (other than post employment benefits and termination benefits) that are not due to be settled within 12 months after the end of the period in which the employees render the related services (GRAP 25.08). The accounting treatment of other long term employee benefits is similar to the treatment of post employment benefit plans. The nature of other long term employee benefits and post employment benefits is that they are long term, hence their classification as long term liabilities. That classification remains until and up to the date that the liability is settled i.e. they are not reclassified to short term when the remaining period to payment is within 12 months. The disclosure requirements in GRAP 25 also do not indicate a need to reclassify to short term any amount payable within 12 months.</p> <p>As such, in line with applicable GRAP standards and guidelines as stated above, management has not disclosed a short term portion of the long service awards. No adjustments will be made in this regard.</p> <p>Line 3</p> <p>The 2011/12 results were restated to account for the difference of R45 682. Management will include this amount in the notes to the financial statements as a restated balance.</p>	<p>Management's response is acknowledged. We respond per line item as below:</p> <p><u>Long term employee benefits – Long service award</u></p> <p>Regarding the classification in terms of GRAP 25, paragraph 147 regarding disclosure of other long-term liabilities.</p> <p>Paragraph 68(c) of GRAP 1 defines a current liability as a liability that is due to be settled within twelve months after the reporting date. Inspection of page 18 of the Arch Actuarial Report for Long Service Awards indicated an amount of expected vesting for the 2013/14 financial year of R1 454 528 (2012/13: R959 830). This would indicate amounts expected to vest within 12 months, and therefore is indicative of a short-term portion of the long service award. These amounts should be recognised by management as such in the financial statements. We recommend that management make the necessary adjustment, as the amount is close to being individually material, and when aggregated with other errors may be cumulatively material.</p> <p><u>Post retirement medical aid benefit</u></p> <p>The final set of financial statements was inspected to confirm that the relevant accounts have been updated and corrected accordingly.</p>	<p>Management's response is acknowledged. A reconciliation was subsequently provided for the month of May, however, only the net total is reconciled and still need to be refined to indicate the breakdown of salary expenditure and deductions.</p>
<p>9. Salary run reconciliations not performed</p> <p>Control activities are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. They may be preventive or detective in nature and may encompass a range of manual and automated activities such as authorisations and</p>	<p>Financial Management</p> <p>To implement controls over daily and monthly processing and reconciling of items.</p>	<p>Controls should be implemented where management can gain assurance that all data transferred from the VIP Payroll system to the SAMWRAS financial system is valid, accurate and complete by ensuring</p>	<p>Management disagrees with the AG's findings. The AG omitted the credits on the SAMWRAS system when they recalculated the reconciliation and they omitted 2 votes, therefore their reconciliation has a difference.</p>	<p>An appropriate format will be designed for the reconciliation where the preparer and supervisor will sign off.</p>	<p>Management's response is acknowledged. A reconciliation was subsequently provided for the month of May, however, only the net total is reconciled and still need to be refined to indicate the breakdown of salary expenditure and deductions.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>Cont. B.9</p> <p>approvals, verifications, reconciliations and business performance reviews.</p> <p>We confirmed that management does not perform monthly reconciliations between the salary data transferred from the VIP Payroll system to the SAMRAS financial system to confirm that the information on SAMRAS is valid, accurate and complete.</p> <p>After further enquiry the salaries department was not able to explain the reason for the difference identified.</p> <p>The risk exists that there are unexplained differences for all the months, and that the information in SAMRAS, and therefore the financial statements, may not be valid, accurate and complete</p>	<p>Management has not implemented procedures to ensure that differences between the two systems are identified and cleared and that it is monitored and approved.</p>	<p>control totals are checked and that reconciliations of data between the two systems are performed.</p> <p>Where differences occur these should be followed up and reconciled, and reviewed and approved by management as evidence of this review.</p> <p>Management should perform reconciliations for the months July 2012 to June 2013, to confirm that the amounts transferred to the SAMRAS system are valid, accurate and complete.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies.</p>		<p>Management will complete monthly reconciliations for SAMRAS and VIP in the appropriate format. All reconciliations will be duly authorised by the relevant manager for accuracy and completeness</p>	<p>Management's actions with regards to the internal control deficiency identified with regards to the format of the reconciliation will be reviewed at the next key controls engagement.</p>
<p>10. Management of vacant post</p> <p>During the audit of assessment of HR management it was noted that the post of Chief Director was vacant from 1 October 2011 to 30 October 2012 and the post was only advertised on 2 September 2012.</p>	<p><u>Leadership – Human resource management</u></p> <p>This internal control deficiency is classified by the internal control framework as a failure in financial management to implement controls over filling of vacant posts and advertising thereof.</p> <p>Management has not implemented procedures to ensure that posts are filled within 12 months and advertised within 6 months.</p>	<p>Vacant posts needs to be filled within 12 months and advertised within 6 months</p>	<p>The Municipal Manager, in terms of delegated powers granted to him at Item EC.3 on 13 February 2003 approved that a monthly extraordinary allowance be paid to the Manager: Projects and Technical Support Services, Mr F van Eck until such time when the post of Executive Director: Engineering and Infrastructure Services will be filled. Hence, it should be noted that the acting period of Mr F van Eck never did exceed a continuous period of six months.</p> <p>It should further be noted that in terms of section 56(3)(a) vacant posts of managers directly accountable to municipal managers must be advertised nationally to attract a pool of candidates nationwide, which is a very costly exercise, especially if it is done on a post-by post basis, thus the Council resolved to advertise all the posts on the macro structure simultaneously</p>	<p>It should be taken into account that during the period under discussion, the Cape Winelands District Municipality underwent an Organisational Design project, thus it was not normal circumstances and that the acting period did not exceed six months. It can also not be found in the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) that the posts of managers directly accountable to municipal managers should be filled within a period of twelve months.</p>	<p>Management's response is acknowledged. We note the technicality around paying an acting allowance versus paying an extraordinary allowance, and although it is indicated that the Municipal Manager would take direct control over the department, the manager was still performing the duties of the acting executive director.</p> <p>We further indicate that we did not reference to the MSA when indicating that the post was not filled within 12 months; this is a best practice based on other good principles of internal control and therefore this finding has been raised as an internal control deficiency and not a non-compliance with any legislation.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>HERITAGE ASSETS</p> <p>11. Heritage assets policy not developed resulting in understatement of assets disclosed</p> <p>The control environment establishes the foundation for the internal control system by providing fundamental discipline and structure. It sets the tone of the organisation, influencing the control environment has a pervasive effect on control consciousness and effectiveness within the entity.</p> <p>The entity did not develop and approve a policy and related procedures to facilitate the identification, measurement and management of heritage assets in terms of GRAP 103, <i>Heritage Assets</i>, which became effective as from 1 April 2012.</p> <p>Paragraph 4 of GRAP 103 defines heritage assets as assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.</p> <p>Upon physical inspection of assets in the entity's possession at 46 Alexander Street Stellenbosch, the following items were identified as possible heritage assets as based on the nature of the assets they meet the definition of heritage assets:</p> <ul style="list-style-type: none"> Reference books titled <i>Historians History of the World: Volumes 1 – 13, published in 1908, London Times</i> Council chamber furniture: Slinkwood table Historical artefacts in the council chamber Chandeliers fitted in 1935 Desk in the speaker's office Chairs in waiting room <p>This results in an understatement of heritage assets disclosed in the financial statements as the entity's staff are not aware of expected internal controls for the identification, measurement and management of heritage assets.</p>	<p>Leadership – Policies and procedures</p> <p>Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities.</p> <p>The accounting authority did not identify and address emerging risks adequately such as the implementation of new standards, by ensuring the municipalities readiness to deal with new GRAP statements.</p> <p>The lack of an adequate policy and procedures to deal with heritage assets resulted in the municipality not identifying and dealing with heritage assets adequately in terms of GRAP 103, including consideration of the applicable directive.</p> <p>As a result the heritage assets could possibly be understated in the fixed asset register and financial statements.</p>	<p>The accounting authority should implement and approve a heritage asset policy to facilitate a clear understanding by all staff personnel of the required expectations, which will mitigate potential error of the recognition and disclosure of heritage assets.</p> <p>Management should also assess the assets identified above to determine whether they do in fact meet the definition of heritage assets and should be recognised as such in the fixed asset register and the financial statements.</p> <p>Management should perform other procedures to identify any further heritage assets exist and should be recognised by the municipality.</p>	<p>General</p> <p>Management noted the comments of the audit finding. Management, however, did consider the recognition of certain items as heritage assets prior to the finalisation of the 2012/13 financial statements and based on management's judgement these items were not recognised as heritage assets for the reasons detailed below.</p> <p>Recognition of possible heritage assets</p> <p>In exercising its judgement to decide whether certain assets should be recognised as heritage assets management did give consideration to:</p> <ul style="list-style-type: none"> The future economic benefits or service potential that is likely to flow to the municipality. Cognisance was taken of the fact that the service potential embodied in a heritage asset arises from the benefit to preserve the specific asset for present and future generations. The use of an appropriately qualified service provider to provide input as to whether certain items had any cultural, environmental, historical, natural, scientific, technological or artistic significance that are held indefinitely for the benefit of present and future generations. <p>After careful consideration by management and in consultation with an antique dealer from Stellenbosch Antiques, management assessed that these items (<i>as identified in the finding above</i>) have no cultural or other significance as defined in GRAP 103 on Heritage Assets (please refer to attachment).</p> <p>Heritage asset policy</p> <p>While the municipality does not have a separate policy dealing with the identification, measurement and management of heritage assets, these assets are dealt with in accordance with the current Asset Management Policy as well as the accounting policies as disclosed in the 2012/13 annual financial statements.</p> <p>Assets are recognised as heritage assets where such assets have been identified and declared by the South African Heritage Resources Agency (SAHRA) as a national heritage site/building or where the nature of the asset is indicative of a heritage asset as defined in GRAP 103 on Heritage Assets.</p> <p>No specific policy had been compiled and implemented as the current Asset Management Policy as well as the accounting policies dealt with the heritage assets. As such it was not considered necessary to develop a separate policy and therefore management does not agree with the comment on internal control.</p> <p>Management will review its Asset Management Policy to determine if a separate (specific) policy on heritage assets is required. If the answer is in the affirmative, a policy will be compiled and presented to Council for approval and implementation.</p>	<p>Managements' response is acknowledged. The Asset Management policy was inspected and it was concluded that it provided insufficient information and procedures for the identification, measurement and management of heritage assets. The policy should at least consist of a requirement of a submission to Council for consideration and approval as the possibility exist that these assets need to be removed from operations to preserve them.</p> <p>Furthermore, heritage assets do not exclusively comprise of buildings. The procedures performed for identification of other assets was not documented and could thus not be confirmed by AGSA. The supporting documentation provided by management for the assets in the above finding viewed by the antiques dealer was also insufficient to conclude on the process performed to determine that the assets should not be classified as heritage assets.</p> <p>Management would need to commit to a specific date by when the designated controls will be implemented.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>	

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion	
INFORMATION TECHNOLOGY						
12. Security Management	<p>Security management ensures that security controls are implemented to prevent unauthorised access to the network and information systems that generate the information used to prepare the financial statements.</p> <p>The following key audit finding was identified with regard to security management:</p> <p>Management had documented and approved security management controls in the form of a network security policy. However, the policy was found to be inadequate as it did not include guidelines for password settings, roles and responsibilities, security awareness and training.</p> <p>Without regular reviews, the network security policy may not be adequate to address the security risks identified within the IT environment of the municipality. This increases the municipality's exposure to security risks and vulnerabilities that are inherent to new developments in technology and may result in potential loss or corruption of critical systems and data should these vulnerabilities be exploited.</p>	<p>Design and implementation of formal controls over IT systems</p> <p>To ensure the reliability of the systems and the availability, accuracy and protection of information [</p> <p>This could be ascribed to the following:</p> <p>Password security settings were implemented directly on the applications and operating systems.</p> <p>Management considered this control to be sufficient and therefore did not update the network security policy to include these password settings</p>	<p>We agree with the findings and internal control deficiency.</p>	<p>Management should ensure that:</p> <ul style="list-style-type: none"> The existing network security policy is reviewed and updated to include guidelines for password settings, IT roles and responsibilities, security awareness and training. Once updated, the policy should be reviewed by the ICT steering committee and submitted to council for approval. The approved policy is communicated to all staff to ensure compliance. 	<p>We have documented the user account management procedure and will submit the policy for review when the ICT steering committee next meet in January 2014. Once reviewed, it will be submitted to Council for approval.</p>	<p>Management comments are noted. An assessment of the corrective actions agreed will be performed once completed.</p>
13. User Access Management	<p>User access control is the systematic process of managing the access of users to an application and network. The process includes the creation, approval, disabling, modifying, removal and monitoring of user accounts user accounts and related user privileges with a set of user access management procedures.</p> <p>The following key findings were identified with regard to user access management:</p> <ol style="list-style-type: none"> Procedures for the creation, deletion and amendment of user access on the SAMRAS and Vip applications were documented however these procedures have not been approved. 	<p>Design and implementation of formal controls over IT systems</p> <ul style="list-style-type: none"> To ensure the reliability of the systems and the availability, accuracy and protection of information The user account management procedure was only recently documented when the responsibility for SAMRAS and Vip 	<p>We agree with the findings and internal control deficiency.</p>	<p>Management should submit the draft user account management procedure to the ICT steering committee for review, and thereafter to council for formal approval. Once approved, the procedure should be communicated to all users to ensure compliance.</p>	<p>We have documented the user account management procedure and will submit the policy for review when the ICT steering committee next meet in January 2014. Once reviewed, it will be submitted to Council for approval.</p>	<p>Management comments are noted. An assessment of the corrective actions agreed will be performed once completed.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>Cont. B.13</p> <p>2. Without formally approved user account management procedures, user access processes and controls cannot be consistently implemented and enforced. The municipality may also not be able to hold users accountable for unauthorised activities performed on the system.</p>	<ul style="list-style-type: none"> user administration shifted from the Finance and HR departments to the IT department. IT related policies and procedures need to be reviewed by the ICT Steering Committee meeting before they can be submitted to Council for approval. The next ICT Steering Committee meeting is only scheduled for January 2014 				
<p>1.4. Information Technology Service Continuity</p> <p>IT service continuity is the process of managing the availability of hardware, system software, application software and data to enable an organisation to recover or re-establish information systems services in the event of a disaster. The process includes IT continuity planning, disaster recovery plans and backups.</p> <p>The following key audit findings were identified with regards to IT service continuity:</p> <ul style="list-style-type: none"> The backup policy was not adequately documented as it did not include restoration tests or verification of the success/failure of backups. Evidence of monthly restores of backups could not be obtained. No evidence could be obtained to confirm that backups are verified for successful completion. <p>Without verification that backups have been successfully taken or regular restoration testing of backups, the risk of incomplete, damaged or corrupted backups going undetected is increased. This may lead to financial losses or extended system downtime due to the municipality being unable to recover critical business or financial data in the event of a service disruption or disaster.</p>	<p>Design and implementation of formal controls over IT systems</p> <p>To ensure the reliability of the systems and the availability, accuracy and protection of information.</p> <p>Management were satisfied that the processes were in place to verify successful completion of backups and perform ad hoc restoration testing were adequate, and therefore did not prioritise the documentation of additional procedures in the policy.</p>	<p>Management should ensure that:</p> <ul style="list-style-type: none"> The backup policy is reviewed and updated to include processes for verification of success of backups as well as restoration of backups Evidence of restoration tests and verification of backups is maintained for audit purposes 	<p>We agree with the findings and internal control deficiency.</p>	<p>We will update the backup policy and will submit for review when the ICT steering committee next meet in January 2014. Once reviewed, it will be submitted to Council for approval.</p>	<p>Management comments are noted. An assessment of the corrective actions agreed will be performed once completed.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>INVENTORY</p> <p>15. Understatement of inventory relating to roads function</p> <p>During the audit of inventory the following finding were detected.</p> <p>Materials purchased for the maintenance of roads and unused at year-end is stored in the yard/store of the roads depot. These materials were not included in the inventory listing of the municipality at year end. A stock count was performed on 30 October 2013 to determine the inventory unused as at 30 June 2013 taken into account all purchases and issues of inventory between 30 October and 30 June 2013. The above inventory relating to the maintenance of roads in terms of the roads agency agreement was either purchased or remaining from a particular project and not recorded as part of the inventory on hand at year end. This inventory was not considered by management to be the municipality's inventory.</p> <p>No documentation exists for the receipt or issues of items from the store and as a result proper roll back procedures could not be performed.</p> <p>The above stock count was only performed at Stellenbosch store and therefore does not include materials at the Robertson, Paarl, Worcester and Ceres stores.</p> <p>As a result inventory is understated and expenditure could be overstated in instances where material was expended for a project and the remaining returned to the yard/stores</p>	<p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>Prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information</p> <p>Regular Inventory counts are supposed to ensure completeness of all assets identified and recorded in the financial records. Management did not ensure that all inventory counts adequately identified all the assets belonging to the municipality.</p>	<p>Management should confirm the details and value of the above inventory at year end to be included in the financial statements.</p> <p>Management should perform quarterly inventory counts, and as part of the quarterly review process, management should perform a supervisory function where spot checks are performed.</p> <p>The accounting authority should formally monitor the implementation of the management's action plan to address identified internal control deficiencies.</p> <p>The inventory listed below was counted during the stock count at 30 October 2013, and were found to relate to the 2013/14 financial year.</p>	<p>The audit finding that inventory is understated and expenditure could be overstated in instances where material was expended for a project and the remaining returned to the yard/stores is noted.</p> <p>The core function of the road function is general day to day road maintenance activities on certain provincial road network that only require that minimum stock needs to be kept at the depots to ensure availability of road maintenance material at all times. To monitor the amount of gravel/premix/grit stone taken for each pothole/crack repair on a road surface or other small repair is practically impossible therefore the costs are distributed over various roads and the stock will always be kept at the minimum.</p> <p>On 1 November 2013 the Stellenbosch depot was visited by senior Road Staff and input from the senior technical staff indicated that the requirements from the agency agreement and audit recommendations be implemented as follows:</p> <ul style="list-style-type: none"> • The material on the site be included as inventory (by Road Staff) • The material be classified in the inventory (by Road Staff) according to: <ul style="list-style-type: none"> o Material from projects o Material for day to day maintenance (kept to a minimum) o Material recovered from the road reserve: <ul style="list-style-type: none"> - Usable material - Unusable material to sold on auction by finance • All material related to Yellow construction/maintenance warning signs • The above be updated on a regular basis and quarterly checked by senior road staff <p>The material lists to be made available to the Principle as stipulated in the signed Agreement (already being done for the fleet).</p>	<p>An investigation will be conducted to determine the quantities and value of all material on site at the Worcester, Stellenbosch, Paarl, Robertson and Ceres Roads depots. The details and value of the inventory will be included in the financial statements.</p> <p>A detailed register of all materials on site at the Worcester, Stellenbosch, Paarl, Robertson and Ceres depot will be kept by the Road Staff and verified on a monthly basis by store personnel. Spot checks will be performed on a weekly basis by Roads personnel.</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
PAYABLES FROM EXCHANGE TRANSACTIONS					
16. Trade Payables - Grant funding incorrectly recorded as exchange transaction					
Trade payables, disclosed as part of trade and other payables from exchange transactions in note 16 to the financial statements, represent current liabilities outstanding at year end which is expected to be settled within the next 12 months.	<p><u>Financial management – Daily and monthly processing and reconciling of transactions</u></p> <p>Management in the finance division did not adequately review the trade payables listing at year end to ensure that funding liability are reflected as non-exchange liabilities.</p>	<p>It is recommended that management in the finance division should review the trade payables listing at year end to ensure that trade payables are correctly classified between exchange and non-exchange transactions.</p>	<p>Management is in agreement with this audit finding. Trade payables relating to unspent grant funding received will be reclassified as Trade payables from non-exchange transactions.</p> <p>The audit comments are noted. A "Clean Audit" committee has been established. Regular reports on the clean audit process with regard to each finding will be submitted and scrutinized by the committee. Furthermore interim financial statements will be compiled and submitted to Internal Audit for review.</p>	<p>The annual financial statements will be adjusted to reclassify the R 887 445.55 referred to above to Trade payables from non-exchange transactions.</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>
PREDETERMINED OBJECTIVES					
17. Inconsistencies identified between planned and reported targets					
During the audit of performance information it was discovered that certain largels reported per the performance report were not consistent or not complete when compared to the planned targets as per the SDBIP (13 out of 11, 11.7%)	<p><u>Performance management – Regular, accurate and complete performance reports</u></p> <p>Management processes implemented for the review of the performance report were inadequate as the indicators and corresponding targets were not checked for accuracy and consistency with the SDBIP during the preparation and finalisation of the performance report</p>	<p>Projects and related targets must be reported and budgeted for in order to allow for spending to take place, should funding be received. It is therefore recommended that an interim measure take place in the adjustment budget process, which takes account of whether funding is received or not and reports accordingly. This will result in changes being consistently reported.</p> <p>In addition to this, changes to targets and indicators on the system should only be effected and allowed on the system once approved and only be captured by a delegated official.</p>	<p>Management agrees with the findings of the AG</p>	<p>Adjustment in the Annual Performance Report</p>	<p>We confirmed the adjustment in the Annual Performance Report</p>
Discrepancies occurred due to changes made to indicators and targets during the year, without the corresponding changes being reflected in the performance report. The cause of these changes often relates to situations where additional funding is received or funding is insufficient.					

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>18. Measurability of Indicators</p> <p>During the audit of predetermined objectives we discovered that the following indicators (4 out of 111 tested, 3.6%) were not measurable. This has resulted in ambiguous indicators being reported</p>	<p>Performance management – regular, accurate and complete performance reports</p> <p>Management did not comply with the SMART principles when setting the targets. Furthermore the fact that the municipality does not have standard operating procedures has exacerbated the situation.</p> <p>Management did not follow the principles of the National Treasury Framework for Managing Programme Performance information when drafting the indicators.</p>	<p>Management should re-draft these indicators to be more specific and measurable. Leadership should communicate the meaning of these indicators to all employees.</p>	<p>Management agree with the audit finding.</p>	<p>Management already start a process to revisit all KPI's to: (a) follow the SMART principle, (b) to look at inconsistencies in reporting. See attached presentation and spread sheet. Responsibility lies with the ED's and Identified champions in each department.</p>	<p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>
<p>19. Targets Not Measurable</p> <p>Paragraph 3.3 of Framework for Managing Programme Performance Information (FMPI) states that "A useful set of criteria for selecting performance targets is the "SMART" criteria:</p> <ul style="list-style-type: none"> • Specific: the nature and the required level of performance can be clearly identified • Measurable: the required performance can be measured • Achievable: the target is realistic given existing capacity • Relevant: the required performance is linked to the achievement of a goal • Time-bound: the time period or deadline for delivery is specified." <p>During the audit of predetermined objectives, we discovered that the following targets (5 out of 111 tested, 4.5%) are not specific and measurable</p> <p>This has resulted in the targets for the above mentioned indicators not being specific or measurable.</p>	<p>Performance management – regular, accurate and complete performance reports</p> <p>Management did not comply with SMART principles when setting the targets for all KPI's. Furthermore the fact that the municipality does not have standard operating procedures has exacerbated the situation</p>	<p>Management should follow SMART principles when setting targets</p>	<p>Management agree with the audit finding.</p>	<p>Management already start a process to revisit all KPI's to: (a) follow the SMART principle, (b) to look at inconsistencies in reporting. See attached presentation and spread sheet. Responsibility lies with the ED's and Identified champions in each department.</p>	<p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>2.0. Standard operating procedures for predetermined objectives not in place</p> <p>During the audit of predetermined objectives it was identified that the municipality did not develop complete standard operating procedures for each key performance indicator (KPI) in the service delivery and budget implementation plan (SDBIP).</p> <p>The accounting officer did not adequately exercised oversight to ensure that all KPI's have standard operating procedures that have the aforementioned attributes. Internal policies and procedures for performance information management and reporting was not developed and approved. This could result in non compliance with the NT Framework for Managing Programme Performance information and it could lead to reported information not being valid, accurate or complete.</p>	<p><u>Leadership – Policies and procedures</u></p> <p>The accounting officer did not ensure that responsible officials were tasked with ensuring that documented processes are in place for the identification, collection, collation, verification and storage of information for each KPI.</p>	<p>The accounting officer should ensure that the responsibility for managing programme performance information is allocated to specific officials to facilitate oversight of the process, including the development of standard operating procedures for all KPI's.</p>	<p>PMS champions were assigned by each Executive Director in June 2013. These assignments will be endorsed by the Municipal Manager. A new post in the section PMS will be advertised and filled by end February 2014. Management after realising that the number of KPI's for the organisation is not manageable, started a process during September 2013 to reduce the number of KPI's drastically to be aligned to our new Macro Structure. Part of the exercise will be to develop proper System Descriptions and SOP's for each KPI that will be applicable as from 1 July 2014.</p>	<p>For the 2013/14 financial year we are committed to look at a process to address the current ± 380 KPI's in our SDBIP applicable for the next audit to adhere to the FMPP from NT.</p>	<p>Management's response is acknowledged. Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>
<p>2.1. Reliability – Performance reported not accurate for strategic objective 1: Community Development</p> <p>During the audit of APOO the following misstatements were discovered in strategic objective 1 Community Development: <i>To ensure the health and safety of communities in the Cape Winelands through the proactive prevention, mitigation, identification and management of environmental health, fire and disaster risks.</i> (The directorate that deals with this strategic objective is Community Development)</p> <p>For 3 out of the 13 key performance indicators (KPI's) tested the reported actual performance was not accurate as it did not agree to the supporting documentation provided in the portfolio of evidence</p>	<p><u>Performance management – Regular, accurate and complete performance reports</u></p> <p>Management did not put in place adequate controls such as reviews of evidence supporting performance prior to reporting in the Performance Report to ensure that all reported targets agree with evidence supplied.</p>	<p>Management should do a thorough review of evidence supporting performance prior to inclusion in the performance report to ensure that all performance reported is accurate</p>	<p>1: 21.1.2.3 % funeral undertaker's mortuaries, embalmers and crematoria regulated Just a reiteration of our previous explanation: The previous regulation R 237 of 1985 only regulated Funeral Undertakers facilities see regulations 2 and 4. The new regulation R 363 of 2013 only came into operation on 22 May 2013 and is now applicable to funeral undertakers, public and private mortuaries as well as crematoriums see regulation 2 (1) (a)-(d) Please bear in mind when the new regulations came into operation (a month before the end of financial year) the targets were already determined.</p> <p>2: 3 1.1.2.7 Subsidies re Water & Sanitation on Farms Both subsidies were sent in for payment by me (Mr Keyser) on 10 June 2013 after completion of building work at 5 June but paid by ACB NO 563468 on 16 September 2013 total R90000-00 It is one farm owner but with 2 farms Leeuikuil and Helpmekaar.</p>	<p>In future management will review all evidence of supporting documentation prior reporting. PMS champions were assigned by each Executive Director in June 2013. These assignments will be endorsed by the Municipal Manager. A new post in the section PMS will be advertised and filled by end February 2014.</p>	<p>Management's response is acknowledged. The final Performance report was inspected to confirm that the targets have been updated and corrected accordingly. Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
PROPERTY, PLANT AND EQUIPMENT					
22. Opening Balance of Property, Plant and Equipment misstated					
<p>A comparison was performed between the Property, Plant and Equipment (PPE) closing balance of the 2011-12 financial statements (R222 197 943) and the current year opening PPE balance (R192 313 181), resulting in a difference of R29 884 759 which should be accounted for as part of note 40. Prior period error, in the financial statements.</p> <p>The actual total prior period adjustment relating to PPE disclosed in note 40 amounted to R29 196 523.74.</p> <p>A variance of R688 235 was therefore discovered between the prior period note adjustment in the financial statements and what we expected to see based on the auditors recalculation.</p> <p>The actual adjustment of the PPE opening balance must correspond to the adjustment disclosed in the prior period note.</p> <p>A result, the following accounts were affected:</p> <ul style="list-style-type: none"> • Opening balance is overstated by R688 235. • Depreciation expense and accumulated depreciation is overstated 	<p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>Management did not put adequate review procedures in place to ensure that the financial statements were accurate and GRAP compliant before submission for audit.</p>	<p>The misstatement should be corrected.</p> <p>Management should prepare financial statements timeously to ensure that the adequate review is performed and non-compliance to GRAP is identified and fixed accordingly.</p>	<p>Management agrees in principle that the movement in the PPE balances as at June 2012 should be reflected in the prior period error note in the financial statements. It appears that not all the PPE related items, as reflected in the prior period error note, have been taken into account by the audit team when performing the comparison. Management is in the process of updating its fixed asset register based on other audit findings made by the audit team. Once these adjustments have been processed management will ensure that the movement in the PPE balances are appropriately disclosed in the prior period error note.</p>	<p>A clean audit committee has been established. Regular reports on the clean audit process with regard to each finding are going to be submitted and scrutinized by the committee. . Furthermore Interim financial statements for the following periods are going to be compiled and submitted to Internal Audit for review.</p> <ul style="list-style-type: none"> • November 2013 • December 2013 • March 2014 	<p>Managements' response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p> <p>An amount of R600 000 will be taken to the statement of uncorrected misstatements.</p>
23. Depreciation incorrectly calculated for certain buildings					
<p>The depreciation expense for the following buildings was inaccurately calculated due to a formula error on the asset register.</p> <p>As a result, the depreciation expense is misstated by R140 634.10 for the above buildings identified</p>	<p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>The review of the financial statements was inadequate as the depreciation calculations and formulas were not checked for accuracy during the preparation and finalisation of the financial statements.</p>	<p>Management must amend the financial statements to reflect the correct amounts for the affected balance and disclosure note.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies.</p>	<p>Management is in agreement that the depreciation charge for buildings is incorrect.</p> <p>Reason: The residual values of buildings were not taken into account when calculating the depreciation charge.</p> <p>The depreciation calculation will be corrected by taking residual values into account in arriving at the depreciable amounts and the 2012/13 annual financial statements will be updated accordingly.</p>	<p>The 2012/13 annual financial statements will be updated.</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
Cont. B.23			<p>Impact of COMAF 1 on COMAF 2 Cognisance should be taken of COMAF 1 in which the audit team indicated that buildings should have a zero residual value. Management indicated in COMAF 1 that it does not agree with that audit finding. However, should it be concluded that buildings should have residual values of R nil, then the current depreciation charge for buildings will be correct (as residual values are currently not taken into account in the depreciation calculation for buildings).</p> <p>Housekeeping The variance in the depreciation charge, per the audit finding, is incorrect with reference to Asset IDs, 100493, 100494 and 100515.</p> <p>Audit comments are noted. However, a total review of the Fixed Asset Registers was undertaken during the 2012/13 financial year. Excel was used for this purpose and to support the amounts disclosed in the 2012/13 financial statements. Management will during the new financial year update its Fixed Asset module on SAMRAS to take account of the outcome of this exercise, i.e. SAMRAS will again be used to maintain the Fixed Asset Register in future. This should eliminate this issue from recurring.</p>		
<p>REVENUE</p> <p>24. Revenue recognition – Municipal systems improvement grant</p> <p>The municipality received a Municipal Systems Improvement Grant for R1 000 000, which it recorded as part of trade creditors when received. The municipality has incurred expenditure relating to the grant amounting to R597 001 in the current year and therefore, in terms of the above principles, should have recognised a reduction in the liability for R597 001 and recognised revenue equal to that reduction.</p> <p>Furthermore, the municipality incorrectly recognised the initial liability as part of trade and other payables from exchange transactions, when the liability arose from a non-exchange transaction and by its nature is a non-current liability as opposed to a current liability.</p>	<p>Financial management – Regular, accurate and complete financial reports Management did not ensure that all grants received are correctly processed to ensure the disclosures in financial statements are accurate and compliant with the requirements of GRAP 23.</p>	<p>Management must amend the financial statements to reflect the correct amounts for revenue and payables from non-exchange transactions in terms of GRAP 23.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies.</p>	<p>Revenue is understated by R597 001 – MSIG Grant Management does not agree with this finding. The amount was disclosed in note 18 under item Donated Assets (Health), sub heading Capital Grants. Subsequently a separate item (MSIG Capital) was created in note 18 under subheading Capital Grants, to disclose the R597 001 recognised as revenue equal to the amount with which the liability has been reduced, due to the asset recognised in the amount of R597 001. The amount on the face of the Statement of Financial Performance with regard to Government Grants and Subsidies did not change subsequent to the above mentioned adjustment to note 18.</p>	<p>A clean audit committee has been established. Regular reports on the clean audit process with regard to each finding are going to be submitted and scrutinized by the committee. Furthermore interim financial statements for the following periods will be prepared for the period:</p> <ul style="list-style-type: none"> • November 2013 • December 2013 • March 2014 • June 2014 <p>The said FS together with supporting working papers will be submitted to the Municipality's Internal Audit Unit for audit and review purposes</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>Cont. B.24 The above arose due to the staff not having the requisite knowledge of the proper application of the requirements of GRAP 23.</p> <p>The result of the above is misstatements in the following accounts:</p> <ul style="list-style-type: none"> • Revenue is understated by R597 001, • Trade and other payables from exchange transactions is overstated by R1 000 000, and • Payable from non-exchange transactions is understated by R402 999. 			<p>The amounts quoted above also speak to the 2012/2013 role over request (attached) submitted to National and Provincial Treasury. Necessitating the abovementioned amendment is the attached e-mail from Province indicating that the roll-over applications do not agree with the disclosure in the Annual Financial Statements. Before approving the roll-over of any funds, National and Provincial Treasury confirm that the monthly reporting agrees with the disclosure in the Financial Statements.</p> <p><u>Trade and other Payables from Exchange Transactions is overstated by R1000 000</u></p> <p>Management agree that Trade and payables were overstated but only in the amount of R402 999 and not R1000 000 as per the AG's finding. The unspent portion of R 402 999 was included in Trade and other Payables from Exchange Transactions causing an overstatement of only R402 999. The Financial statements have been adjusted to include Payables from Non-exchange Transactions in the amount of R402 999.</p> <p><u>Payable from non-exchange transactions is understated by R402 999</u></p> <p>Management agree with this finding. The necessary adjustments have already been done.</p> <p>The unutilized portion of the MSIG grant (R402 999) is committed to be utilized in the 2013/2014 financial year hence it is disclosed as a current liability GRAP1 paragraph 68.</p>	<p>Adjustments were made to the financial statements to differentiate between Trade and other Payables from Exchange Transactions and Payables from Non-exchange Transactions and to reflect the correct amounts in terms of GRAP23.</p>	
SUPPLY CHAIN MANAGEMENT					
<p>25. SCM Deviations</p> <p>During the audit of Procurement and contract management of awards with transactions values of between R2 000 and R10 000 it was identified that for the following awards 3 written price quotations was not obtained.</p>	<p><u>Financial management – Compliance monitoring</u></p>	<p>It is recommended that management relook at their interpretation of applicable SCM laws and regulations to ensure that appropriate compliance monitoring can take place.</p>	<p>Initially the municipality did report instances where three responses were not obtained, however, after consultation with other municipalities to determine their interpretation, only instances where three quotations were not sourced was reported.</p>	<p>Recommendations are noted and management will determine the way forward to address the practical implementation to comply.</p>	<p>In cases where only 1 supplier has responded to an invitation for quote, this should be documented and approved by the CFO. Failure to obtain approval from the delegated official as stipulated results in irregular expenditure.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>Cont. B. 25</p> <p>These awards were not considered as deviations by the municipality as they felt that they did request 3 quotes however only 1 supplier responded to their request, and as such no reasons were recorded for the deviations and it was not reported to the accounting officer. The cases below constitute 4 out of 9 (44%) of the sample tested.</p> <p>This constitutes non-compliance with Municipal SCM regulation 16 and therefore should be considered as irregular expenditure.</p>	<p>The interpretation by management of the matter is not consistent with the prescripts, as the regulations are clear that when 3 quotes are not obtained, reasons need to be documented and reported quarterly to the accounting officer or another official designated by the accounting office</p>	<p>It is further recommended that management investigate their financial statements SCM deviations disclosed in Appendix H, to ensure any interpretation differences are correctly accounted for and disclosed in the AFS.</p>	<p>This is mainly instances where the municipality make use of agents/ strip and quote/ seminar attendances/ etc. where it is impossible or impractical to obtain three quotations. These matters are reported monthly to the Accounting Officer. The assumption is that the municipality does not dispense with the official procurement processes as legislated per regulation 36(1)(a), in which case a supplier is appointed without an quotation being obtained.</p> <p>Never the less, regulation 17(1)(c) also requires that "... if it is not possible to obtain at least three quotations, the reasons must be recorded" for amount up to R 200,000-00. Does this mean that instances two and four which was advertised on council's notice boards and web page must also be reported?</p>	<p>In view of the management response as above only Gormer Seafood International and Rustic Venues are legitimate findings and will be addressed.</p> <p>R 12,425.00 will be reported as Irregular Expenditure</p>	<p>All amounts above R10 000 is regarded as irregular. The amount for Safestop amounted to R92 340.00 indicated in the finding above should be disclosed as irregular expenditure.</p> <p>Management was requested to follow up all cases including the prior year as the error affected all cases where 3 quotes were not obtained.</p> <p>Secondly, cases where a sole provider was requested was also not approved in terms of section 36 of the Supply chain management regulations as a result of the misinterpretation of the regulation management was requested to identify all cases for both the current and prior year.</p> <p>The disclosure of irregular expenditure of R9 122 487 for the current year and R8 907 268 for 2011/12 was verified in the latest financial statements provided.</p>
			<p>1. <u>GORMER SEAFOOD INTERNATIONAL:</u> (Seed Funding) Three suppliers were sourced via fax/e-mail for the supply of the goods. Two suppliers did not respond by closing time.</p> <p>2. <u>A. CHRISTIANS:</u> This was an open quotation per number Q2012/887: CLEANING & GREEN PROJECTS: WARD 25 LANTANA that was advertised on council's notice boards and web page. Only one supplier responded to the request.</p> <p>3. <u>RUSTIC VENUES:</u> Three suppliers were sourced via fax/e-mail for the supply of the goods. Two suppliers did not respond by closing time.</p> <p>4. <u>SAFESTOP CC:</u> This was an open quotation per number Q2012/908: SUPPLY AND INSTALLATION OF ENGINE MANAGEMENT SYSTEMS that was advertised on council's notice boards and web page. Only one supplier responded to the request.</p> <p>This is not an control deficiency but merely an instance of interpretation that must be re-addressed.</p>		

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>2.6. <u>Contract Management: Conditions of contract</u></p> <p>Furthermore, Municipal Supply Chain Management (SCM) regulation 21(a)(i) indicates that a supply chain management policy must determine the criteria to which bid documentation for a competitive bidding process must comply, and state that in addition to regulation 13 the bid documentation must take into account the general conditions of contract.</p> <p>During the audit of contract management it was identified that for the following 2 tenders the terms and conditions of the contract or agreement did not make provision for the termination of the contract or agreement in the case of non - or under performance and the general conditions of contract as issued by the National Treasury (NT) was not part of the bid documentation</p> <p>This constitute non - compliance with section 116 of the MFMA and municipal SCM regulation 21 as it opens the municipality up to the risk of loss of payment of funds without satisfactory delivery of services.</p>	<p><u>Financial management – Compliance monitoring</u></p> <p>Oversight by management when reviewing the bid documentation as the requisite clauses and documentation was not included in the above-mentioned contracts awarded.</p>	<p>It is recommended that management strengthen their controls over the review of bid documentation to ensure that all requisite documentation is included in the final contracts signed with contractors.</p>	<p>Management is in agreement with the finding. However, the omission has been detected and corrected before the auditor started his/her review of the documents. Hence the small number of findings.</p> <p>The following clause has been added to the document in the relevant section;</p> <p>B. GENERAL CONDITIONS OF TENDER</p> <p>Unless otherwise stipulated, the Government Procurement: General Conditions of Contract, July 2010, will apply to this tender and;</p> <p>1. The prospective Tenderer's attention is drawn to the following list of forms, attached to this document, and other documents that shall be completed and submitted with his/her bid documents:</p>	<p>The deficiency has been mitigated. New/Current documents are compliant with this aspect.</p>	<p>Management's response is acknowledged. The above must be reported as irregular expenditure in the financial statements of the municipality.</p>
<p>2.7. <u>Awards to officials of other state institutions</u></p> <p>During the audit of SCM the following award was identified as being made contrary to the requirements of section 112(j) of the MFMA and MSCM regulations 13(c) and 44(1)(a)</p> <p>A complete review of the accreditation of all suppliers listed on the supplier list was not undertaken for the year under review as a result of a lack of capacity. The sending of supplier ID's to Provincial Treasury to check employment in the state status also only started taking place at the end of March 2013.</p> <p>The above results in non - compliance with the MFMA and MSCM Regulations, as well as possible fraud in the procurement process as a result of the submission of false declarations by suppliers.</p>	<p><u>Financial management – Compliance monitoring</u></p> <p>Management did not ensure that processes where working throughout the financial reporting period to ensure that they could verify the accuracy of declarations made by suppliers.</p>	<p>It is recommended that management implements appropriate controls to ensure that regular reviews are undertaken on the accreditation of all suppliers listed in the supplier list, to ensure that they meet the requirements for listing as suppliers.</p> <p>Punitive measures should be imposed upon suppliers who perjured themselves by making false declarations as regards their own involvement and/or relationships with persons in the service of the state.</p>	<p>Management understands the issue and is hundred percent committed to eradicate the practice of state officials who violate the relevant legislation. However, the following comments must be noted on the instances that were detected by the auditor general.</p> <p>NANCY EMLY LEBOGANG MODISELLE: (Reakgona Commercial and Industrial Hygiene CC – 003838)</p> <p>A Peral check failed to pick up the ID number of the individual. The presumption is that the SITA is a semi-government institution and that its personnel are not remunerated via the Peral system. This complicates matters even further for municipalities to check for "people in the service of the state". However, the Government of the Republic of South Africa is the sole shareholder of SITA and the shareholder representative is the Minister for Public Services and Administration.</p>	<p>The recommendations are noted and will be investigated and implemented within the human and systems capacity constraints.</p> <p>In view of the management response as above only Nancy Emily Lebogang Modiselle: 711208 0668 086 is a legitimate finding and the amount of R18,161.53 will be presented to MPAC for guidance and finalisation.</p> <p>R 18,161.53 will be reported as Irregular Expenditure</p>	<p>As this is a first instance the amount is not considered irregular. However, management is required to rectify the matter by instituting remedial measures, by investigating the matter, recovering the funds spent, instituting disciplinary proceedings against those liable for such actions and possible criminal prosecutions as may be appropriate. The accounting officer must also apply the remedial measures contained under "Termination for Default" in the General conditions of Contract.</p> <p>The matter will be followed up in the following year audit to ensure where further expenditure was incurred with the supplier it will be regarded as irregular.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
Cont. B.27		<p>The declaration forms could be amended to detail penalties to be imposed for suppliers who declare false information. Currently the MBD 4 declaration and the other declaration template used by the municipality do not have any proviso for recourse to be taken against suppliers who declare false information.</p> <p>The MBD 4 declaration also does not currently require the supplier to have their declarations certified by a Commissioner of Oaths to certify the authenticity of the declaration.</p>	<p>The supplier's declaration of interest does not indicate that one of its shareholders is in the service of the state and the municipality can only rely on the facts presented. However, confirmation has been obtained of her employment and shareholding.(see attached)</p> <p>In compliance to NT Circular 62 this is also a first instance and the Auditor General must deal with it as such; namely –</p> <p>In the event that the Auditor-General detects irregular expenditure during the audit process as a result of possible false declarations and subsequent awards based on those declarations, the municipality or municipal entity will be informed of such irregular expenditure.</p> <p>The municipality or municipal entity will be required to rectify this matter by instituting the necessary remedial measures, by investigating the matter, recovering the funds spent, instituting disciplinary proceedings against those liable for such actions and possible criminal prosecution as may be appropriate.</p> <p>The accounting officer must also apply the remedial measures contained under "Termination for Default" in the General Conditions of Contract. The expenditure at this stage will not be classified as irregular expenditure.</p> <p>In the event that the same expenditure is detected in the following year's audit and the remedial measures referred to above were not instituted, the expenditure will then be classified as irregular expenditure.</p> <p>There are no current business engagements and the supplier's record has subsequently been terminated. However, it is not financially viable to pursue the company for any ratification. The case will serve before the municipality's MPAC who must rule on the issue.</p>		

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
VALUE ADDED TAX					
28. Incorrect accounting policy of VAT disclosed in the financial statements					
<p>The accounting policy disclosed in the financial statements should be consistent with the accounting treatment applied during the year under review.</p> <p>During the audit of Value Added Tax (VAT) it was identified that the accounting policy states that VAT is accounted for on the payment basis whereas the Municipality is registered and accounts for VAT on the invoice basis.</p> <p>As a result of the inconsistency the accounting policy is inaccurate as it does not reflect the treatment in the books of the municipality.</p> <p>The above error arose as a result of the municipality not performing adequate review procedures on the financial statements before submission for audit, to ensure that all disclosures were accurate</p>	<p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>Management did not put adequate review procedures in place to ensure that the financial statements were accurate and GRAP compliant before submission for audit.</p>	<p>Management should amend the accounting policy disclosed in the financial statements to ensure that the accounting policy is consistent with the manner in which VAT is accounted for.</p> <p>Management should prepare financial statements timeously to ensure that an adequate review is performed.</p>	<p>The service provider, KPMG Inc., appointed by the District Municipality was tasked with a review of the accounting policy as well as a GRAP compliance review in terms of the engagement letter dated 21 June 2013.</p> <p>However, despite best effort made by the District Municipality to improve the quality of the annual financial statements, the procedures and controls put in place omitted to detect the omission in disclosure.</p> <p>The accounting policy disclosed in the annual financial statements shall be amended accordingly</p>	<p>The accounting policy as disclosed in note 1 to the Annual Financial Statements shall be amended accordingly to provide a true representation of the manner in which VAT is dealt with by the District Municipality, i.e. VAT is accounted for on an invoice basis as per our SARS registration.</p> <p>The accounting policy disclosed in the annual financial statements shall be amended accordingly</p>	<p>The financial statements were reviewed and the policy was amended.</p>
29. Overstatement of VAT output					
<p>Where an enterprise is registered for VAT in respect of a taxable activity and also conducts an exempt activity, output tax cannot be charged on the exempt activity and accordingly no input tax can be claimed in conducting the exempt activity.</p> <p>During the audit of Value Added Tax it was identified that output VAT was charged on the Debtor, Sandhills-Toilet Hire, which is an exempt supplier.</p> <p>A correction journal was processed to correct this misstatement however the vat output account were incorrectly credited which increased the VAT liability with the amount R138 735.14. The following journal entry was posted by the Municipality</p> <p>Therefore the total misstatement is R277 470.28.</p> <p>As a result VAT output is overstated by the amount of R277 470.28.</p>	<p><u>Financial management – Daily and monthly processing and reconciling of transactions</u></p> <p>Management in the finance division did not adequately review the journal entries at year end to ensure that Value Added Tax incorrectly charged in the prior year and subsequently corrected in the current year were posted to the correct account.</p>	<p>It is recommended that management in the finance division review all journal entries processed to ensure that it is accurate and correctly posted to the proper account. Management must investigate the misstatements in the VAT account, correct it and adjust the AFS accordingly</p>	<p>Management acknowledges the comment and is in agreement with the audit finding. A journal entry will be processed to correct this.</p> <p>This was an oversight by management due to tight time constraints. Management has continued to performed an in depth review of the annual financial statements, subsequent to the submission to the auditors in order to satisfy itself as to the validity, accuracy and completeness of information disclosed in the financial statements.</p>	<p>The recommendation is hereby noted. Management will process the adjusting journal entry. The annual financial statements will then be updated accordingly.</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected to confirm that the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

# Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>30. Output VAT misstated</p> <p>During the audit of Value Added Tax it was identified that output VAT charge on revenue does not agree with the detailed SAMRAS transaction list.</p> <p>Management in the finance division did not adequately review the VAT reconciliations at year end to ensure that Value Added Tax receivable or payable is accurate.</p> <p>As a result Vat output is understated with R 179 936.07</p>	<p><u>Financial management – Daily and monthly processing and reconciling of transactions</u></p> <ul style="list-style-type: none"> Implement controls over daily and monthly processing and reconciling of transactions. 	<p>It is recommended that management in the finance division should review the Value Added Tax each month to ensure that all transactions captured on SAMRAS agree to the VAT 201.</p> <p>Management should perform sales and VAT reconciliations on a monthly basis to ensure that input and output VAT are correctly accounted for in the correct period.</p>	<p>Management acknowledges the finding by the Auditor General.</p> <p>The VAT reconciliation is initiated through an automated process on the SAMRAS system which clears the transaction accounts for Input, Stock and Output VAT on a monthly basis.</p> <p>However from our investigation into the matter it appears that the Output VAT transaction account is not cleared by the auto run process as in the case of Input and Stock VAT.</p> <p>An incident has been logged with our service provider SAMRAS, to investigate the matter and subsequently correct the programming issue.</p> <p>Please note that the remaining balance of Output VAT in the transaction accounts which have not been cleared do reflect on the trial balance and is accounted for as a credit balance in the annual financial statements. Thus the Output VAT, as disclosed in the annual financial statements is not understated but the VAT 201 return, which is to be corrected once SAMRAS has provided a solution to the program omission in our next VAT cycle.</p>	<p>The VAT reconciliation shall be reconciled to the general ledger accounts on a monthly basis. The aforementioned reconciliation and VAT201 shall be reviewed and authorised by the appropriate next line manager.</p>	<p>Managements' response is acknowledged. The final set of financial statements was inspected and the relevant accounts have been updated and corrected accordingly.</p> <p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>

C – Administrative Matters

Audit Finding Description	Internal Control Deficiency	AGSA Recommendation	Managements Response	Proposed Corrective Action	Auditors Conclusion
<p>1. Medical aid contribution not verifiable</p> <p>The normal practice of the municipality is to deduct the 1/3 from the councillor's remuneration and reflect the 2/3 contribution by the municipality on the payslip.</p> <p>For Councillor Ruf Torr (Mayoral Committee), the payslip reflected the 2/3 municipality contribution of R1 440, but did not reflect the 1/3 employee contribution as part of the employee deductions. Further investigation into the matter revealed that the councillor requested to not have his 1/3 contribution deducted from his salary, as he would pay the amount over himself to the medical aid.</p> <p>The municipality was unable to provide proof from the medical aid as to the actual amount of the monthly deduction, to confirm that the municipality was in fact not paying more than the 2/3 maximum for the medical aid as the employers contribution.</p>	<p><u>Financial management – Regular, accurate and complete financial reports</u></p> <p>Management has allowed a deviation from their normal procedures and processes in place and not implemented controls to ensure that alternative procedures are in place to ensure validity and accuracy of accounting information.</p>	<p>The medical aid payments made for all councillors by the municipality should be a maximum of 2/3 of the membership fee to a maximum of R 1 440 per month. The municipality should ensure membership and contribution by the member has occurred to ensure that the contribution by the municipality is valid, accurate and complete.</p> <p>The municipality should ensure evidence is obtained for the contributions made.</p>	<p>Your finding that the municipality was unable to provide proof from the medical aid as to the actual amount of the monthly deduction, to confirm that the municipality was in fact not paying more than the 2/3 maximum for the medical aid as the employers contribution is noted.</p> <p>Section 12(b) of Government Gazette no. 35962, <i>Determining the upper limits of salaries, allowances and benefits of different members of municipal councils</i>, issued 7 December 2012, states that the upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor of that council is a member, is 2/3 of the membership fee (refer to the attached document). Hence the determination of "to a maximum of R1 440 per month" is outdated.</p> <p>Management disagree with the AG's finding since the 2/3 medical aid employment contribution was only applied for the councillor in question. In general all other councillors' medical aid contributions are paid over by the municipality to the medical aid. Refer to the attached, tax information schedule which indicates that the municipality do not pay more than 2/3 of the councillors' medical aid.</p>	<p>In future management will ensure that the proof of payment of the councillor is obtained in due time in order to substantiate that the municipality only contributes 2/3 maximum towards the employees medical aid.</p> <p>The municipality has obtained the tax information schedule (see attached) which in fact substantiate that the municipality do not exceed 2/3 maximum towards the employees medical aid.</p>	<p>Management's response is acknowledged. The evidence provided was verified, and found to be in order. The finding will however remain on the management report as the internal control deficiency that existed during the year needs to be addressed by management. The commitment that proof of payment will be obtained is noted and will be reviewed at the next key controls engagement.</p>
<p>2. Internal control deficiency - Journals filed without the necessary supporting documentation</p> <p>During the inspection of the journals, the following journals did not have the necessary supporting documentation attached to the journal to confirm the validity, accuracy and completeness of the journal passed</p> <p>Inadequate control measures exist to ensure that all supporting documentation is attached to substantiate the journals processed.</p> <p>Although the journal amounts could be verified via further audit procedures, management should ensure that journals contain adequate supporting documentation to support the adjustments being approved. Failure to do so results in a risk of invalid and inaccurate journals being processed on the system.</p>	<p>Management must ensure appropriate supporting documentation and references should be attached to the journals processed to provide an adequate audit trail to substantiate whether the corrections effected by the journals processed are valid.</p> <p>The accounting authority should formally monitor the implementation of management's action plan to address identified internal control deficiencies.</p>	<p>Where practically possible the necessary supporting documents are attached to the journal or reference is made on the journal to where the supporting documents can be found.</p> <p>Journal 15463 is incorrectly communicated by the AG and must be journal 15643 (refer attached).</p> <p>In the case of Journals 15177, 15646 the full payroll is regarded as the supporting document. Journal 15151 is a reversal of journals 15392 and 15397 (refer to attached documents); hence the supporting documentation is attached to journal 15392 however the appropriate reference is made on journal 15151.</p> <p>The line manager will only authorise journals upon verification and capturing of journals will only occur if supported by relevant documentation, irrespective of the fact that a journal has been duly authorised.</p>	<p>The official that prepares the journal will ensure that comprehensive documentary proof, e.g. a copy of the SAMPRAS / VIP extract, consisting of proper calculations and reconciliations are attached to the journal document that substantiates the transaction.</p> <p>Consideration will be given to centralise the authorisation of journals to the Manager: Budgets and Financial Statements.</p>	<p>Management's actions with regards to the internal control deficiency identified will be reviewed at the next key controls engagement.</p>	

PURPOSE OF SUBMISSION

That Council consider that the draft Un-Audited 2012/2013 Annual Report be made public and the local community be invited to submit representations in connection with the draft Annual Report.

BACKGROUND

The draft Un-Audited 2012/2013 Annual Report is tabled in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), Section 121(2), states that the purpose of the draft Annual Report is to provide a record of activities of Council during the financial year, and to provide a report on the performance against the budget for the financial year and to promote accountability to the local community for the decisions made throughout the year.

COMMENT

Included under separate cover with the agenda is a copy of the draft Un-Audited 2012/2013 Annual Report.

RECOMMENDATION BY MUNICIPAL MANAGER: That -

- (a) The Executive Mayor and Mayoral Committee take cognisance of the draft Un-Audited 2012/2013 Annual Report;
- (b) The Executive Mayor together with the Mayoral committee consider to table the draft Un-Audited 2012/2013 Annual Report to the Council on Thursday, 26 September 2013 for notification.

MAYORAL COMMITTEE: 16 SEPTEMBER 2013: ITEM MC.7.2**RESOLVED:** That -

- (a) Cognisance be taken of the draft Un-Audited 2012/2013 Annual Report;
- (b) It be recommended to Council that the draft Un-Audited 2012/2013 Annual Report be made public and the local community be invited to submit representations in connection with the draft Annual Report.

RECOMMENDATION BY MAYORAL COMMITTEE:

That Council consider that the draft Un-Audited 2012/2013 Annual Report be made public and the local community be invited to submit representations in connection with the draft Annual Report.

COUNCIL MEETING: 26 SEPTEMBER 2013: ITEM C.14.1

RESOLVED: That -

- (a) The draft Un-Audited 2012/2013 Annual Report be made public and the local community be invited to submit representations pertaining to the draft Annual Report;
- (b) Councillors be requested to submit their representations pertaining to the draft Un-Audited 2012/2013 Annual Report to the Chairperson of the Municipal Public Accounts Committee (MPAC), Councillor C. Mcako, for consideration.

**C.14.2 DRAFT 2012/2013 ANNUAL REPORT FOR THE CAPE WINELANDS
DISTRICT MUNICIPALITY (CWDM) (10/1/2/1)**

PURPOSE OF SUBMISSION

That Council consider to approve the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM).

BACKGROUND

At Item C.14.1 of 26 September 2013 Council resolved that –

- (a) The draft Un-Audited 2012/2013 Annual Report be made public and the local community be invited to submit representations pertaining to the draft Annual Report;
- (b) Councillors be requested to submit their representations pertaining to the draft Un-Audited 2012/2013 Annual Report to the Chairperson of the Municipal Public Accounts Committee (MPAC), Councillor C. Mcako, for consideration.

Included under separate cover as Annexure “A”, is a copy of the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM).

The draft Annual Report for 2012/2013 is tabled in Council for adoption in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Systems Act).

Section 121(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), stipulates that the purpose of an annual report is to provide a record of activities of municipality during the financial year, to provide a report on the performance against the budget for the financial year and to promote accountability to the local community for the decisions made throughout the year.

COMMENT

In accordance with section 46 of the Systems Act –

- (a) The draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM) was advertised in the media for comments and representation.
- (b) The draft 2012/2013 Annual Report was also made available on the website of the Cape Winelands District Municipality (CWDM) and hard copies were also made available at the various offices of the Cape Winelands District Municipality (CWDM) for viewing.

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No inputs from the public were received at the due date.

*** Attached as Annexure "B" is a copy of the advertisement.

*** Attached as Annexure "C" is a copy of the report on the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM) by the Chairperson of the Audit Committee.

*** Attached as Annexure "D" is a copy of the report on the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM) by the Chairperson of the Municipal Public Accounts Committee (MPAC).

IMPLICATIONS

PERSONNEL

None.

Comment prepared by: Ms. K. Smit

FINANCIAL

None.

Comment prepared by: Ms. F.A. du Raan-Groenewald

LEGAL

The preparation, tabling and adoption of the 2012/2013 Annual Report is done in terms of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) (Systems Act), quoted hereunder for ease of reference:

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Annual reports

46. (1) A municipality must prepare for each financial year an annual report consisting of—
- (a) a performance report reflecting—
 - (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
 - (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and
 - (iii) measures that were or are to be taken to improve performance; 10
 - (b) the financial statements for that financial year prepared in accordance with the standards of generally recognised accounting practise referred to in section 89 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
 - (c) an audit report on the financial statements and the report on the audit performed in terms of section 45(b); and 15
 - (d) any other reporting requirements in terms of other applicable legislation.
- (2) A municipality must table its annual report within one month of receiving the audit report referred to in subsection (1)(c).
- (3) (a) The municipal manager must—
- (i) by prior notice in the media, inform the local community of the meeting or meetings of the council at which the municipality's annual report is tabled or discussed, which meetings must be open to the public; 20
 - (ii) give written notice of such meetings to the Auditor-General and the MEC for local government in the province;
 - (iii) submit copies of the minutes of those meetings to the Auditor-General and the MEC for local government in the province; 25
- (b) Representatives of the Auditor-General and the MEC for local government in the province are entitled to attend and to speak at such meetings, and the municipal manager must be available to respond to questions related to the annual report.
- (4) The municipality must adopt its annual report, and within 14 days— 30
- (a) make copies of the report accessible to the public, interested organisations and the media, free of charge or at a reasonable price; and
 - (b) submit a copy of the report to—
 - (i) the MEC for local government in the province; ✓
 - (ii) the Auditor-General; and 35
 - (iii) such other institutions as may be prescribed by regulation.

The draft annual report of municipalities is governed by chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). It is the statutory responsibility of the mayor to table the annual report in council for adoption within seven months after the end of the financial year. If the mayor fails in this responsibility the mayor must table in council written reasons for the failure and an explanation thereof.

The table below is a short summary of the chapter 12 process:

ACTION	DEADLINE
The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council	31 January 2014
The Accounting Officer must publish the draft Annual Report	Immediately after tabling
The Accounting Officer must invite submissions	Immediately after tabling

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The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government	Immediately after tabling
Council must deal with the draft Annual Report within 9 months after the end of the financial year. Part of this process includes the drafting of an oversight report.	31 March 2014

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) provides a list of what the annual report must include:

- (a) The annual financial statements;
- (b) The Auditor General's audit report on the financial statements;
- (c) The annual performance report of the municipality prepared in terms of section 46(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- (d) The Auditor General's audit report on the results of the performance measurements;
- (e) An assessment by the accounting officer of any arrears on municipal taxes and service charges and of the performance of the municipality against the measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget for the year;
- (f) Particulars of any corrective action to issues raised by the Auditor General;
- (g) Explanations that may be necessary to clarify issues in connection with the financial statements;
- (h) Recommendations by the audit committee, if any.

Comment prepared by: Ms. W.M. Neethling

RECOMMENDATION BY MUNICIPAL MANAGER:

That Council consider to -

- (a) Take cognisance of -
 - (i) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality (CWDM) for the year ended 30 June 2013 as contained in the draft Annual Report;

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- (ii) The report on the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM) by the Chairperson of the Audit Committee, attached as Annexure "C" to the agenda item;
 - (iii) The report on the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM) by the Chairperson of the Municipal Public Accounts Committee (MPAC), attached as Annexure "D" to the agenda item;
- (b) Approve the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM), included in the agenda under separate cover as Annexure "A".

COUNCIL MEETING: 27 FEBRUARY 2014 : ITEM C.14.2

The Chief Financial Officer of the Cape Winelands District Municipality (CWDM), Ms. F.A. du Raan-Groenewald, proceeded with a presentation regarding the 2012/2013 Audit Outcome.

RESOLVED: That -

(a) Cognisance be taken of -

- (i) The presentation by the Chief Financial Officer of the Cape Winelands District Municipality (CWDM), Ms. F.A. du Raan-Groenewald, regarding the 2012/2013 Audit Outcome, attached as Annexure "A" to the minutes;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality (CWDM) for the year ended 30 June 2013 as contained in the draft Annual Report;
 - (iii) The report on the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM) by the Chairperson of the Audit Committee, attached as Annexure "C" to the agenda item;
- (b) The draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM), included in the agenda under separate cover as Annexure "A", be adopted;
- (c) The oversight report on the draft 2012/2013 Annual Report for the Cape Winelands District Municipality (CWDM) by the Chairperson of the Municipal Public Accounts Committee (MPAC), attached as Annexure "D" to the agenda item, be adopted.



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

ANNUAL FINANCIAL STATEMENTS 2012/2013

VISION - A Unified Cape Winelands of Excellence!

MISSION -All structures of the Cape Winelands co-operate together towards effective, efficient and economically sustainable development.

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Email: admin@capewinlands.gov.za

Website: www.capewinlands.gov.za

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

General Information

Nature of business and principal activities

The Municipality is a local authority that -

- a) Ensures comprehensive and equitable Municipal Health Services within the Cape Winelands;
- b) Ensures co-ordination of multi-disciplinary and sectorial disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment, Response and Recovery;
- c) Provides effective planning and co-ordination of fire fighting services, prevention activities and training services throughout the Cape Winelands;
- d) Facilitates environmentally sustainable economic development & investment attraction as well as retention through the development and management of strategic partnerships;
- e) Facilitates skills development within the Cape Winelands District Municipality by means of knowledge management and social infrastructure investment;
- f) Facilitates the creation of sustainable jobs within the Cape Winelands through the provision and maintenance of economic infrastructure;
- g) Provides support and shared services to local municipalities to facilitate economic development planning within the Cape Winelands;
- h) Increases access to safe and efficient transport;
- i) Develops integrated and sustainable human settlements;
- j) Integrates service delivery for maximum impact;
- k) Creates opportunities for growth and development in rural areas; and
- l) Empowers vulnerable groups, build human capital, invest in social capital and rural development programmes.

Mayoral committee

Ald. C.A. DE BRUYN (Executive Mayor)
Cllr. C. MEYER (Speaker)
Cllr. H.M. JANSEN (Deputy Executive Mayor)
Ald. (Dr.) N.E. KAHLBERG
Cllr. R. B. ARNOLDS
Cllr. G.J. CARINUS
Cllr. J.J. DU PLESSIS
Cllr. X.L. MDEMKA
Cllr. J.R.F. TORR
Cllr. H. VON SCHLICHT

Other Councillors

Cllr. J.J. ABRAHAMS
Cllr. M.B. APPOLIS
Cllr. M.N. BUSHWANA
Cllr. D.C. BOTHA
Cllr. C.C. BRINK
Cllr. W.L. CHAABAN
Cllr. A. CROMBIE
Cllr. J.B. CRONJE
Cllr. C. DAMENS
Cllr. S.W. DAVIDS
Cllr. Z.L. GWADA
Cllr. N.D. HANI
Cllr. D.A. HENDRICKSE
Cllr. P. HERADIEN
Cllr. D.B. JANSE
Cllr. J.J. JANUARIE (Until 26 October 2012)

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

General Information

	Cllr. X. KALIPA Cllr. B.J. KRIEGLER Cllr. P. MARRAN Cllr. J. MATTHEE Cllr. C. MCAKO Cllr. S.J. MEI Cllr. J.S. MOUTON Cllr. L.W. NIEHAUS Cllr. S.W. NYAMANA Cllr. S. ROSS Cllr. L.N. SIKWAMISA Cllr. G. STALMEESTER Cllr. M.S. TAYITAYI Cllr. J.D.F. VAN ZYL Cllr. E.J. VOLLENHOVEN (Until 31 May 2013) Cllr. M.H. YABO
Grading of local authority	GRADE 4
Accounting Officer	M. MGAJO
Chief Financial Officer	F.A. DU RAAN-GROENEWALD
Registered office	46 ALEXANDER STREET STELLENBOSCH 7600
Postal address	P.O. BOX 100 STELLENBOSCH 7599
Telephone	0861 265 263
Bankers	AMALGAMATED BANKS OF SOUTH AFRICA (ABSA)
Auditors	AUDITOR GENERAL OF SOUTH AFRICA (AGSA)

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

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CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

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Abbreviations

CRR	Capital Replacement Reserve
GRAP	Standards of Generally Recognised Accounting Practice
IAS	International Accounting Standards
PRMA	Post- retirement Medical Aid
PPE	Property, Plant and Equipment
MFMA	Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the 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 financial statements and were given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges ultimate responsibility for the system of internal financial control established by the municipality and place 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 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 until 30 June 2014 and, in the light of this review and the current financial position, is satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is predominately dependent on government grants for the continued funding of operations. The financial statements are prepared on the basis that the municipality is a going concern and that the government has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, the accounting officer is supported by the municipality's internal auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements. The financial statements have been examined by the municipality's external auditors.

The financial statements set out on pages 5 to 53, which have been prepared on the going concern basis, were approved by the accounting officer on 30 August 2013.

Accounting Officer
M Mgajo

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Statement of Financial Position as at 30 June 2013

Figures in Rand	Note(s)	2013	2012
Assets			
Current Assets			
Inventories	4	2,243,194	2,933,054
Other receivables from exchange transactions	5	6,607,230	5,618,966
Receivables from non-exchange transactions	6	-	309,127
VAT receivable		156,033	838,768
Trade receivables from exchange transactions	7	537,818	512,021
Cash and cash equivalents	8	428,987,329	395,689,808
		438,531,604	405,901,744
Non-Current Assets			
Property, plant and equipment	2	210,768,686	208,630,559
Intangible assets	3	943,707	863,559
		211,712,393	209,494,118
Liabilities			
Current Liabilities			
Finance leases	11	84,603	116,451
Trade and other payables from exchange transactions	14	12,663,848	24,045,624
Trade and other payables from non-exchange transactions	15	10,386,113	6,702,061
Conditional grants	12	5,276,773	3,200,067
Employee benefits	13	16,143,192	24,217,789
		44,554,529	58,281,992
Non-Current Liabilities			
Finance leases	11	84,228	107,031
Employee benefits	13	140,179,602	114,864,772
		140,263,830	114,971,803
Revaluation reserve	9	102,233,152	104,962,805
Accumulated surplus	10	363,192,486	337,179,262
Total Net Assets		465,425,638	442,142,067

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Statement of Financial Performance

Figures in Rand	Note(s)	2013	2012
Revenue			
Revenue from exchange transactions			
Service charges	16	287,652	448,365
Rental of facilities and equipment		57,560	55,914
Income from agency services		73,799,198	84,777,337
Other income	19	1,522,512	1,569,241
Finance income	23	24,451,381	24,401,142
Total revenue from exchange transactions		100,118,303	111,251,999
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	17	205,442,616	207,494,680
Public contributions and donations	18	1,527,077	51,909
Total revenue from non-exchange transactions		206,969,693	207,546,589
Total revenue		307,087,996	318,798,588
Expenditure			
Employee related cost	21	154,900,619	141,481,996
Remuneration of councillors	22	9,810,611	9,335,836
Depreciation and amortisation	24	7,242,864	5,731,625
Finance costs	25	22,860	15,310
Debt impairment	6 & 7	109,932	60,005
Repairs and maintenance		16,889,818	26,018,521
General expenses	20	95,591,072	125,823,794
Loss on foreign currency	20 & 32	24,853	-
Total expenditure		284,592,629	308,467,087
Operating surplus		22,495,367	10,331,501
Loss on disposal of assets		1,079,779	(1,580,973)
Surplus for the year		23,575,146	8,750,528

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Statement of Changes in Net Assets

	Revaluation reserve	Capital Replacement Reserve	Government grant reserve	Total reserves	Accumulated surplus	Total net assets
Balance at 1 July 2011	115 833 341	70 524 776	1 945 760	188 303 877	216 130 139	404 434 016
Prior year adjustments	-47 993 392	-	-251 741	-48 245 133	39 635 912	-8 609 221
Adjustment to medical aid liability	-	-	-	-	5 790 695	5 790 695
Prior period adjustment	-47 993 392	-	-251 741	-48 245 133	31 950 906	-16 294 227
Other adjustments	-	-	-	-	1 894 311	1 894 311
Restated balance at 1 July 2011	67 839 949	70 524 776	1 694 019	140 058 744	255 766 051	395 824 795
Surplus for the year	-	-	-	-	8 750 528	8 750 528
Revaluation of PPE	37 566 744	-	-	37 566 744	-	37 566 744
Transfer to reserves	-	10 000 000	1 064 450	11 064 450	-11 064 450	-
Transfer to accumulated surplus	-443 888	-5 952 215	-374 714	-6 770 817	6 770 817	-
Total changes	37 122 856	4 047 785	689 736	41 860 377	4 456 895	46 317 272
Balance at 1 July 2012	104 962 805	74 572 561	2 383 755	181 919 121	260 222 946	442 142 067
Surplus for the year	-	-	-	-	23 575 146	23 575 146
Revaluation of PPE	-	-	-	-	-291 575	-291 575
Transfer to reserves	-	3 000 000	1 497 735	4 497 735	-4 497 735	-
Transfer to accumulated surplus	-2 729 653	-8 688 386	-490 756	-11 908 795	11 908 794	-1
Total changes	-2 729 653	-5 688 386	1 006 979	-7 411 060	30 694 630	23 283 570
Balance at 30 June 2013	102 233 152	68 884 175	3 390 734	174 508 061	290 917 576	465 425 637
Note	9	10	10			

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Cash Flow Statement

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Receipts			
Sale of goods and services		77,060,806	93,134,952
Grants		206,969,693	207,546,589
Finance income		24,717,627	24,970,709
		<u>308,748,126</u>	<u>325,652,250</u>
Payments			
Employee costs		(137,660,386)	(124,444,932)
Suppliers		(119,415,418)	(162,587,180)
Finance costs		(22,860)	(15,310)
Other payments: Remuneration to councillors		(9,810,611)	(9,335,836)
		<u>(266,909,275)</u>	<u>(296,383,258)</u>
Total receipts		308,748,126	325,652,250
Total payments		(266,909,275)	(296,383,258)
Net cash flows from operating activities	27	41,838,851	29,268,992
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(8,262,444)	(6,172,055)
Proceeds from sale of property, plant and equipment	2	42,653	-
Purchase of intangible assets	3	(184,720)	(864,032)
		<u>(8,404,511)</u>	<u>(7,036,087)</u>
Cash flows from financing activities			
Finance lease receipts		(136,819)	(162,263)
		<u>(136,819)</u>	<u>(162,263)</u>
Net increase/(decrease) in cash and cash equivalents		33,297,521	22,070,642
Cash and cash equivalents at the beginning of the year		395,689,808	373,619,166
Cash and cash equivalents at the end of the year	8	428,987,329	395,689,808

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	160,000	-	160,000	287,652	127,652	Appendix E1
Rental of facilities and equipment	166,500	(116,100)	50,400	57,560	7,160	
Income from agency services	77,527,500	5,292,577	82,820,077	73,799,198	(9,020,879)	Appendix E1
Other income - (rollup)	1,419,500	(72,592)	1,346,908	1,522,512	175,604	Appendix E1
Interest received - investment	25,000,000	(660,000)	24,340,000	24,451,381	111,381	
Total revenue from exchange transactions	104,273,500	4,443,885	108,717,385	100,118,303	(8,599,082)	
Revenue from non-exchange transactions						
Government grants & subsidies	222,449,000	6,859,208	229,308,208	205,442,616	(23,865,592)	
Public contributions and donations	350,000	1,350,000	1,700,000	1,527,077	(172,923)	Appendix E1
Total revenue from non-exchange transactions	222,799,000	8,209,208	231,008,208	206,969,693	(24,038,515)	
'Total revenue from exchange transactions'	104,273,500	4,443,885	108,717,385	100,118,303	(8,599,082)	
'Total revenue from non-exchange transactions'	222,799,000	8,209,208	231,008,208	206,969,693	(24,038,515)	
Total revenue	327,072,500	12,653,093	339,725,593	307,087,996	(32,637,597)	
Expenditure						
Personnel	(151,279,470)	4,028,516	(147,250,954)	(154,900,619)	(7,649,665)	
Remuneration of councillors	(10,077,700)	90,774	(9,986,926)	(9,810,611)	176,315	
Depreciation and amortisation	(14,103,900)	26,000	(14,077,900)	(7,242,864)	6,835,036	Appendix E1
Finance costs	(27,700)	2,600	(25,100)	(22,860)	2,240	Appendix E1
Debt impairment	(118,500)	118,500	-	(109,932)	(109,932)	Appendix E1
Collection costs	(1,225,800)	-	(1,225,800)	-	1,225,800	Appendix E1
Repairs and maintenance	(14,307,800)	(3,079,812)	(17,387,612)	(16,889,818)	497,794	Appendix E1
Internal chargers	(42,500)	42,500	-	-	-	
Transport Internal	(922,000)	526,400	(395,600)	-	395,600	Appendix E1
General Expenses	(141,394,830)	(1,129,087)	(142,523,917)	(95,615,925)	46,907,992	Appendix E1
Total expenditure	(333,500,200)	626,391	(332,873,809)	(284,592,629)	48,281,180	
	327,072,500	(643,684)	326,428,816	307,087,996	(19,340,820)	
	(333,500,200)	626,391	(332,873,809)	(284,592,629)	48,281,180	
Operating surplus	(6,427,700)	(17,293)	(6,444,993)	22,495,367	28,940,360	
Gain on disposal of assets and liabilities	(2,200)	-	(2,200)	1,079,779	1,081,979	Appendix E1
	(6,427,700)	(17,293)	(6,444,993)	22,495,367	28,940,360	
	(2,200)	-	(2,200)	1,079,779	1,081,979	
Surplus/ (Deficit)	(6,429,900)	(17,293)	(6,447,193)	23,575,146	30,022,339	

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	2,881,367	(1,381,367)	1,500,000	2,243,194	743,194	Appendix K
Other receivables	16,856,658	(12,129,449)	4,727,209	6,607,230	1,880,021	Appendix K
VAT receivable	-	-	-	156,033	156,033	Appendix K
Consumer debtors	77,988	56,391	134,379	537,818	403,439	Appendix K
Cash and cash equivalents	395,689,808	47,610,192	443,300,000	428,987,329	(14,312,671)	
	415,505,821	34,155,767	449,661,588	438,531,604	(11,129,984)	

Non-Current Assets

Property, plant and equipment	221,015,366	(41,185,869)	179,829,497	210,768,686	30,939,189	Appendix K
Intangible assets	864,032	-	864,032	943,707	79,675	
	221,879,398	(41,185,869)	180,693,529	211,712,393	31,018,864	

Current Assets	415,505,821	34,155,767	449,661,588	438,531,604	(11,129,984)	
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Non-Current Assets	221,879,398	(41,185,869)	180,693,529	211,712,393	31,018,864	
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Non-current assets held for sale (and) (assets of disposal groups)	-	-	-	-	-	
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Total Assets	637,385,219	(7,030,102)	630,355,117	650,243,997	19,888,880	
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Liabilities

Current Liabilities

Finance lease obligation	116,451	(116,451)	-	84,603	84,603	Appendix K
Trade and other payables from exchange transaction	53,906,909	(33,906,909)	20,000,000	12,663,848	(7,336,152)	Appendix K
Trade and other payables from non- exchange transactions	-	-	-	10,386,113	10,386,113	Appendix K
Liabilities relating to conditional grants	5,993,990	1,370,993	7,364,983	5,276,773	(2,088,210)	
Employee benefits	14,038,469	961,531	15,000,000	16,143,192	1,143,192	Appendix K
	74,055,819	(31,690,836)	42,364,983	44,554,529	2,189,546	

Non-Current Liabilities

Finance lease obligation	107,031	67,945	174,976	84,228	(90,748)	Appendix K
Employee benefits	105,756,055	16,147,899	121,903,954	140,179,602	18,275,648	Appendix K
	105,863,086	16,215,844	122,078,930	140,263,830	18,184,900	

	74,055,819	(31,690,836)	42,364,983	44,554,529	2,189,546	
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	105,863,086	16,215,844	122,078,930	140,263,830	18,184,900	
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Total Liabilities	179,918,905	(15,474,992)	164,443,913	184,818,359	20,374,446	
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Assets	637,385,219	(7,030,102)	630,355,117	650,243,997	19,888,880	
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Liabilities	(179,918,905)	15,474,992	(164,443,913)	(184,818,359)	(20,374,446)	
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Net Assets	457,466,314	8,444,890	465,911,204	465,425,638	(485,566)	
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CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Revaluation reserve	69,591,935	43,433,936	113,025,871	102,233,152	(10,792,719)	
Accumulated surplus	387,874,379	(34,989,046)	352,885,333	363,192,486	10,307,153	
Total Net Assets	457,466,314	8,444,890	465,911,204	465,425,638	(485,566)	

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Grants	237,077,900	(5,946,959)	231,130,941	206,969,693	(24,161,248)	Appendix K
Interest income	25,000,000	(660,000)	24,340,000	24,717,627	377,627	
Other receipts	65,976,200	5,496,175	71,472,375	77,060,806	5,588,431	Appendix K
	328,054,100	(1,110,784)	326,943,316	308,748,126	(18,195,190)	
Payments						
Employee costs and other cost	(386,468,986)	68,237,039	(318,231,947)	(266,909,275)	51,322,672	Appendix K
Total receipts	328,054,100	(1,110,784)	326,943,316	308,748,126	(18,195,190)	
Total payments	(386,468,986)	68,237,039	(318,231,947)	(266,909,275)	51,322,672	
Net cash flows from operating activities	(58,414,886)	67,126,255	8,711,369	41,838,851	33,127,482	
Cash flows from investing activities						
Purchase of property, plant and equipment	(12,102,020)	907,893	(11,194,127)	(8,262,444)	2,931,683	Appendix K
Proceeds from sale of property, plant and equipment	-	-	-	42,653	42,653	Appendix K
Purchase of other intangible assets	-	-	-	(184,720)	(184,720)	Appendix K
Net cash flows from investing activities	(12,102,020)	907,893	(11,194,127)	(8,404,511)	2,789,616	
Cash flows from financing activities						
Finance lease payments	-	-	-	(136,819)	(136,819)	Appendix K

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1. Basis of preparation

a) Statement of compliance

The annual financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, 2003 (Act 56 of 2003). Accounting policies for material transactions, events or conditions not covered by the above GRAP standards were developed in accordance with the hierarchy set out in paragraph 12 of GRAP 3. The details of any changes in accounting policies are explained in the relevant policy.

Basis of measurement

The annual financial statements are prepared on an accrual basis of accounting and in accordance with historical cost convention unless otherwise stated.

The accounting policies that were consistently applied for the periods under review are summarised in Section 1.2, significant accounting policies.

a) Functional and presentation currency

These annual financial statements are presented in South African Rand (R), which is the municipality's functional currency. All financial information has been rounded to the nearest Rand.

b) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

c) Comparative information

Comparative figures are re-classified or restated as and when necessary to afford a proper and meaningful comparison of results, as set out in the affected notes to the financial statements.

Accounting estimates and judgements

a) Key sources of estimation for uncertainty

Impairment of trade and other receivables

The impairment of the municipality's trade and other receivables is based on incurred losses in accordance with the requirements of GRAP 104. The historical loss experience of the municipality, based on observable data through the passage of time, is used to estimate the impairment of trade and other receivables. Any changes in the payment status of customers in a specific group or national or local economic conditions that correlate with defaults on the assets in the group will have an impact on the impairment of trade and other receivables.

Allowance for slow moving, damaged and obsolete inventory

Management has made estimates of the selling price less cost to sell off certain inventory items in order to calculate the allowance to write inventory down to the lower of cost or net realisable value.

Fair value estimation

Buildings are stated at revalued amounts based on valuation techniques and market information. The actual value of these items could differ from those estimated. Refer to note 2.

b) Critical judgements in applying accounting policies

Depreciation and the carrying value of items of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated remaining useful lives of items of property, plant and equipment will have an impact on the carrying value of these items.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

Determination of the recoverable service amount of non-cash generating assets

Where impairment indicators exist, the determination of the recoverable service amount of non-cash generating asset requires management to make assumptions to determine the fair value less costs to sell and the value in use based on the depreciated replacement cost model. Key assumptions include the current replacement cost of non-cash generating assets and in certain instances an assumption about the commissioning date which determines the depreciated replacement cost of the non-cash generating asset.

Standards not yet effective

The GRAP standards listed below have been issued but are not yet effective. Application of all of these standards, will be effective from a date to be announced by the Minister of Finance. Apart from GRAP 25, Employee Benefits, the effective dates for these standards have not yet been determined. Management 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 for the reasons detailed below.

a) GRAP 18: Segment Reporting

The standard will not have an impact on the recognition and measurement of items in the financial statements as it is a disclosure standard.

b) GRAP 20: Related Party Disclosures

This standard prescribes the related party information that should be disclosed in the annual financial statements. The adoption of this standard will therefore not have an impact on the results of the municipality.

c) GRAP 25: Employee Benefits (This standard is effective for the annual period starting on / or after 1 April 2013)

The adoption of this standard will have no impact on the annual financial statements of the municipality as actuarial gains and losses are already recognised in the Statement of Financial Performance in accordance with the provisions of IAS 19 on Employee Benefits.

d) GRAP 105: Transfers of functions between entities under common control

The provisions of the standard are not currently applicable to the municipality.

e) GRAP 106: Transfers of functions between entities not under common control

The impact on the annual financial statements cannot be determined at present. It will depend on the legislative mandate, if any, giving effect to the transfer of functions.

f) GRAP 107: Mergers

The provisions of this standard are not currently applicable to the municipality.

1.1 Going Concern

These annual financial statements are prepared on a going concern basis.

In finalising the financial statements, management must in terms of GRAP 1 disclose any material uncertainties related to events or conditions, which may cast significant doubt upon the organisation's ability to continue as a going concern. The determination whether the going concern assumption is appropriate is primarily relevant for individual entities rather than for government as a whole.

The primary source of revenue for the Cape Winelands District Municipality is transfer payments from National Government.

The aforementioned allocations are sufficient to ensure the sustainability of the District Municipality. An alternative source of revenue should be explored to reduce the dependency of the District Municipality on National Funds.

According to The Division of Revenue Act sufficient funds will be transferred to the municipality to be a going concern for the foreseeable future.

1.2 Significant accounting policies

Internal Reserves

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.2 Significant accounting policies (continued)

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. The amount transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when funds from the CRR are utilised.

- The cash is invested until it is utilised. The cash may only be invested in accordance with the Cash Management and Investments Policy of the municipality.
- Interest earned on the CRR investment is recorded as part of the total interest earned in the Statement of Financial Performance, where after such interest may be transferred from accumulated surplus to CRR.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- If gains or losses are made on the sale of assets, the gains or losses on the sale of assets are reflected in the Statement of Financial Performance.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued (budget circular) by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants.

When an item of property, plant and equipment financed from Government Grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from donations and public contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus or deficit.

1.3 Revaluation reserve

The revaluation reserve arises from the revaluation of land and buildings in accordance with revaluation model in GRAP 17. The revaluation surplus relating to buildings is realised through use of the building by the District Municipality. The amount of the surplus transferred is the difference between depreciation based on the revalued carrying amount of the buildings and depreciation based on the building's original cost.

The revaluation surplus relating to land is realised upon disposal and subsequently transferred to the accumulated surplus. Transfers from revaluation surplus to accumulated surpluses or deficits are not made through surplus or deficit.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.4 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The District Municipality's Heritage assets are culturally significant resources. However these assets have more than one purpose thus in addition to meeting the definition of a heritage asset, it is also used as office accommodation.

Heritage assets are not recognised as a heritage asset even though the definition of a heritage asset is met, because a significant portion is applied for administrative purposes.

Heritage assets are accounted for in accordance with the Standard of GRAP on Property, Plant and Equipment (GRAP 17).

Measurement

Heritage assets are measured at cost, less accumulated depreciation and accumulated impairment losses.

The District Municipality has the following registered Heritage Assets:

- Building in 46 Alexander Street, was declared as a Provincial Heritage site on 8 September 1967.
- Building in 194 Main Road Paarl

1.5 Property, plant and equipment

Property, plant and equipment are tangible 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 for a period exceeding 12 months.

Initial recognition and measurement

Property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. 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 District Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where property, plant and equipment is acquired by grant or donation, the cost is considered to be the fair value of the asset at date of acquisition.

Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured as follows:

- Plant and equipment – at cost less accumulated depreciation and accumulated impairment losses
- Land and buildings – at the revalued amount, being the fair value at the date of revaluation, less accumulated depreciation and accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

The last valuation was performed on 30 June 2012. Revaluations were performed by an independent valuer, S.J. Marais Property Valuers which is not a connected person to the municipality.

Land and buildings are re-valued independently every 3 years.

The valuation was performed using the Capitalisation of Income Method, Comparable Sales Method and the Depreciated Replacement Cost Method.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.5 Property, plant and equipment (continued)

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the original assessed standard of performance, it is regarded as repairs and maintenance and is recognised in surplus or deficit as incurred.

Depreciation

Depreciation is calculated using the straight-line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives for the current and comparative years:

Item	Estimated useful life
Buildings	50 - 60
Infrastructure	50 - 60
Plant and equipment	5 - 20
Vehicles	10 - 20

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Land is not depreciated as it is deemed to have an indefinite useful life.

Impairment of non-cash generating assets

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Non-cash generating assets are assets other than cash-generating assets. When the carrying amount of a non-cash generating asset exceeds its recoverable service amount, it is impaired. The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such an indication exists, the municipality estimates the recoverable service amount of the asset. This impairment test is performed at the same time every year.

Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits or service potential is expected from its continued use.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds if any and the carrying value, and is included in surplus or deficit when such items is derecognised.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.6 Receivables from exchange transactions

Initial and subsequent measurement

Trade and other receivables are initially recognised at fair value, plus transaction costs that are directly attributable to the issue of the trade receivables and are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment of financial assets

At the end of each reporting period the group assesses financial assets to determine whether there is objective evidence that the financial assets or group of financial assets are impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are indicators of possible impairment.

Where the financial assets are impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. The assets are written off in the year in which they are identified as irrecoverable, subject to the approval of the necessary dedicated authority. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are accounted for as revenue in the Statement of Financial Performance.

1.7 Payables from exchange transactions

Trade payables are initially measured at fair value, plus transaction costs that are directly attributable to the issue of the trade payables and are subsequently measured at amortised cost, using the effective interest method.

1.8 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments 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 deposits held on call with banks and investment in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.9 Bank overdrafts and borrowings

Bank overdrafts and borrowings are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the District Municipality's accounting policy for borrowing costs.

1.10 Revenue

Revenue

Revenue consists of revenue from exchange and non-exchange transactions as described in more detail below and excludes value-added taxation. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the District Municipality and these benefits can be measured reliably.

a) Revenue from exchange transactions

Income from agency services

Administration fees earned in respect of agency services rendered are recognised as revenue as and when the services are rendered.

Interest earned

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

Interest earned is recognised as and when it accrues using the effective interest method.

Rental of facilities and equipment

Rental income on facilities and equipment is recognised on a straight-line basis over the lease term.

Revenue from the recovery of unauthorised, irregular and 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, 2003 (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials are virtually certain.

Service charges

Revenue from services charges is recognised when the service is rendered and it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Subsequent to initial recognition, the District Municipality shall test service chargers for impairment and record such a loss as an expense.

b) Revenue from non-exchange revenue

An inflow of resources from a non-exchange transaction that meets the definition of an asset shall be 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 shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it shall reduce the carrying amount of the liability recognised and recognise an amount of revenue equal to that reduction

Government grants and subsidies

Government grants and subsidies are recognised as revenue when all the conditions associated with the grants and subsidies have been met. Interest earned on unutilised grants is recognised as a conditional grant liability if the grant conditions indicate that the interest is due to the grantor.

Public contributions and donations

Public contributions and donations are recognised as revenue on a cash receipt basis. Where the public contribution or donation is in the form of property, plant and equipment, the fair value of the property, plant and equipment is determined at the date when the risks and rewards of ownership have transferred to the district municipality.

Tariff charges

Revenue arising from the application of an approved tariff is recognised when the service is rendered by applying the relevant authorised tariff. This includes the issuing of licenses and permits.

1.11 Intangible assets

Initial recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance. 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.

Subsequent measurement

Subsequent to initial recognition intangible assets are carried at cost less any accumulated amortisation and impairment losses.

Intangible assets with definite useful lives are amortised on a straight-line basis over their useful lives from the date that they are available for use.

Item

Useful life

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.11 Intangible assets (continued)

Computer software 5 years

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefit or service potential is expected from its continued use. The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. The gain or loss is recognised in surplus or deficit when the asset is derecognised.

1.12 Inventories

Inventories consist of unsold properties and consumables.

Initial measurement

Inventories are initially measured at cost on a weighted average basis. Cost of inventories comprises all costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired at no cost or for nominal consideration, the cost is deemed to be the fair value as at the date of acquisition. Direct costs relating to unsold properties are accumulated for each separately identifiable development.

Subsequent measurement

Unsold properties to be sold at market related values and consumables are subsequently valued at the lower of cost and net realisable value. Unsold properties to be distributed at no or nominal consideration are subsequently measured at the lower of cost and current replacement cost.

Derecognition of unsold properties.

The District Municipality derecognises unsold properties contained in inventory when construction of such properties has been completed and occupation of houses taken by the beneficiaries. At date of derecognition, the expense is recognised in the Statement of Financial Performance.

1.13 Financial instruments

Initial recognition and measurement

Financial instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

The subsequent measurement of financial instruments is dealt with as follows:

Financial Assets

A financial asset is any asset that is a cash or contractual right to receive cash.

The municipality classifies financial assets into the following category:

- Loans and receivables

Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. There are two main categories of financial liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through surplus or deficit; or
- Other financial liabilities at amortised cost

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.13 Financial instruments (continued)

The municipality measures all financial liabilities including trade and other payables, at amortised cost using the effective interest method. Financial liabilities include other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Finance charges are accounted for on an accrual basis.

Derecognition of financial assets and liabilities

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.

The municipality derecognises financial liabilities only when, the district municipality's obligations are discharged, cancelled or they expire.

1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it is a lease other than a finance lease.

When a lease includes land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Assets subject to finance lease agreements are initially measured at the lower of fair value or the present value of the minimum lease payment, and the corresponding liability is raised at the same amount. The cost of the asset is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the asset. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest method. Lease finance costs are expensed when incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Operating leases - lessee

Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

1.15 Non-current assets held for sale

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.16 Employee Benefits

Short term employee benefits

The cost of all short-term employee benefits, such as leave pay and bonuses, is recognised during the period in which the employee renders the related service. The district 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.

Long-term employee benefits

The district municipality provides long-term incentives to eligible employees or groups of employees as detailed below.

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 district 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.

Defined benefit plans

Defined benefit plans are post employment benefit plans other than defined contribution plans. The municipality's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in surplus or deficit on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in surplus or deficit.

The district municipality recognises all actuarial gains and losses arising from defined benefit plans immediately in surplus or deficit and all expenses related to defined benefit plans as employee cost in surplus or deficit.

Multi-employer funds

The Municipality contributes towards various National and Provincial administered multi-employer plans on behalf of its qualifying employees. A multi-employer plan is classified as either a defined benefit plan or a defined contribution plan.

If the plan is a defined benefit plan, an actuarial valuation should be obtained. Normal defined benefit accounting would be applied to the proportionate share of the obligation and assets relating to the municipality. If actuaries are unable to provide the district municipality with an actuarial valuation of the district municipality's proportionate share, the municipality accounts for the plan as if it was a defined contribution plan.

Where a plan is a defined contribution plan, the district municipality accounts for it in the same way as for any other defined contribution plan.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.17 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management have been 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 district municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note of the Annual Financial Statements 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 district municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

1.18 Provisions

A provision is recognised when the municipality has a present legal or constructive obligation as a result of a past event, and 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 amount of the obligation.

The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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.

1.19 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade creditors denominated in foreign currency are reported at reporting date by applying the exchange rate at that date. Exchange differences arising from the settlement of creditors, or on reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised in surplus or deficit in the period in which they arise. The district municipality considers the necessity to take out forward cover before entering into foreign exchange transactions in order to avoid possible losses due to fluctuation in exchange rates.

1.20 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that 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, 2003 (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain, and could have been avoided had reasonable care been exercised. Fruitless and wasteful 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.

1.22 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act No.56 of 2003), the Municipal Systems Act, 2000 (Act No.32 of 2000), and the Public Office Bearers Act, 1998 (Act No. 20 of 1998) or is in contravention of the district 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.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Accounting Policies

1.23 Grants in Aid

The municipality annually awards grants to organisations in terms of Section 67 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003). When making these transfers, Council does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are accounted for as expenses in the Statement of Financial Performance in the period that the events giving rise to the transfer occurred.

1.24 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.25 Budget information

The Municipality is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements as prescribed in GRAP 24.

A comparison of actual vs. budgeted revenue and expenditure is disclosed in the Statement of Comparison of Budget and Actual and the concomitant Appendix E1 and E2 are detailing reasons for variances in excess of 10% and R10 000.

1.26 Related parties

Key management and councillors 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. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.27 Value - Added Tax

The Municipality accounts for value-added tax on the invoice basis.

1.28 Borrowing costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed, and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

1.29 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand 2013 2012

2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	68,640,000	-	68,640,000	68,640,000	-	68,640,000
Buildings	77,620,416	(1,747,646)	75,872,770	72,679,596	-	72,679,596
Vehicles	41,006,402	(11,675,250)	29,331,152	38,622,944	(10,034,697)	28,588,247
Infrastructure	1,120,508	(900,719)	219,789	1,120,508	(820,433)	300,075
Other property plant and equipment	45,302,921	(16,890,123)	28,412,798	42,089,196	(16,837,049)	25,252,147
Work in Progress	-	-	-	5,072,273	-	5,072,273
Other leased assets	636,829	(464,847)	171,982	554,661	(372,190)	182,471
Heritage	8,577,850	(457,655)	8,120,195	7,915,750	-	7,915,750
Total	242,904,926	(32,136,240)	210,768,686	236,694,928	(28,064,369)	208,630,559

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Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Transfers	Depreciation	Carrying value
Land	68,640,000	-	-	-	-	68,640,000
Buildings	72,679,596	665,492	-	4,275,328	(1,747,646)	75,872,770
Vehicles	28,588,247	2,383,458	-	-	(1,640,553)	29,331,152
Infrastructure	300,075	-	-	-	(80,286)	219,789
Other property, plant and equipment	25,252,147	6,670,479	(1,255,629)	796,945	(3,051,144)	28,412,798
Work in Progress	5,072,273	-	-	(5,072,273)	-	-
Other leased Assets	182,471	82,168	-	-	(92,657)	171,982
Heritage	7,915,750	662,100	-	-	(457,655)	8,120,195
	208,630,559	10,463,697	(1,255,629)	-	(7,069,941)	210,768,686

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Revaluations	Depreciation on Revaluation	Depreciation	Carrying value
Land	66,716,020	-	(14,900)	1,938,880	-	-	68,640,000
Buildings	42,945,052	11,448	-	28,078,314	2,476,662	(831,880)	72,679,596
Motor vehicles	28,072,026	2,795,987	(692,039)	-	-	(1,587,727)	28,588,247
Infrastructure	382,414	-	-	-	-	(82,339)	300,075
Other property, plant and equipment	25,825,623	3,245,467	(850,946)	-	-	(2,967,997)	25,252,147
Work in Progress	5,072,273	-	-	-	-	-	5,072,273
Other leased Assets	212,403	111,178	(23,088)	-	-	(118,022)	182,471
Heritage	2,978,073	7,975	-	5,072,889	-	(143,187)	7,915,750
	172,203,884	6,172,055	(1,580,973)	35,090,083	2,476,662	(5,731,152)	208,630,559

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand 2013 2012

2. Property, plant and equipment (continued)

Assets subject to finance lease (Net carrying amount)

Other leased Assets	171,982	182,471
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3. Intangible assets

	2013			2012		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1,117,103	(173,396)	943,707	864,032	(473)	863,559

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Carrying value
Computer software	863,559	253,071	(172,923)	943,707

Reconciliation of intangible assets - 2012

	Opening balance	Additions	Amortisation	Carrying value
Computer software, other	-	864,032	(473)	863,559

4. Inventories

Roads material	307,263	-
Consumable stores	1,925,613	2,922,736
Housing Stock	10,318	10,318
	2,243,194	2,933,054

5. Other receivables from exchange transactions

Deposits	255,000	255,000
SALGA Prepayment	1,415,571	-
Other miscellaneous	47,967	98,972
Insurance claims	134,881	88,075
TCTA year end debtor	-	330
Accrued interest	4,753,811	5,019,755
Department of Water Affairs	-	156,834
	6,607,230	5,618,966

6. Receivables from non-exchange transactions

Provision for impairment for non- exchange transactions	(109,127)	-
Other receivables from non-exchange revenue	109,127	309,127
	-	309,127

Receivables from non-exchange transactions impaired

As of 30 June 2013, other receivables from non-exchange transactions of R 109 127 were impaired and provided for.

The amount of the provision was R 109 127 as of 30 June 2013.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
6. Receivables from non-exchange transactions (continued)		
The ageing of these receivables from non-exchange transactions is as follows:		
Over 6 months	(109,127)	-
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Contributions to provisions	(109,127)	-
The creation and release of provision for impaired receivables have been included in debt impairment in surplus or deficit.		
7. Trade receivables from exchange transactions		
Gross balances		
Other	1,299,743	1,938,805
Less: Allowance for impairment		
Other	(761,925)	(1,426,784)
Net balance		
Other	537,818	512,021
Age analysis		
Current (0 -30 days)	107,302	54,785
31 - 60 days	1	2,251
61 - 90 days	27,687	-
91 - 120 days	19,316	-
121+ Days	383,512	454,985
	537,818	512,021
Age analysis of trade receivables by customer classification		
Consumers		
Current (0 -30 days)	72,224	17,347
31 - 60 days	1	2,251
61 - 90 days	27,687	-
91 - 120 days	19,316	-
121 + Days	1,145,436	1,881,768
	1,264,664	1,901,366
Less: Allowance for impairment	(761,925)	(1,426,784)
	502,739	474,582
National and provincial government		
Current (0 -30 days)	35,079	37,438
Total		
Current (0 -30 days)	107,302	54,785
31 - 60 days	1	2,251
61 - 90 days	27,687	-
91 - 120 days	19,317	-
121 + Days	1,145,436	1,881,769
	1,299,743	1,938,805
Less: Allowance for impairment	(761,925)	(1,426,784)
	537,818	512,021

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
7. Trade receivables from exchange transactions (continued)		
Less: Allowance for impairment		
121 + Days	(761,925)	(1,426,784)
Reconciliation of allowance for impairment		
Balance at beginning of the year	(1,426,784)	(1,366,779)
Contributions to provision	(804)	(767,664)
Bad debts written off against provision	665,663	-
Reversal of unused Provision - DMA property rates transferred	-	707,659
	(761,925)	(1,426,784)

The risk profile of each class of debtor was assessed to determine the provision for bad debt.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,100	3,100
Bank balances	14,984,229	10,686,708
Short-term deposits	414,000,000	385,000,000
	428,987,329	395,689,808

MFMA disclosure in note 28.

9. Revaluation reserve

Opening balance	104,962,805	67,839,949
Revaluation of PPE	-	37,566,744
Transfer to accumulated surplus	(2,729,653)	(443,888)
	102,233,152	104,962,805

10. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2013

	Capital replacement reserve	Government grant reserve	Total
Opening balance	74,572,562	2,383,756	76,956,318
Transfer to reserves	-	1,497,735	1,497,735
Transfer Accumulated surplus	(8,688,386)	(490,760)	(9,179,146)
Contributions to reserves	3,000,000	-	3,000,000
	68,884,176	3,390,731	72,274,907

Ring-fenced internal funds and reserves within accumulated surplus - 2012

	Capital replacement reserve	Government grant reserve	Total
Opening balance	70,524,776	1,694,020	72,218,796
Transfer to accumulated surplus	(5,952,214)	(374,714)	(6,326,928)
Transfer to reserves	10,000,000	1,064,450	11,064,450
	74,572,562	2,383,756	76,956,318

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
11. Finance lease obligation		
Finance lease liabilities relate to cellphones with lease terms of 24 months (2012: 24 months). Amounts are paid monthly in arrears and the interest rates are linked to the prime overdraft rate, currently 8.5% (2012: 9%), during the period of the lease term.		
The municipality has options to acquire the cell phones at no cost or for a nominal amount at the conclusion of the lease agreement. The municipality's obligation under the finance leases are secured by the lessor's title to the leased assets.		
Opening balance	223,482	259,576
Capitalised lease liabilities	82,168	126,169
Payments during the year	(136,819)	(162,262)
	168,831	223,483
Finance lease obligation	(84,603)	(116,451)
Present value of minimum lease payments	84,228	107,032
Non-current liabilities	84,228	107,031
Current liabilities	84,603	116,451
	168,831	223,482
12. Liabilities relating to conditional grants		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Contribution from Private Land Owners (Electricity)	994,571	643,521
Consumer Housing Education	21,593	31,224
Community Development Workers	74,915	-
Water and Sanitation Grant	35,560	35,560
Ward Committee Summit Grant	2,159	2,159
Public Transport (Provincial)	2,407,018	1,500,000
Provincial Treasury: FMG	300,000	-
Non Motorised Transport	647,842	767,057
Financial Management Grant	793,115	220,546
	5,276,773	3,200,067
These amounts are invested in a ring-fenced investment until utilised.		
See Appendix F for reconciliation of grants from National and Provincial Government		
13. Employee benefits		
Short-term employee benefits		
Employee benefit accruals	542,427	-
Medical aid liability: Short term portion	5,037,684	14,038,469
Staff leave	9,288,870	9,068,409
Ex- gratia benefit: Short term	174,534	-
Short term: Long term service bonus	699,128	641,497
Performance bonus	400,549	469,414
	16,143,192	24,217,789
Other long term employee benefits		
Long service award	10,058,920	9,108,716
Post- employee benefits		
Post- retirement medical aid benefits	126,101,599	101,386,517

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
13. Employee benefits (continued)		
Ex- gratia benefit	4,019,083	4,369,539
	130,120,682	105,756,056
Current liability	16,143,192	24,217,789
Non - current liability	140,179,602	114,864,772
	156,322,794	139,082,561
Post-retirement and medical aid benefits		
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
-Bonitas		
-Key Health		
-Samwumed		
Details relating to eligible employees of the post-retirement medical aid benefit obligation are listed below.		
Active members		
Principal members	353	365
% Males	68%	68%
Average age	43.3	42.5%
Average past service cost	R13. 1 million	R12.2 million
Continuation members		
Principal members	161	150
% Males	57%	52%
Average age	70	70
The amounts recognised in the Statement of Financial Position are:		
Projected benefit obligation	131,139,283	115,424,985
Plan assets	-	-
Net obligation	131,139,283	115,424,985
The obligation in respect of past services has been estimated as follows:		
Active members	56,796,000	-
Continuation members	74,343,283	-
Net obligation	131,139,283	-
The amounts recognised in the Statement of Financial Performance are:		
Current service cost	4,169,227	3,809,000
Interest cost	9,869,242	10,063,000
Recognised actuarial (gains)/ losses	6,031,714	(12,624,278)
Amount charged to Statement of Financial Performance	20,070,183	1,247,722
The future service cost for the ensuing financial year is estimated to be R4 457 568, whereas the interest cost for the next year is estimated to be R10 542 134.		
Movements in the present value of the defined benefit obligation were as follows		
Opening benefit obligation liability	115,424,985	118,385,000
Payments to members	(4,355,885)	(4,207,737)
Charge to Statement of Financial Performance	20,070,183	1,247,722
Closing benefit liability	131,139,283	115,424,985

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand 2013 2012

13. Employee benefits (continued)

Key actuarial assumptions

Discount rate	8.19 %	8.55 %
Medical inflation rate	7.82%	7.45%

Change in medical inflation rate

The effect of 1% movement in the assumed medical inflation rate is as follows:

Increase

	2013	Change	% change
Effect on the aggregate of the current service cost and interest cost			
Effect on the defined benefit obligation	153,015,000	21,875,717	17%

Decrease

Effect on the aggregate of the current service cost and interest cost			
Effect on the defined benefit obligation	113,491,000	(17,648,283)	-13%

Change in the post - retirement mortality rate

The effect of a 1 year reduction in the post- retirement mortality rate is as follows:

Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	136 230 000	5 090 717	4%

Change in average retirement age

The effect of a 1 year reduction in the post- retirement mortality rate is as follows:

Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	133,037,28	1,898,00	1 %

Change in withdrawal rate

The effect of a 50% reduction in the withdrawal rate is as follows:

Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	136,172,28	5,033,00	4%

Ex- gratia benefits

Details of employees eligible for ex-gratia benefits are detailed below.

Members

In- service employees eligible for ex-gratia pension	26	26
In- service employees eligible for lump sum benefit on retirement	19	24
Eligible former employees receiving ex- gratia pension	4	5
Eligible spouses receiving ex- gratia pension	9	9

Average age in years

In- service employees for ex- gratia pension	54.3	53.1
In- service employees eligible for lump sum benefit on retirement	53.0	53.4
Eligible former employees receiving ex- gratia pension	61.3	59.6
Eligible spouses receiving ex- gratia pension	80.00	78.5

The amount recognised in the Statement of Financial Position are:

Projected benefit obligation	4,019,083	4,369,539
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The future service cost for the ensuing financial year is estimated to be Rnil, whereas the interest cost for the next financial year is estimated to be R316 812.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation	4,369,539	3,661,000
Payments to members	(180,453)	(357,808)
Short term portion	(174,534)	-

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012	
13. Employee benefits (continued)			
Charged to Statement of Financial Performance	4,531	1,066,347	
Closed benefit obligation	4,019,083	4,369,539	
Key actuarial assumptions			
Discount rate	7.71%	8.55%	
Pension increase rate	6.27%	5.95%	
Salary inflation	7.52%	7.95%	
Change in pension increase rate	2013	Change	% change
The effect of a 1% movement in the assumed pension rate is as follows:			
Increase			
Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	4,535,784	342,167	8%
Decrease			
Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	3,895,461	(289,156)	-7%
Change in the post- retirement mortality rate			
The effect of a 1 year reduction in the post- retirement mortality rate is as follows:			
Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	4,337,109	143,492	3%
Change in the average retirement age			
Effect on the defined benefit obligation	4,559,311	365,694	9%
Change in withdrawal rate			
Effect on the defined benefit obligation	4,227,173	33,556	1%
Long service awards			
Details of employees eligible for long service awards are detailed below.			
Members	467	-	
Average age in years	45	-	
The amounts recognised in the Statement of Financial Position are:			
Projected benefit obligation	10,758,048	9,750,213	
The amounts recognised in the Statement of Financial Performance are:			
Current service cost	641,497	576,323	
Interest cost	649,675	683,816	
Recognised actuarial losses	676,493	620,579	
Amount charged to Statement of Financial Performance	1,967,665	1,880,718	
The future service cost for the ensuing financial year is estimated to be R699 128, whereas the interest cost for the next financial year is estimated to be R729 203.			
Movements in the present value of the benefit obligation were as follows:			
Opening benefit obligation	9,750,213	8,794,789	
Payment to members (benefits vesting)	(959,830)	(925,294)	
Charge to Statement of Financial Performance	1,967,665	1,880,718	
Closing benefit obligation	10,758,048	9,750,213	
Key actuarial assumptions			
Discount rate	7.26%	7.00%	

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012	
13. Employee benefits (continued)			
Salary inflation	6.76%	5.72%	
Average retirement age	62	0	
Change in the salary inflation rate			
The effect of a 1% movement in the assumed salary inflation rate is as follows:			
Increase			
Effect on the aggregate of the current service cost and interest cost	1,395,300	104,128	8%
Effect on the defined benefit obligation	11,498,000	73,952	7%
Decrease			
Effect on the aggregate of the current service cost and interest cost	1,198,600	(92,572)	-7%
Effect on the defined benefit obligation	10,093,000	(665,048)	-6%
Change in the average retirement age			
Increase			
Effect on the aggregate of the current service cost and interest cost	1,468,500	177,328	14%
Effect on the defined benefit obligation	12,516,000	1,757,952	16%
Decrease			
Effect on the aggregate of the current service cost and interest cost	1,098,100	(193,072)	-15%
Effect on the defined benefit obligation	9,014,000	(1,744,048)	-16%
Change in withdrawal rate			
The effect of a 50% reduction in the withdrawal rate is as follows			
Effect on the aggregate of the current service cost and interest cost	1,563,300	272,128	21%
Effect on the defined benefit obligation	12,337,000	1,578,952	15%

a) Multi - employer

The scheme was established to provide benefits to employees. All existing members were given the option to transfer to Cape Joint Venture Fund before December 1990. The fund was last actuarially valued at 30 June 2012 and the funding level was certified at 99.4% (2011: 98.1%).

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

b) Cape Joint Retirement and Pension Fund for Local Government

This multi-employer fund was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 7.5% of basic salary, whilst the respective Local Authorities are contributing 19.5%.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

As at 30 June 2012 the funding level of the share account was 99.9% and the pension account was 108%. At the valuation date the municipality had 497 members (Fund: 33 979 members) and nil pensioners (Fund: 780 pensioners) belonging to the fund.

The expected contribution by the municipality to the scheme in the next financial year is R13,500,000.

c) SAMWU National Provident Fund

SAMWU National Provident Fund, which is a privately-administered fund and is subject to actuarial valuation. According to the actuarial valuation the value of total assets of the SAMWU National Provident Fund was R 2 007 million on 30 June 2006. 6.49 % of Council's employees are members of this fund. The funding level of the fund was 110.3% on 30 June 2006. Financial Statements for the 2009/2010 financial year are not available yet.

d) The Municipal councillors Pension Fund

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
13. Employee benefits (continued)		
<p>This multi-employer fund was established to provide withdrawal, death and retirement benefits to Councillors. The contribution rate for Councillors is 13.75% of pensionable salary, whilst the respective Local Authorities are contributing 15%. The fund was last actuarially valued at 30 June 2009. The next actuarial valuation will be performed for the period ended 30 June 2012. It is currently not known when the latest actuarial valuation will be made available. This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.</p>		
14. Trade and other payables from exchange transactions		
Payments received in advanced	7,910	42,235
Retention	697,873	592,537
Sundry creditor payments	-	12,581
DWAF Agency	1,650,143	3,227,577
Deposits received	6,622	5,531
Other payables	3,846	1,429
WCA	-	722,570
SARS input LHA	158,372	158,372
Unclaimed funds	474,452	474,452
Hermon housing	76,166	76,166
Trade payables	2,439,360	10,451,505
Rates creditors	-	4,676
ACB's	108	409,864
Continuing medical	31,229	-
Roads Agency	7,117,767	7,866,129
	12,663,848	24,045,624
15. Trade and other payables from non- exchange transactions		
Other capital grant funding	484,447	9,773
Task wage curve	9,498,667	5,982,677
Financial Management Grant - Capital	-	709,611
Municipal Systems Improvement Grant - Capital	402,999	-
	10,386,113	6,702,061
16. Service charges		
Fire fighting services	287,652	448,365
17. Government grants and subsidies		
Operating grants		
Equitable share	6,945,000	12,461,000
Sandhills - Toilet Hire	462,873	580,828
RSC Levy Replacement grant	193,926,000	187,508,000
Expanded Public Works	1,214,000	-
Perception Survey	-	1,300,523
Public Transport (Safety and Compliance)	92,982	-
Ward Committee Summit	-	23,884
Thusong Centre	-	1,500,000
Financial Management Grant	677,431	898,371
Water and Sanitation Grant	-	99,176
Roads Agency	-	-
Hermon Housing Subsidy	521,339	768,595
Subsidy: Meerlust	-	81,109
Integrated Transport Grant	634,654	1,063,940
Consumer Housing Education	9,631	12,691
Community Development Workers Grant	44,488	63,121

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
17. Government grants and subsidies (continued)		
	204,528,398	206,361,238
Capital grants		
Donated Assets (Health)	124,280	-
Roads Agency	192,937	258,298
Working for Water	-	11,112
Financial Management Grant	-	864,032
MSIG capital	597,001	-
	914,218	1,133,442
	205,442,616	207,494,680

The amount of R 4 830 000 in respect of Municipal Infrastructure Grant funding was withheld by National Treasury and deducted from the 2012/ 2013 Equitable Share allocation. Reasons is disclosed in note 29 "Contingent asset".

18. Public contributions and donations

Nedbank	1,000,000	-
Contribution from Farmers	342,923	48,632
Anglo Lanquedoc	-	3,277
Radiostation road Ceres	184,154	-
	1,527,077	51,909

19. Other income

SETA Refund	498,016	625,863
Exhibition income	88,202	28,252
RSC Levies recovered	41	39
Eskom rebate	74,263	-
Performance management system income	-	11,400
Miscellaneous roads income	85,950	62,580
Miscellaneous income	776,040	841,107
	1,522,512	1,569,241

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
20. General expenses		
Accounting fees	92,068	71,030
Advertising	664,872	552,990
Auditors fees (note 26)	2,862,269	2,406,394
Bank charges	71,523	78,765
Cleaning	430,763	420,716
Study bursary fund	1,091,410	1,006,378
Fire breaks	437,644	313,666
Consulting and professional fees	2,604,955	1,470,136
Consumables	423,388	413,457
Entertainment	74,687	113,902
Site expenditure	105,721	73,058
Flowers	4,783	6,295
Insurance	831,714	1,259,823
Seta levies	1,142,780	1,075,468
Conferences and seminars	181,256	260,665
Public participation	139,726	181,806
IT expenses	297,580	651,817
Equipment general items	302,140	414,053
Rentals	475,329	439,085
Stock write off	-	47,479
Levies	35,813	26,235
Magazines, books and periodicals	-	6,910
Medical consumables	2,854	4,673
Motor vehicle expenses	5,495,806	4,834,248
Community fire awareness	-	80,421
Refreshments	236,282	279,214
Fuel and oil	8,804,521	8,901,992
Placement fees	7,259	6,107
Postage and courier	40,270	34,736
Printing and stationery	1,403,611	1,361,555
Communication	949,639	1,581,807
Protective clothing	39,732	1,140
Projects - Various directorates	41,256,851	70,132,765
Lisense fees - Radio	24,789	32,351
Security (Guarding of municipal property)	1,322,401	604,347
Software expenses	1,142,340	1,238,350
Subscriptions and membership fees	114,860	1,081,357
Telephone and fax	2,894,259	3,067,932
Training	2,020,112	2,031,317
Travel - local	2,254,274	1,649,176
Title deed search fees	-	3,277
Exhibition and events	707,455	832,392
Electricity	1,783,583	1,859,078
Sewerage and waste disposal	263,084	113,633
Water	207,609	175,540
Refuse	168,977	44,862
Uniforms	768,103	925,341
Translation	390,434	404,842
Co- operational agreement	-	8,843
Water/ food samples testing	866,810	910,993
Thusong Centre (Langeberg Mun)	-	1,500,000
Audit Support	189,983	203,321
Maintenance Contracts	319,949	379,715
Fire fighting special events	6,089,447	5,764,325
Venue expenses	50,207	59,018
Chemicals	236,485	221,081
Other expenses (See footnote)*	2,097,736	3,114,964
Property only	895,915	1,077,797
Reallocation Cost	299,869	11,156

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012		
20. General expenses (continued)	95,615,927	125,823,794		
* Items included in other expenses				
Emergency aid	172,647	28,157		
Internet kiosks	67,834	-		
NGO services	-	590,374		
Public functions	194,308	436,495		
Program changes mainframe	60,900	81,998		
Cash handling	37,691	39,030		
Year end function	43,534	41,502		
Video/ DVD	186,948	95,775		
Women's day celebration	62,691	150,615		
Planning: Water and Sanitation	191,000	119,960		
Biosphere Reserve: CWDM	-	300,000		
MHS management system	188,212	165,000		
Stakeholder workshops	143,162	175,821		
Kluitjieskraal nursery	-	150,000		
Birding Route Development	-	150,000		
Settlements	37,500	-		
Guidance	34,710	25,686		
Website development	30,270	25,911		
Stakeholder workshops	18,344	24,937		
Trade Union (Imatu)	47,350	30,931		
Trade Union (Samwu)	46,316	4,476		
Trade Union : Representation	47,162	67,088		
Other expenses	487,157	411,208		
	2,097,736	3,114,964		
21. Employee related costs				
Basic salaries	77,603,149	77,234,131		
Bonus	4,412,406	7,606,200		
Medical aid - company contributions	8,195,260	7,992,898		
UIF	698,451	665,036		
WCA	889,970	1,134,806		
Leave pay	464,559	1,196,416		
Student Work	1,426,380	665,013		
Operators Allowance	80,265	105,787		
Other short term costs	-	3,919,278		
Post-employment benefits - Pension - Defined contribution plan	13,419,582	13,351,944		
Travel, motor car, accommodation, subsistence and other allowances	8,625,961	9,366,564		
Overtime payments	3,573,182	2,509,882		
Long-service awards	2,874,121	-		
Medical aid current service cost	4,169,227	3,809,000		
Actuarial loss/(gain)	6,339,142	(10,357,370)		
Task wage agreement	3,515,990	3,206,512		
Housing benefits and allowances	2,947,035	3,242,305		
Other allowances	3,915,038	3,783,208		
Future medical aid expenses	10,242,838	10,445,900		
Group schemes	1,177,648	1,158,327		
Telephone	72,069	74,196		
Performance bonus	258,346	371,963		
	154,900,619	141,481,996		
2013	Long service awards	Ex gratia	PRMA	Total
Current service cost	641,497	-	4,169,227	4,810,724
Interest cost	649,675	373,596	9,869,242	10,892,513

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013		2012	
21. Employee related costs (continued)				
Net actuarial (gains)/ losses recognised	676,493	(369,065)	6,031,714	6,339,142
	1,967,665	4,531	20,070,183	22,042,379
2012	Long service awards	Ex gratia	PRMA	Total
Current service cost	576,323	-	3,809,000	4,385,323
Interest cost	683,816	382,900	10,063,000	11,129,716
Net actuarial (gains)/ losses recognised	620,579	683,447	(12,624,278)	(11,320,252)
	1,880,718	1,066,347	1,247,722	4,194,787

Remuneration senior management

2013	Basic	Car Allowance	Performance Bonuses	Contribution to UIF, Medical and Pension Funds	Other	Total
Municipal Manager	906,988	70,000	66,795	215,654	13,308	1,272,745
Chief Financial Officer*	683,386	53,500	47,047	156,488	85,798	1,026,219
Corporate and Strat. services	59,977	8,000	55,662	15,844	27,436	166,919
Community and Dev. services**	634,450	90,000	46,385	24,257	43,874	838,966
Rural and Social Development	719,765	96,000	55,662	179,013	52,412	1,102,852
Regional Dev. and Planning	753,082	76,000	55,662	165,939	61,952	1,112,635
Engineering and Infr. services	432,963	100,000	-	111,760	20,675	665,398
	4,190,611	493,500	327,213	868,955	305,455	6,185,734

* The employee resigned on the 18 May 2013.

** The employee resigned on the 31 March 2013.

2012

	Basic	Car Allowance	Performance Bonuses	Contribution to UIF, Medical and Pension Funds	Other	Total
Municipal Manager	845,291	70,000	117,643	199,449	20,515	1,252,898
Chief Financial Officer	735,054	40,000	99,436	183,081	21,374	1,078,945
Corporate and Strat. services*	579,360	96,000	74,269	153,830	16,775	920,234
Community and Dev. services	792,693	120,000	80,210	16,497	55,195	1,064,595
Rural and Social Development	680,216	96,000	89,123	152,985	57,238	1,075,562
Regional Dev. and Planning	712,714	76,000	89,123	140,477	64,900	1,083,214
	4,345,328	498,000	549,804	846,319	235,997	6,475,448

*The employee resigned on the 31 July 2012.

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand 2013 2012

22. Remuneration of councillors

2013	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive mayor	620,113	93,017	72,733	19,872	805,735
Deputy mayor	404,365	79,140	229,184	49,872	762,561
Speaker	407,582	74,001	194,592	48,775	724,950
Other councillors	4,844,854	441,490	1,954,022	276,999	7,517,365
	6,276,914	687,648	2,450,531	395,518	9,810,611

2012

	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive mayor	609,843	68,119	104,921	15,848	798,731
Deputy mayor	389,433	62,762	168,292	10,849	631,336
Speaker	245,947	29,580	154,601	967	431,095
Other councillors	4,820,214	507,731	1,903,791	242,938	7,474,674
	6,065,437	668,192	2,331,605	270,602	9,335,836

23. Finance Income

Interest revenue

Interest on trade receivables	-	24
Other Interest	24,451,381	24,401,118
	24,451,381	24,401,142

24. Depreciation and amortisation

Property, plant and equipment	7,242,864	5,731,625
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25. Finance costs

Finance leases	22,860	15,310
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26. Auditors' remuneration

Fees	2,862,269	2,406,394
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27. Cash generated from operations

Surplus	23,575,146	8,750,528
Adjustments for:		
Depreciation and amortisation	7,242,864	5,731,625
Loss on disposal of assets	(1,079,779)	1,580,973
Net interest receivable adjustment	266,246	569,567
WIP incurred in prior years capitalised as a 2012/13 addition	(68,351)	-
Donated assets and assets fair valued at initial recognition	(2,201,253)	-
Unrealised foreign exchange loss/ (profit)	24,853	-
New finance lease capitalised	82,168	126,169
Proceed on disposal of PPE received in prior years	2,292,755	-

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
27. Cash generated from operations (continued)		
Debt impairment	109,932	60,005
Actuarial (gain)/ loss	6,339,142	(10,357,370)
Leave accrual	464,559	1,196,416
Bonus accrual	4,829,655	1,981,804
Performance bonus accrual	258,346	371,963
Task wage agreement	2,775	-
Future medical aid expenses	10,242,838	10,445,900
Medical aid- current service cost	4,169,227	3,809,000
Operational capital changes		
Inventories	398,284	(4,179,148)
Decrease in trade and other receivables	(26,601)	341,778
Other receivables from exchange transactions	(1,254,510)	2,132,032
Trade and other receivables from exchange transactions	(11,588,869)	(16,063,929)
VAT	682,735	2,003,493
Taxes and transfers payable (non exchange)	3,684,052	6,702,061
Receivables from non- exchange transactions	200,000	(309,127)
Movement in Employee benefit	(9,066,309)	9,589,351
Roads Agency Creditor	182,240	4,119,412
Conditional grant liability	2,076,706	666,489
	41,838,851	29,268,992
28. Short- term deposits		
ABSA - Investment		
Opening balance	72,000,000	90,000,000
Movement for the year	19,000,000	(18,000,000)
	91,000,000	72,000,000
FNB - Investment		
Opening balance	50,000,000	30,000,000
Movement for the year	30,000,000	20,000,000
	80,000,000	50,000,000
INVESTEC - Investment		
Opening balance	83,000,000	80,000,000
Movement for the year	(11,000,000)	3,000,000
	72,000,000	83,000,000
NEDCOR - Investment		
Opening balance	87,000,000	83,000,000
Movement for the year	14,000,000	4,000,000
	101,000,000	87,000,000
STANDARD BANK - Investment		
Opening balance	93,000,000	83,000,000
Movement for the year	(23,000,000)	10,000,000
	70,000,000	93,000,000
Cheque Account (Primary Bank Account) - ABSA		
Bank statement balance at the beginning of the year	<u>10,686,708</u>	<u>7,614,566</u>
Bank statement balance at the end of the year	<u>14,984,229</u>	<u>10,686,708</u>
Cash on hand	<u>3,100</u>	<u>3,100</u>

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
Cash and cash equivalents	428,987,329	395,689,808
Future Obligations and reserves linked to investments		
Accrued expenses	1,650,143	3,227,577

29. Contingencies

Contingent liabilities

(i) Application for an interdictory and declaratory relief against Cape Winelands District Municipality together with Stellenbosch Municipality for alleged non-compliance with statutory and constitutional obligations in respect of its duty to progressively realise the rights of access to adequate housing, particular to persons that are evicted and left without any alternative accommodation. During 2012/2013 the parties were in the process of exchanging pleadings and the matter was set down for 26 November 2012. If unsuccessful in opposing the application the cost will approximately be R 250 000 and if successful it is unlikely that the costs will be recovered from the plaintiff.

During 2012/2013 the matter was postponed sine die pending settlement negotiations which were ongoing. If settlement negotiations fail and the Municipality is unsuccessful in opposing the application the cost will approximately amount to R 250 000 and if successful, it is unlikely that the costs will be recovered from the applicant.

(ii) Delictual claim for damages in the amount of R 451 000. At a pre-trial conference it was decided that the matter is to be transferred from the High Court to the Magistrate Court. This has the effect that the potential liability of the Municipality is reduced to approximately R 100 000. If unsuccessful the cost might amount to R 250 000 and if successful, it is unlikely that the cost will be recovered from the plaintiff.

Please note that the amount disclosed is based on a best estimate of the possible financial implication in terms of total cost to company.

(iii) Litigating matter in respect of two eviction cases in Hermon. One matter has been settled and the other is still pending. Respondent in process of applying for pro bono - Approximately R40 000.

An amount of R 19,650.32 relates to matters that were settled by Braaf Attorneys for the 2012/2013 financial year. One matter pertaining to the application for eviction remains pending for the 2012/2013 financial year – Approximately R 8 000.

Contingent assets

(i) R4.8 million for the Municipal Infrastructure Grant was incorrectly regarded as unspent by National Treasury, deducted from the the Municipality's Equitable Share allocation and it reverted back to the National Revenue Fund. National Treasury indicated that it will consider exploring possible options that would compensate the municipality with the R4.8 million as part of the next National Adjustments Budget process or alternatively increasing allocations in the outer years of the Medium-term Expenditure Framework. However, this cannot be guaranteed and it would be mainly informed by the outcome of the National budget process.

30. Related parties

The following related parties exist:

National Treasury
Provincial Government Western Cape
National Department of Water Affairs and Forestry
Municipal Manager (M. Mgajo)
Chief Financial Officer (J.G. Marais) - untill 18/05/2013
Executive Director: (K. Le Keur) - untill 30/06/2013
Executive Director: (W.Z. Mathibela) - untill 31/03/2013
Executive Director: (C.V. Schroeder)
Executive Director: (F. Van Eck)
Executive Director: (Z.C. Mvalo) - untill 31/07/2013
Part-time and full-time Councillors

Related party balance

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
30. Related parties (continued)		
Grants and allocations received (unspent)		
National Treasury	793,115	220,546
Provincial Government Western Cape	11,472,110	10,430,090
Department of Water Affairs and Forestry	1,650,143	3,227,577
	13,915,368	13,878,213

Related party transactions

Mayoral bursary fund allocations paid to institutions on behalf of beneficiaries

Cllr H Von Schlicht (Hugenate Kollege - Director from 21/10/2010) 12,000 -

Subsidy for solar heating and warm water

Cllr JJ Du Plessis (Oude Tol, Tulbach, 1996) 16,929 -

Subsidy for water / sanitation farm

Cllr JJ Du Plessis (Oude Tol, Tulbach, 1996) 15,000 -

Further disclosure in terms of Section 45 of the Municipal Supply Chain

Management Regulations

Name of person in service of the state: JW Botha (Kleinplasia Restaurant) 17,946 32,577

Capacity in service of the state: Environmental Health Practitioner Cape Winelands District Municipality, Community and Developmental Services.

Only the known related parties were disclosed. See Appendix H (Procurement) and Appendix J (Mayoral bursary fund).

31. Risk management

Financial risk management

Liquidity risk

It is defined as the risk that the municipality will not be able to meet its financial obligations as it falls due. The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit Risk primarily relates to cash investments. Council deposits cash surpluses with financial institutions of high quality and standing. Investments are made in terms of the Municipality's approved Cash Management and Investments Policy.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The Council has no outstanding loans as at 30 June 2013. The increases in interest rates will therefore have no effect on the liquidity of Council. The average interest rate on investments was 4.44%.

At year end, financial instruments exposed to interest rate risk were as follows:

- Call deposits

Reliance on national government for funds

With the abolishment of the Regional Services Council Levies on 30 June 2006 the Cape Winelands District Municipality will be dependant on Government Grants, including the Equitable Share, for approximately 65% of the Municipality's revenue. In addition, Provincial Allocations, including the rendering of Agency Services & Public Contributions account for a further 26.4%.

Foreign currency risk

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand 2013 2012

31. Risk management (continued)

Foreign currency risk is deemed to be minimal as very few international transactions are conducted.

32. Loss on foreign currency

Unrealised loss on foreign currency transaction

Microsoft licences, software and training benefits

24,853 -

The municipality did not take out foreign exchange forward cover on this transaction.

33. Unauthorised expenditure

Long service bonuses

2,531,710 -

Unauthorised expenditure arose as a result of an actuarial valuation done respect of long service bonuses. The said expenditure will be authorised in an adjustments budget contemplated in section 28(2)(g) of the MFMA as anticipated by section 32(2)(a)(i) of the MFMA to be dealt with the Municipal Budget and Reporting Regulations, 2008 as a special adjustments budget tabled in council when the mayor tables the annual report in terms of section 127 (2) of the MFMA that deals with unauthorised expenditure from the previous year.

34. Fruitless and wasteful expenditure

Balance

50,927 19,636

Details of Fruitless and wasteful expenditure

Disciplinary steps taken/ criminal proceedings

Non-attendance of the computer literacy programme by Councillors (MPAC.6.9 23, May 2013)

After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council

- 11,479

Non-deduction of unpaid leave (MPAC.7.1 23, May 2013)

After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council

- 5,043

Non-deduction of unpaid leave (MPAC.7.2 23, May 2013)

After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council

- 3,114

Microsoft penalty

Awaiting investigation by Council committee in terms of section 32 of the MFMA

13,427 -

Contractor failed to deliver product as per specification. Payment demanded by original supplier's attorney.

Awaiting investigation by Council committee in terms of section 32 of the MFMA

37,500 -

50,927 19,636

35. Irregular expenditure

Balance

9,207,055 9,170,985

Details of irregular expenditure

Disciplinary steps taken/ criminal proceedings

-

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012	
35. Irregular expenditure (continued)			
Electricity, equipment and airtime was purchased from Dynamics Vision Marketers. Business conducted with persons in service of the state (SCM Reg. 44) (MPAC.6.11, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	-	14,314
Financial support was provided to Nombula events entertainment solutions. Business conducted with persons in service of the state (SCM Reg 44) (MPAC.6.11, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	-	40,000
Service provider (First Technologies)	Awaiting investigation by Council committee in terms of section 32 of the MFMA.	75,240	-
Non-compliance with Supply Chain Management policy (MPAC.6.1 23, May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council.	-	2,500
Additional guests for the christmas lunch (MPAC.6.2, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council.	-	8,208
Additional cost for table decorations incurred (MPAC.6.3, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council.	-	8,750
Calculation error which resulted in appointing a supplier whose price was not the lowest (MPAC.6.4, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council.	-	1,541
Payment made in contravention of regulation 44 (MPAC.6.5, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council.	-	3,905
Cancellation fees paid to Van Tuka in order to avoid legal and cancellation costs (MPAC.6.6, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council.	-	13,450
The reproduction of CWDM dvd's in terms of Q2012/828 from KPG Media Technologies. The preference of goods above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act (MPAC.6.10, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council.	-	164,499
Cancellation fees paid to Wine Valley Horse Trails CC in order to avoid further fruitless expenditure (MPAC.6.7, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council.	-	6,550
Service Provider performed work without proper authorisation	Awaiting investigation by Council committee in terms of section 32 of the MFMA.	9,348	-
Non- compliance with Regulation 36 of SCM regulations. Incorrectly dealt with in terms of Regulations 16 and 17 of SCM regulations. Also, non-compliance with SCM Reg 17(1)(c) where the Municipality could not obtain three quotations	Awaiting investigation by Council committee in terms of section 32 of the MFMA.	9,122,467	8,907,268

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand 2013 2012

35. Irregular expenditure (continued)

9,207,055 9,170,985

Analysis of expenditure awaiting condonation per age classification

Irregular expenditure awaiting condonation	9,207,055	8,907,268
	-	-
	9,207,055	8,907,268

Details of irregular expenditure condoned

Condoned by Council	-	263,717
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36. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee (SALGA)	1,365,393	1,186,122
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37. Disclosures in terms of the Municipal Supply Chain Management Regulations - promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36 as well as deviations incorrectly dealt with in terms of Regulation 17(1)(c) instead of Regulation 36 that are awaiting condonation by Council - refer to the Irregular Expenditure disclosed in Note 35.

2013	Total	Emergency	Impossible	Impractical	Sole Supplier/ Agent
July	378,344	2	-	14	46
August	262,198	-	-	13	26
September	181,981	-	-	21	22
October	782,292	1	2	30	28
November	545,323	1	1	21	35
December	306,266	-	1	8	26
January	475,185	1	-	28	35
February	625,821	-	-	24	50
March	408,152	-	-	22	39
April	199,620	1	1	24	28
May	199,240	-	-	17	14
June	703,406	-	-	11	43
	5,067,828	6	5	233	392

2012	Total	Emergency	Impossible	Impractical	Sole Supplier/ Agent
July	332,113	-	3	11	32
August	443,186	-	-	18	31
September	358,006	-	4	26	60
October	510,616	-	-	37	30
November	416,676	-	1	20	34
December	553,489	2	6	31	18
January	606,325	1	-	31	12
February	562,921	-	1	33	61
March	377,421	-	-	26	41
April	287,989	1	-	23	34
May	825,227	1	1	27	27
June	1,512,811	-	-	20	22
	6,786,780	5	16	303	402

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
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38. Fair Value

Financial instruments which includes short-term trade receivables and payables are stated at cost excluding debt premiums and discounts which is also equal to their fair value.

The municipality's surplus funds are not managed by external asset management service providers.

39. Capital Commitments

Commitments in respect of capital expenditure

Approved and contracted for-	-	-
Infrastructure	640,299	-
Buildings	-	414,000
	640,299	414,000

The above expenditure will be funded from the accumulated surplus. Capital commitments relate to specific capital projects as per an approved tender and appropriated in terms of an approved budget, but is still in progress at 30 June 2013. See Appendix I.

40. Correction of prior period error

(i) Liabilities relating to conditional grant was understated with an amount of R 13 597 in 2011/ 2012. The grant is received from provincial government and during the 2011/ 2012 financial year the expenditure was higher than the grant. The transaction will have the following effect.

DT. Other Debtors:Community Development Workers Additional - R13 597.

CT. Liabilities relating to conditional grant: Community Development Workers - R 13 597.

(ii) The following restatements was made to various items and categories in the Annual Financial Statements.

The Municipality corrected the following prior period errors retrospectively and restated comparative amounts where necessary.

Management reviewed the useful lives and residual values of items of property, plant and equipment. The effect is that the opening balance of the 2012 accumulated surplus is R46 852 501 more than previously reported.

Certain housing schemes and work-in-progress items previously recognised as property, plant and equipment have been reclassified as inventory and/ or expensed. The housing schemes, classified as inventory, are subsequently measured at the lower of cost and current replacement cost. The effect of the change in valuation of housing schemes reclassified as inventory is that the opening balance of the 2012 accumulated surplus is R353 889 less than previously reported, whilst the opening balance of the 2012 accumulated surplus is R29 806 087 less than previously reported due to housing schemes and work-in-progress expensed.

Long service leave benefits were actuarial valued during the current financial year. The effect of the correction is that the opening balance of the 2012 accumulated surplus is R5 524 693 less than previously reported, whilst the expense in the current financial year is R45 682 more than previously reported.

The wage curve adjustment was previously recognised as a contingent liability has now been included in the employee benefits liability. The effect of the correction is that the opening balance of the 2012 accumulated surplus is R2 776 165 less than previously reported, whilst the expense in the current financial year is R3 206 511 more than previously reported.

Revenue relating to fire fighting services is now recognised when the service is rendered and not only when the cash is received. The effect of the correction is that the opening balance of the 2012 accumulated surplus is R290 529 more than previously reported, whilst the revenue in the current financial year is R448 365 more than previously reported.

The effect of these corrections of error on accumulated surplus and surplus is summarised below:

Effect on accumulated surplus

Depreciation on property, plant and equipment	-	46,852,501
Housing schemes expensed on transfer title	-	(16,134,960)

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
Housing schemes: Valuation adjustment on items reclassified from PPE to inventory	-	(353,889)
Work in progress expensed	-	(13,671,127)
Clinics transferred to the Department of Health in prior years.	-	(2,741,764)
Other items disposed prior to 1 July 2011	-	(2,914,795)
Actuarial valuation adjustment relating to long service leave benefits	-	(5,524,693)
Revaluation adjustment	-	28,691,487
Assets not previously capitalised	-	149,659
Items capitalised incorrectly	-	(300,409)
VAT correction	-	67,405
Debt correction	-	117,127
Wage curve provision	-	(2,776,165)
Rendering of fire fighting services recognised as revenue	-	290,529
Debtor raised in respect of non- performing contractors	-	200,000
	-	31,950,906
Effect on surplus for the year		
Depreciation on property, plant and equipment	-	2,590,381
Amortisation of intangible assets	-	(473)
Actuarial valuation adjustment relating to long service leave benefits	-	(45,682)
Other items disposed prior for 1 July 2011	-	(756,055)
Revaluation adjustment	-	1,711,926
Rendering of fire fighting services recognised as revenue	-	448,365
Wage curve provision	-	(3,206,511)
	-	741,951
1.1 Opening balances have been restated as follows:		
Property, plant and equipment		
Balance reported previously	-	268,740,185
Housing schemes reclassified as inventory	-	(364,208)
Clinics transferred to the Department of Health in prior years	-	(4,437,596)
Other items disposed prior to 1 July 2011	-	(3,670,850)
Revaluation adjustment	-	6,158,618
Assets not previously capitalised	-	407,568
Work in Progress expensed	-	(13,671,127)
Housing schemes expensed on transfer of title	-	(16,134,960)
Items capitalised incorrectly	-	(332,703)
	-	236,694,927
Accumulated depreciation: Property, plant and equipment		
Balance reported previously	-	46,542,242
Correction of useful lives and residual values	-	(46,852,501)
Housing schemes reclassified as inventory	-	(3,751)
Clinics transferred to the Department of Health in prior years	-	(1,695,832)
Other items disposed prior to 1 July 2011	-	(756,055)
Revaluation adjustment	-	30,604,650
Assets not previously capitalised	-	257,909
Items capitalised incorrectly	-	(32,294)
	-	28,064,368
Inventory		
Balance reported previously	-	2,922,736
Housing schemes reclassified as inventory	-	364,208
Valuation method adjustment relating to housing schemes	-	(353,889)
	-	2,933,055
Other receivables from exchange transactions		
Balance reported previously	-	5,605,369

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
Reclassification of amount owed by the Community Development Workers previously included under conditional grants	-	13,597
	-	5,618,966
Receivables from non-exchange transactions		
Balance reported previously	-	-
Debtor correction	-	117,127
Debtor raised in respect of non-performing contractors	-	200,000
Reclassification to trade and other payables from exchange transactions	-	(8,000)
	-	309,127
VAT receivable		
Balance reported previously	-	1,947,123
Reclassification from trade and other payables from exchange transactions	-	(1,108,355)
	-	838,768
Trade receivables from exchange transactions		
Balance reported previously	-	77,987
Reclassification to employee benefits	-	(304,860)
Rendering of fire fighting services recognised as revenue	-	738,894
	-	512,021
Trade and other payables from exchange transactions		
Balance reported previously	-	44,019,265
Accrued leave pay reclassified to employee benefits	-	(9,554,145)
Accrued bonus reclassified to employee benefits	-	(5,251,900)
Accrued salary expenses reclassified to employee benefits	-	(321,594)
Amounts reclassified to employee benefits	-	(6,138,302)
Suspense vote conditional grant	-	(79,098)
Reclassification from receivables from non-exchange transactions	-	(8,000)
VAT creditor reclassified to VAT receivable	-	(1,108,355)
DWAF reclassified from conditional grants	-	3,206,692
FMG grant reclassified to trade and other payables from non-exchange transactions	-	(709,166)
Other capital grants funding reclassified to trade and other payables from non-exchange transactions	-	(9,773)
	-	24,045,624
Trade and other payables from non-exchange transactions		
Balance reported previously	-	-
Wage curve provision	-	5,982,676
FMG grant reclassified from trade and other payables from exchange transactions	-	709,166
Other capital grants reclassified from trade and other payables from exchange transactions	-	10,219
	-	6,702,061
Conditional grants		
Balance reported previously	-	6,393,162
DWAF reclassified to trade and other payables from exchange transactions	-	(3,206,692)
Reclassification of amount owed by the Community Development Workers to "Other Receivables from exchange transactions"	-	13,597
	-	3,200,067
Employee benefits (current and non-current portion)		
Balance reported previously	-	119,748,843
Wage curve provision	-	5,982,676

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
Actuarial valuation adjustment relating to long service leave benefits	-	5,570,375
Accrued leave pay reclassified from trade and other payables from exchange transactions	-	9,554,145
Accrued bonus reclassified from trade and other payables from exchange transactions	-	5,251,900
Accrued salary expenses reclassified from trade and other payables from exchange transactions	-	321,594
Reclassification from trade receivables from exchange transactions	-	304,860
Actuarial valuation adjustment of future medical aid	-	3,450,099
Reclassification from trade and other payables from exchange transactions	-	6,138,302
		<hr/>
		- 156,322,794

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand

Prior Year Error - Statement of Financial Performance

Revenue	Note	Restated 2012	2012	Difference		Comment
Service charges	16	448 365	570 302	-121 937	121 937	Debtor raised for fire services rendered
Rental of facilities and equipment		55 914	55 914	-		
Interest received (trading)			24	24	-24	Restated to Finance Income
Income from agency services		84 777 337	6 910 073	-77 867 264	77 867 264	Restatement of Agency transfer payment.
Government grants and subsidies	17	207 494 680	284 366 851	76 872 171	50 446	Restated - Working for Water Adjustment (R20 885); Correction of VAT JNL 86 (COMAF 32) (R71 330)
					768 595	Restatement of Hermon Housing subsidy of R 768 494.93.
					-77 639 303	Restatement of Agency transfer payment.
					-51 909	Restated - to public contributions and donations
Other income	19	1 569 241	13 583 002	12 013 761	-11 047 550	Restated - Actuarial Gain to nett off against employee related costs
					-700 666	Restated - Adjustment of provision on debt impairment to Debt impairment
					-382 673	Restated as internal transaction - handling fee for stores issues
					117 127	Restated - income when raising receivables from non-exchange transactions
Finance Income	23	24 401 142	24 401 118	-24	24	Restated from interest received (trading)
Public Contributions	18	51 909	-	-51 909	51 909	Restated - from government grants and subsidies
		318 798 588	329 887 284	10 844 822	-10 844 823	

CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

Notes to the Financial Statements

Figures in Rand

Prior Year Error - Statement of Financial Performance

Expenses		Restated 2012	2012	Difference		Comment
Employee related Cost	21	141 481 996	139 938 116	-1 543 880	-11 047 550	Restated - Actuarial Gain disclosed as part of Employee related costs from Other Income
					-1 026 379	Restatement of valuation of bonus.
					690 181	Restated - Actuarial loss disclosed as part of Employee related costs from Actuarial loss
					10 445 900	Restated - interest paid on employee benefits from finance cost
					-724 784	Restated - DWAF employee related cost included
					3 206 512	Provision made for TASK Wage Curve
Remuneration to Councilors	22	9 335 836	9 335 836	-	-	
Depreciation and amortisation	24	5 731 625	8 318 323	2 586 698	-2 586 698	Restated - upgrade of asset register
Finance Cost	25	15 310	10 946 945	10 931 635	-10 445 900	Restated - interest paid on employee benefits included in employee costs
					-485 735	Restated - interest paid to funds reversed
Debt impairment	6 & 7	60 005	-	-60 005	60 005	Restated - from Other income, adjustment on provision & provision for fire fighting debtor raised.
Collection cost			-	-		
Repairs and Maintenance		26 018 521	27 065 656	-1 047 135	1 047 135	Restated - Roads Agency external vehicle repairs incorrectly allocated to repairs and maintenance
General expenses	20 & 32	125 823 794	125 466 435	357 359	-1 047 540	Restated - Roads Agency external vehicle repairs incorrectly allocated to repairs and maintenance.
					690 181	Restated - Actuarial Gain disclosed as part of Employee related costs
Loss on disposal of assets		1 580 973	858 815	722 158	-722 158	Restated - upgrade of asset register
Actuarial loss		-	690 181	690 181	-690 181	Restated - Actuarial loss disclosed as part of Employee related costs
		310 048 060	322 620 307	12 637 011	-12 637 011	

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix A

June 2013

Schedule of external loans as at 30 June 2013

Loan Number	Redeemable	Balance at 30 June 2012	Received during the period	Redeemed written off during the period	Balance at 30 June 2013	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand	Rand	Rand
Loan Stock		-	-	-	-	-	-
Structured loans		-	-	-	-	-	-
Funding facility		-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-
Bonds		-	-	-	-	-	-
Other loans		-	-	-	-	-	-
Lease liability		-	-	-	-	-	-
Annuity loans		-	-	-	-	-	-
Government loans		-	-	-	-	-	-
Total external loans		-	-	-	-	-	-

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix C

June 2013

Segmental analysis of property, plant and equipment as at 30 June 2013
Cost/Revaluation Accumulated Depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
Municipality														
Executive & Council/Mayor and Council	977,836	154,126	(158,221)	-	-	-	973,741	(599,677)	105,967	-	(65,229)	-	(558,939)	414,802
Finance & Admin/Finance	189,167,229	2,800,816	(1,422,849)	-	-	-	190,545,196	(13,780,890)	1,034,071	-	(4,615,852)	-	(17,362,671)	173,182,525
Planning and Development/Economic Development/Plan	1,112,332	13,394	(109,991)	-	-	-	1,015,735	(420,437)	62,882	-	(92,531)	-	(450,086)	565,649
Health/Clinics	1,693,726	194,411	(553,994)	-	-	-	1,334,143	(805,055)	368,707	-	(124,616)	-	(560,964)	773,179
Comm. & Social/Libraries and archives	260,903	53,783	(24,422)	-	-	-	290,264	(72,438)	9,485	-	(25,341)	-	(88,294)	201,970
Housing	201,865	22,637	(27,855)	-	-	-	196,647	(88,039)	16,447	-	(17,158)	-	(88,750)	107,897
Public Safety/Police	36,349,844	5,654,154	(1,444,755)	-	-	-	40,559,243	(9,234,913)	1,038,221	-	(1,749,866)	-	(9,946,558)	30,612,685
Environmental Protection/Pollution Control	166,600	11,715	(580)	-	-	-	177,735	(9,963)	152	-	(15,057)	-	(24,868)	152,867
Roads Transport/ Roads	7,368,104	1,787,784	(445,245)	-	-	-	8,710,643	(2,897,347)	322,185	-	(518,755)	-	(3,093,917)	5,616,726
Other	260,522	23,948	(65,787)	-	-	-	218,683	(156,084)	39,953	-	(18,459)	-	(134,590)	84,093
	237,558,961	10,716,768	(4,253,699)	-	-	-	244,022,030	(28,064,843)	2,998,070	-	(7,242,864)	-	(32,309,637)	211,712,393
Total	237,558,961	10,716,768	(4,253,699)	-	-	-	244,022,030	(28,064,843)	2,998,070	-	(7,242,864)	-	(32,309,637)	211,712,393

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix D

June 2013

Segmental Statement of Financial Performance for the year ended
Prior Year **Current Year**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
45,315,105	44,764,439	550,666	Executive & Council/Mayor and Council	38,290,978	49,550,756	(11,259,778)
190,468,095	37,961,690	152,506,405	Finance & Admin/Finance	196,212,997	43,572,010	152,640,987
771,552	10,199,552	(9,428,000)	Planning and Development/Economic Development/Plan	1,028,349	864,019	164,330
299,437	28,201,024	(27,901,587)	Health/Clinics	71,077	31,541,810	(31,470,733)
63,371	20,119,009	(20,055,638)	Comm. & Social/Libraries and archives	81,715	17,256,349	(17,174,634)
2,321,450	41,250,643	(38,929,193)	Housing	2,946,216	17,851,493	(14,905,277)
514,691	34,738,488	(34,223,797)	Public Safety/Police	292,000	42,389,652	(42,097,652)
7,990,774	13,247,121	(5,256,347)	Environmental Protection/Pollution Control	7,164,720	10,499,885	(3,335,165)
71,025,861	73,939,271	(2,913,410)	Road Transport/Roads	61,991,521	64,834,863	(2,843,342)
28,252	5,626,823	(5,598,571)	Other/Air Transport	88,202	6,231,792	(6,143,590)
-	-	-		-	-	-
318,798,588	310,048,060	8,750,528		308,167,775	284,592,629	23,575,146
Municipal Owned Entities Other charges						
318,798,588	310,048,060	8,750,528	Municipality	308,167,775	284,592,629	23,575,146
318,798,588	310,048,060	8,750,528	Total	308,167,775	284,592,629	23,575,146

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix E(1)

June 2013

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2013

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand		
Revenue					
Service charges	287,652	160,000	127,652	79.8	Service fee received relates to fire service. The municipality does not budget for fire income due to the instability thereof.
Rental of facilities and equipment	57,560	50,400	7,160	14.2	
Income from agency services	73,799,198	7,715,100	66,084,098	856.6	Transfers received from Roads in March resulting in a budget adjustment
Other income - (rollup)	1,522,512	1,346,908	175,604	13.0	Actuarial gain was only determined at the end of the financial year; hence was not anticipated and not budgeted
Public contributions and donations	1,527,077	1,700,000	(172,923)	(10.2)	Not all funds were utilised. The unspent funds was classified as a creditor and rolled over to the next financial year.
Government grants	205,442,616	298,321,208	(92,878,592)	(31.1)	Transfer paymnet from agency services disclosed under income from agency above.
Interest received - investment	-	-	-	-	
Interest received - other	24,451,381	24,340,000	111,381	0.5	
	307,087,996	333,633,616	(26,545,620)	(8.0)	
Expenses					
Employee related cost	(154,900,619)	(147,250,954)	(7,649,665)	5.2	
Remuneration of councillors	(9,810,611)	(9,986,926)	176,315	(1.8)	
Depreciation	(7,242,864)	(14,077,900)	6,835,036	(48.6)	Due to changes in the accounting policy, depreciation changed in relation to estimate.
Finance costs	(22,860)	(25,100)	2,240	(8.9)	Interest allocated to the leave fund was more than budgeted.
Debt impairment	(109,932)	-	(109,932)	(100.0)	Only after the adjustments budget, the conclusion facts revealed irrecoverable debt
Collection costs	-	-	-	-	
Repairs and maintenance - General	(16,889,818)	(17,387,612)	497,794	(2.9)	
Bulk purchases	-	-	-	-	
Cost of housing sold	-	-	-	-	
General Expenses	(95,615,925)	(142,523,917)	46,907,992	(32.9)	Mainly it relates to underspending on projects- Renewable electricity project awaits installation; Upgrade of rural roads project rolled-over to 2013/2014 financial year; Upgrading of rural sport facilities project was delayd due to uncertainties around the interpretation of the MFMA; DWAF training and clearing projects are completed, however indications during budget process anticipated more funds; Remaining funds on water and sanitation on farms project rolled-over to 2013/2014 financial year; SCM process was delayd in upgrading of infrastructure at rural schools project and funds rolled over to 2013/2014 financial year; Transport plan project was completed at cost less than anticipated; Delays were caused by other stakeholders as well as the re-appointment of consultants in respect of Impound facility project. Rolled-over to 2013/2014 financial year.
	(284,592,629)	(331,252,409)	46,659,780	(14.1)	
Other revenue and costs					
Gain or loss on disposal of assets and liabilities	1,079,780	(2,200)	1,081,980	(49,180.9)	Clean up of the Fixed Asset Register resulted in various disposals

CAPE WINELANDS DISTRICT

MUNICIPALITY

Appendix E(1)

June 2013

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2013

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
	1,079,780	(2,200)	1,081,980	(49,180.9)
Net surplus/ (deficit) for the year	23,575,147	2,379,007	21,196,140	891.0

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix E(2)

June 2013

Budget Analysis of Capital Expenditure as at 30 June 2013

	Additions	Revised Budget	Variance	Variance	Explanation of significant
	Rand	Rand	Rand	%	variances from budget
Municipality					
Executive & Council/Mayor and Council	154,126	71,166	(82,960)	(117)	Clean-up of asset register.
Finance & Admin/Finance	2,800,816	3,547,366	746,550	21	The budgeted amount for the assets was less than the price the items was procured.
Planning and Development/Economic Development/Plan	13,394	-	(13,394)	-	
Health/Clinics	194,411	-	(194,411)	-	
Comm. & Social/Libraries and archives	53,783	39,370	(14,413)	(37)	Clean-up of asset register.
Housing	22,637	1,676,406	1,653,769	99	Clean-up of asset register.
Public Safety/Police	5,654,154	5,910,459	256,305	4	
Environmental Protection/Pollution Control	11,715	-	(11,715)	-	
Road Transport/Roads	1,787,784	619,068	(1,168,716)	(189)	Clean-up of asset register.
Other	23,948	-	(23,948)	-	
	10,716,768	11,863,835	1,147,067	10	

Other charges

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

GRANTS AND SUBSIDIES RECOGNISED OPERATIONAL

DESCRIPTION	STRATEGIC OBJECTIVE	VOTE	FUNDS UNSPENT 01/07/2012	INCOME RECEIVED 2012/2013	INCOME RECOGNISED 2012/2013	EXPENDITURE 2012/2013	UNSPENT 30/06/2013
TRAINING OF HOUSING OFFICIALS	ENGINEERING AND INFRASTRUCTURE	PROJECTS AND HOUSING	-2 159	-	-	-	-2 159
EQUITABLE SHARE	ALL STRATEGIC OBJECTIVES	ALL VOTES	-	-6 155 000	6 155 000	6 155 000	-
RSC LEVY REPLACEMENT	ALL STRATEGIC OBJECTIVES	ALL VOTES	-	-193 926 000	193 926 000	193 926 000	-
SANDHILLS - TOILET HIRE	ENGINEERING AND INFRASTRUCTURE	PROJECTS AND HOUSING	-	-462 873	462 873	462 873	-
COMMUNITY DEVELOPMENT WORKERS	COMMUNITY AND DEVELOPMENTAL SERVICES	SOCIAL DEVELOPMENT	13 597	-133 000	44 488	44 488	-74 915
CONSUMER HOUSING	ENGINEERING AND INFRASTRUCTURE	PROJECTS AND HOUSING	-31 224	-	9 631	9 631	-21 593
FINANCE MANAGEMENT GRANT	FINANCIAL SERVICES	FINANCE MANAGEMET GRANT	-220 546	-1 250 000	677 431	677 431	-793 115
INTEGRATED TRANSPORT PLAN	ENGINEERING AND INFRASTRUCTURE	PUBLIC TRANSPORT REGULATION	-767 057	-715 000	634 654	834 214	-647 842
PUBLIC TRANSPORT REGULATION	ENGINEERING AND INFRASTRUCTURE	PUBLIC TRANSPORT REGULATION	-1 500 000	-1 000 000	92 982	92 982	-2 407 018
WATER & SANITATION MANAGEMENT	ENGINEERING AND INFRASTRUCTURE	PROJECTS AND HOUSING	-35 560	-	-	-	-35 560
EXTENDED PUBLIC WORKS PROGRAMME	ENGINEERING AND INFRASTRUCTURE	PROJECTS AND HOUSING	-	-1 214 000	1 214 000	1 214 000	-
FINANCIAL MANAGEMENT GRANT: PROVINCIAL TREASURY	FINANCIAL SERVICES	MANAGEMENT: FINANCE	-	-300 000	-	-	-300 000
HERMON HOUSING SUBSIDY	ENGINEERING AND INFRASTRUCTURE	PROJECTS AND HOUSING	-	-521 339	521 339	-	-
			-2 542 949	-205 677 212	203 738 399	203 416 620	-4 282 204

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

GRANTS AND SUBSIDIES FROM PUBLIC CONTRIBUTIONS

DESCRIPTION	STRATEGIC OBJECTIVE	VOTE	FUNDS UNSPENT	INCOME	INCOME	EXPENDITURE	UNSPENT
			01/07/2012	RECEIVED 2012/2013	RECOGNISED 2012/2013	2012/2013	30/06/2013
NEDBANK: SEED FUNDING	REGIONAL DEVELOPMENT AND PLANNING	ECONOMIC DEVELOPMENT		-1 000 000	1 000 000	1 000 000	-
RADIOSTATION ROAD CERES	ENGINEERING AND INFRASTRUCTURE	PROJECTS AND HOUSING		-184 154	184 154	184 154	-
CONTRIBUTION TO PRIVATE LAND (ELECTR)	ENGINEERING AND INFRASTRUCTURE	PROJECTS AND HOUSING	-643 521	-693 973	342 923	342 923	-994 571
			-643 521	-1 878 127	1 527 077	1 527 077	-994 571
UNSPENT AS PER STATEMENT OF FINANCIAL POSITION			-3 186 469	-207 555 340	205 265 476	204 943 697	-5 276 775

GRANTS AND SUBSIDIES RECOGNISED CAPITAL

-35 262 971

DESCRIPTION	STRATEGIC OBJECTIVE	VOTE	FUNDS UNSPENT	INCOME	INCOME	EXPENDITURE	UNSPENT
			01/07/2012	RECEIVED 2012/2013	RECOGNISED 2012/2013	2012/2013	30/06/2013
DONATED ASSETS: HEALTH	COMMUNITY AND DEVELOPMENTAL SERVICES	MUNICIPAL HEALTH	-	124 280.00	124 280.00	124 280.00	248 560
DONATED ASSETS: HEALTH	ENGINEERING AND INFRASTRUCTURE	ROADS AGENCY	-	192 937.00	192 937.00	192 937.00	385 874
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	FINANCIAL SERVICES	BUDGET OFFICE	-	-1 000 000.00	597 002.00	597 002	-402 998
			-	-682 783	914 219	914 219	231 436
UNSPENT CAPITAL GRANTS			-	-682 783	914 219	914 219	231 436

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix G1

**Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2013**

	2012/2013								2012/2011					
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue - Standard														
Governance and administration	241,422,800	(1,108,944)	240,313,856	-	240,313,856	234,503,977		(5,809,879)	98 %	97 %				233,418,160
Executive and council	44,179,900	(1,447,290)	42,732,610	-	42,732,610	38,290,983		(4,441,627)	90 %	87 %				43,731,219
Budget and treasury office	196,492,500	(1,098,554)	195,393,946	-	195,393,946	194,747,426		(646,520)	100 %	99 %				188,574,023
Corporate services	750,400	1,436,900	2,187,300	-	2,187,300	1,465,568		(721,732)	67 %	195 %				1,112,918
Community and public safety	9,842,300	(7,320,637)	2,521,663	-	2,521,663	3,391,006		869,343	134 %	34 %				2,331,996
Community and social services	637,000	(1,172,000)	(535,000)	-	(535,000)	81,714		616,714	(15) %	13 %				321,669
Public safety	220,000	(40,000)	180,000	-	180,000	292,000		112,000	162 %	133 %				507,576
Housing	8,985,300	(6,132,137)	2,853,163	-	2,853,163	2,946,216		93,053	103 %	33 %				1,461,612
Health	-	23,500	23,500	-	23,500	71,076		47,576	302 %	DIV/0 %				41,139
Economic and environmental services	75,971,400	7,481,897	83,453,297	-	83,453,297	70,184,589		(13,268,708)	84 %	92 %				83,020,180
Planning and development	17,600	994,900	1,012,500	-	1,012,500	1,028,349		15,849	102 %	5,843 %				400
Road transport	61,245,100	6,970,387	68,215,487	-	68,215,487	61,991,520		(6,223,967)	91 %	101 %				75,006,554
Environmental protection	14,708,700	(483,390)	14,225,310	-	14,225,310	7,164,720		(7,060,590)	50 %	49 %				8,013,226
Other	50,000	(20,000)	30,000	-	30,000	88,202		58,202	294 %	176 %				-
Other	50,000	(20,000)	30,000	-	30,000	88,202		58,202	294 %	176 %				28,252
Total Revenue - Standard	327,286,500	(967,684)	326,318,816	-	326,318,816	308,167,774		(18,151,042)	94 %	94 %				318,798,588

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix G1

Budgeted Financial Performance (revenue and expenditure by standard classification) for the year ended 30 June 2013

	2012/2013								2012/2011						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget (i.t.o. s28 and s31 of the MFMA)	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Expenditure - Standard															
Governance and administration	102,753,900	(10,666,473)	92,087,427	-	-	92,087,427	93,122,767	-	1,035,340	101 %	91 %	-	-	-	80,735,901
Executive and council	54,766,000	(8,341,703)	46,424,297	-	-	46,424,297	48,162,467	-	1,738,170	104 %	88 %	-	-	-	38,633,600
Budget and treasury office	17,206,300	(129,020)	17,077,280	-	-	17,077,280	19,080,217	-	2,002,937	112 %	111 %	-	-	-	15,174,550
Corporate services	30,781,600	(2,195,750)	28,585,850	-	-	28,585,850	25,880,083	-	(2,705,767)	91 %	84 %	-	-	-	26,927,751
Community and public safety	131,953,650	(3,140,681)	128,812,969	-	-	128,812,969	109,039,304	-	(19,773,665)	85 %	83 %	-	-	-	127,957,342
Community and social services	20,246,500	(848,441)	19,398,059	-	-	19,398,059	17,256,349	-	(2,141,710)	89 %	85 %	-	-	-	20,583,650
Public safety	44,007,550	1,638,690	45,646,240	-	-	45,646,240	42,389,652	-	(3,256,588)	93 %	96 %	-	-	-	38,103,585
Housing	35,818,000	(6,389,090)	29,428,910	-	-	29,428,910	17,851,493	-	(11,577,417)	61 %	50 %	-	-	-	41,101,352
Health	31,881,600	2,458,160	34,339,760	-	-	34,339,760	31,541,810	-	(2,797,950)	92 %	99 %	-	-	-	28,168,755
Economic and environmental services	91,950,050	7,126,396	99,076,446	-	-	99,076,446	76,198,766	-	(22,877,680)	77 %	83 %	-	-	-	95,727,994
Planning and development	8,637,050	104,490	8,741,540	-	-	8,741,540	864,019	-	(7,877,521)	10 %	10 %	-	-	-	12,946,185
Road transport	65,671,100	7,919,686	73,590,786	-	-	73,590,786	64,834,863	-	(8,755,923)	88 %	99 %	-	-	-	69,345,800
Environmental protection	17,641,900	(897,780)	16,744,120	-	-	16,744,120	10,499,884	-	(6,244,236)	63 %	60 %	-	-	-	13,436,009
Other	6,502,800	225,740	6,728,540	-	-	6,728,540	6,231,792	-	(496,748)	93 %	96 %	-	-	-	-
Other	6,502,800	225,740	6,728,540	-	-	6,728,540	6,231,792	-	(496,748)	93 %	96 %	-	-	-	5,626,823
Total Expenditure - Standard	333,160,400	(6,455,018)	326,705,382	-	-	326,705,382	284,592,629	-	(42,112,753)	87 %	85 %	-	-	-	310,048,060
Surplus/(Deficit) for the year	(5,873,900)	5,487,334	(386,566)	-	-	(386,566)	23,575,145	-	23,961,711	(6,099)%	(401)%	-	-	-	8,750,528

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix G2

**Budgeted Financial Performance (revenue and expenditure by municipal vote)
for the year ended 30 June 2013**

	2012/2013								2012/2011						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue by Vote															
Finance	196,492,500	(1,098,554)	195,393,946	-		195,393,946	194,747,426		(646,520)	100 %	99 %				187,016,014
Corporate Services	44,930,300	(10,390)	44,919,910	-		44,919,910	38,676,772		(6,243,138)	86 %	86 %				44,597,202
Community and Developmental Services	776,000	(1,188,500)	(412,500)	-		(412,500)	444,790		857,290	(108)%	57 %				2,236,588
Regional Development and Planning	14,776,300	491,510	15,267,810	-		15,267,810	7,465,432		(7,802,378)	49 %	51 %				8,007,914
Rural and Social Development	81,000	-	81,000	-		81,000	88,202		7,202	109 %	109 %				63,371
Engineering and Infrastructure	14,700,300	(7,032,137)	7,668,163	-		7,668,163	3,673,853		(3,994,310)	48 %	25 %				2,525,552
Agency Roads	55,530,100	7,870,387	63,400,487	-		63,400,487	63,071,300		(329,187)	99 %	114 %				74,351,947
Total Revenue by Vote	327,286,500	(967,684)	326,318,816	-		326,318,816	308,167,775		(18,151,041)	94 %	94 %				318,798,588
Expenditure by Vote to be appropriated															
Finance	17,206,300	(129,020)	17,077,280	-	-	17,077,280	19,080,217	-	2,002,937	112 %	111 %	-	-	-	15,174,550
Corporate Service	76,452,700	(8,801,004)	67,651,696	-	-	67,651,696	66,883,436	-	(768,260)	99 %	87 %	-	-	-	65,561,351
Community and Developmental Services	78,040,050	4,136,970	82,177,020	-	-	82,177,020	75,815,767	-	(6,361,253)	92 %	97 %	-	-	-	86,855,990
Regional Development and Planning	32,781,750	(567,550)	32,214,200	-	-	32,214,200	17,595,695	-	(14,618,505)	55 %	54 %	-	-	-	26,382,194
Rural and Social Development	18,095,600	(888,561)	17,207,039	-	-	17,207,039	15,372,044	-	(1,834,995)	89 %	85 %	-	-	-	5,626,823
Office of the Muncipal Manager	9,094,900	(1,736,449)	7,358,451	-	-	7,358,451	7,159,114	-	(199,337)	97 %	79 %	-	-	-	-
Engineering and Infrastructure	45,959,000	(6,014,950)	39,944,050	-	-	39,944,050	22,392,450	-	(17,551,600)	56 %	49 %	-	-	-	41,101,352
Agency Roads	55,530,100	7,545,546	63,075,646	-	-	63,075,646	60,293,906	-	(2,781,740)	96 %	109 %	-	-	-	69,345,800
Total Expenditure by Vote	333,160,400	(6,455,018)	326,705,382	-	-	326,705,382	284,592,629	-	(42,112,753)	87 %	85 %	-	-	-	310,048,060
Surplus/(Deficit) for the year	(5,873,900)	5,487,334	(386,566)	-		(386,566)	23,575,146		23,961,712	(6,099)%	(401)%				8,750,528

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix G3

**Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2013**

	2012/2013									2012/2011					
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue By Source															
Service charges - other	160,000	-	160,000	-		160,000	287,652		127,652	180 %	180 %				448,365
Rental of facilities and equipment	166,500	(116,100)	50,400	-		50,400	57,560		7,160	114 %	35 %				55,914
Interest earned - external investments	25,000,000	(660,000)	24,340,000	-		24,340,000	24,451,380		111,380	100 %	98 %				24,401,142
Public contributions and donations	350,000	1,350,000	1,700,000	-		1,700,000	1,527,077		(172,923)	90 %	436 %				51,909
Agency services	77,527,500	5,292,577	82,820,077	-		82,820,077	73,799,198		(9,020,879)	89 %	95 %				84,777,337
Transfers recognised - operational	223,005,000	(8,188,637)	214,816,363	-		214,816,363	205,442,616		(9,373,747)	96 %	92 %				207,494,680
Other revenue	1,419,500	2,581,976	4,001,476	-		4,001,476	1,522,512		(2,478,964)	38 %	107 %				1,569,240
Gains on disposal of PPE	-	-	-	-		-	1,079,780		1,079,780	DIV/0 %	DIV/0 %				-
Total Revenue (excluding capital transfers and contributions)	327,628,500	259,816	327,888,316	-		327,888,316	308,167,775		(19,720,541)	94 %	94 %				318,798,587
Expenditure By Type															
Employee related costs	146,365,670	1,483,045	147,848,715	-	(1,959,900)	145,888,815	154,900,619	-	9,011,804	106 %	106 %	-	-	-	141,481,996
Remuneration of councillors	10,112,700	(100,774)	10,011,926	-	(10,000)	10,001,926	9,810,611	-	(191,315)	98 %	97 %	-	-	-	9,335,836
Debt impairment	118,500	(118,500)	-		(118,500)	(118,500)	109,932	-	228,432	(93)%	93 %	-	-	-	60,005
Depreciation & asset impairment	14,103,900	(28,300)	14,075,600		-	14,075,600	7,242,864	-	(6,832,736)	51 %	51 %	-	-	-	5,731,625
Finance charges	27,700	(2,600)	25,100	-	(500,000)	(474,900)	22,860	-	497,760	(5)%	83 %	-	-	-	15,310
Repairs and Maintenance	6,255,800	(1,904,992)	4,350,808	-	338,000	4,688,808	16,889,818	-	12,201,010	360 %	270 %	-	-	-	26,018,521
Loss on foreign currency	-	-	-	-	-	-	24,853	-	24,853	DIV/0 %	DIV/0 %	-	-	-	-
Other expenditure	156,173,930	(5,782,897)	150,391,033	-	2,250,400	152,641,433	95,591,072	-	(57,050,361)	63 %	61 %	-	-	-	125,823,794
Loss on disposal of PPE	2,200	-	2,200	-	-	2,200	-	-	(2,200)	- %	- %	-	-	-	1,580,973
Total Expenditure	333,160,400	(6,455,018)	326,705,382	-	-	326,705,382	284,592,629	-	(42,112,753)	87 %	85 %	-	-	-	310,048,060
Surplus/(Deficit)	(5,531,900)	6,714,834	1,182,934	-		1,182,934	23,575,146		22,392,212	1,993 %	(426)%				8,750,527
Surplus/(Deficit) for the year	(5,531,900)	6,714,834	1,182,934	-		1,182,934	23,575,146		22,392,212	1,993 %	(426)%				8,750,527

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix G4

**Budgeted Capital Expenditure by vote, standard classification and funding
for the year ended 30 June 2013**

	2012/2013							2012/2011							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Single-year expenditure															
Finance	2,000	-	2,000	-	-	2,000	5,265	-	3,265	263 %	263 %	-	-	-	864,032
Corporate Service	10,000	-	10,000	-	(569,950)	(559,950)	1,710	-	561,660	- %	17 %	-	-	-	2,330,315
Community and Developmental Services	6,335,470	(397,241)	5,938,229	-	-	5,938,229	5,807,287	-	(130,942)	98 %	92 %	-	-	-	3,192,791
Rural and Social Development	17,600	(6,000)	11,600	-	-	11,600	4,815	-	(6,785)	42 %	27 %	-	-	-	8,880
Office of the Municipal Manager	3,900	-	3,900	-	-	3,900	1,379	-	(2,521)	35 %	35 %	-	-	-	-
Council	2,268,050	1,334,582	3,602,632	-	-	3,602,632	2,506,878	-	(1,095,754)	70 %	111 %	-	-	-	43,579
Agency Roads	556,000	63,068	619,068	-	-	619,068	194,364	-	(424,704)	31 %	35 %	-	-	-	237,963
Engineering and Infrastructure	1,909,000	(232,595)	1,676,405	-	569,950	2,246,355	2,195,070	-	(51,285)	98 %	115 %	-	-	-	3,191,627
Capital single-year expenditure sub-total	11,102,020	761,814	11,863,834	-	-	11,863,834	10,716,768	-	(1,147,066)	90 %	97 %	-	-	-	-
Total Capital Expenditure - Vote	11,102,020	761,814	11,863,834	-	-	11,863,834	10,716,768	-	(1,147,066)	90 %	97 %	-	-	-	-

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix G4

Budgeted Capital Expenditure by vote, standard classification and funding
for the year ended 30 June 2013

	2012/2013									2012/2011					
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Capital Expenditure - Standard															
Governance and administration	2,283,950	1,334,582	3,618,532	-	(569,950)	3,048,582	4,047,721	-	999,139	133 %	177 %	-	-	-	2,241,723
Executive and council	98,800	(27,634)	71,166	-	(569,950)	(498,784)	2,800,816	-	3,299,600	(562)%	2,835 %	-	-	-	30,171
Budget and treasury office	2,000	-	2,000	-	-	2,000	5,265	-	3,265	263 %	263 %	-	-	-	598,198
Corporate services	2,183,150	1,362,216	3,545,366	-	-	3,545,366	1,241,640	-	(2,303,726)	35 %	57 %	-	-	-	1,613,354
Community and public safety	8,262,070	(635,835)	7,626,235	-	569,950	8,196,185	4,881,263	-	(3,314,922)	60 %	59 %	-	-	-	4,426,291
Community and social services	17,600	(6,000)	11,600	-	-	11,600	30,217	-	18,617	260 %	172 %	-	-	-	34,262
Public safety	6,307,700	(397,241)	5,910,459	-	-	5,910,459	4,828,409	-	(1,082,050)	82 %	77 %	-	-	-	2,141,232
Housing	1,909,000	(232,594)	1,676,406	-	569,950	2,246,356	22,637	-	(2,223,719)	1 %	1 %	-	-	-	2,209,669
Health	27,770	-	27,770	-	-	27,770	-	-	(27,770)	- %	- %	-	-	-	41,128
Economic and environmental services	556,000	63,068	619,068	-	-	619,068	1,787,784	-	1,168,716	289 %	322 %	-	-	-	368,073
Road transport	556,000	63,068	619,068	-	-	619,068	1,787,784	-	1,168,716	289 %	322 %	-	-	-	368,073
Total Capital Expenditure - Standard	11,102,020	761,815	11,863,835	-	-	11,863,835	10,716,768	-	(1,147,067)	90 %	97 %	-	-	-	7,036,087
Funded by:															
National Government	-	1,000,000	1,000,000	-		1,000,000	150,000		(850,000)	15 %	DIV/0 %				1,680,534
Provincial Government	556,000	750,211	1,306,211	-		1,306,211	683,365		(622,846)	52 %	123 %				269,410
Transfers recognised - capital	556,000	1,750,211	2,306,211	-		2,306,211	833,365		(1,472,846)	36 %	150 %				1,949,944
Public contributions & donations	-	-	-	-		-	83,600			DIV/0 %	DIV/0 %				-
Internally generated funds	10,546,021	(988,396)	9,557,625	-		9,557,625	9,799,803		242,178	103 %	93 %				5,086,143
Total Capital Funding	11,102,021	761,815	11,863,836	-		11,863,836	10,716,768		(1,147,068)	90 %	97 %				7,036,087

CAPE WINELANDS DISTRICT MUNICIPALITY
Appendix G5
Budgeted Cash Flows
for the year ended 30 June 2013

	2012/2013					2012/2011			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Cash flow from operating activities									
Ratepayers and other	65,976,200	5,496,175	71,472,375	71,472,375	77,060,806	5,588,431	108 %	117 %	93,134,952
Government - operating	237,077,900	(5,946,959)	231,130,941	231,130,941	206,969,693	(24,161,248)	90 %	87 %	207,546,589
Interest	25,000,000	(660,000)	24,340,000	24,340,000	24,717,627	377,627	102 %	99 %	24,970,709
Suppliers, employees and other	(386,468,986)	68,237,039	(318,231,947)	(318,231,947)	(266,886,415)	51,345,532	84 %	69 %	(296,367,947)
Finance charges	-	-	-	-	(22,860)	(22,860)	DIV/0 %	DIV/0 %	(15,311)
Net cash flow from/used operating activities	(58,414,886)	67,126,255	8,711,369	8,711,369	41,838,851	33,127,482	480 %	(72)%	29,268,992
Cash flow from investing activities									
Proceeds on disposal of PPE	-	-	-	-	42,653	42,653	DIV/0 %	DIV/0 %	-
Capital assets	(12,102,020)	907,893	(11,194,127)	(11,194,127)	(8,447,164)	2,746,963	75 %	70 %	(7,036,087)
Net cash flow from/used investing activities	(12,102,020)	907,893	(11,194,127)	(11,194,127)	(8,404,511)	2,789,616	75 %	69 %	(7,036,087)
Cash flow from financing activities									
Repayment of borrowing	-	-	-	-	(136,819)	(136,819)	DIV/0 %	DIV/0 %	(162,263)
Net cash flow from/used financing activities	-	-	-	-	(136,819)	(136,819)	DIV/0 %	DIV/0 %	(162,263)
Net increase/(decrease) in cash held	(70,516,906)	68,034,148	(2,482,758)	(2,482,758)	33,297,521	35,780,279	(1,341)%	(47)%	22,070,642
Cash/cash equivalents at the year end:	(70,516,906)	68,034,148	(2,482,758)	(2,482,758)	33,297,521	35,780,279	(1,341)%	(47)%	

APPENDIX H: Summary i.t.o. Procurement Exceptions and Deviations

Summary Report i.t.o. Procurement Exceptions & Deviations - Acquisitions made JULY 2012 to June 2013

SUMMARY OF EXCEPTIONS / DEVIATIONS:

PPPPA SEC.2(1)(f)	28 249.20	Preferential Procurement Policy Framework Act, 2000. Sec 2. Framework for implementation of preferential procurement policy.— (1) An organ of state must determine its preferential procurement policy and implement it within the following framework: (f) the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer;
REG.16(c) WQ -	1 447 908.71	SCM Reg.16. Written or verbal quotations.— A supply chain management policy must stipulate the conditions for the procurement of goods or services through written or verbal quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer; (Delegated to the Chief Financial Officer)
REG.17(1)(c) FWPQ -	4 361 743.42	SCM Reg.17. Formal written price quotations.— (1) A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer; (Delegated to the Deputy Director: Finance - To report to the CFO by the 3rd working day of the next month)
DEV-REG.36(1)(a)(i)	27 727.60	SCM Reg.36. Deviation from, and ratification of minor breaches of, procurement processes.— (1) A supply chain management policy may allow the accounting officer— (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only— (i) in an emergency; (ii) if such goods or services are produced or available from a single provider only; (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and Expenditure incurred where the prescribed legislation were not complied to in all aspects
DEV-REG.36(1)(a)(ii)	2 347 384.38	
DEV-REG.36(1)(a)(v)	2 692 715.00	
EXPENDITURE TO BE APPROVED	46 250.00	
TOTAL:	10 951 978.31	

Procurement Exceptions & Deviations = **4.60%** of expenditure excluding salaries.

SUMMARY BREAKDOWN OF PROCUREMENT PER CATEGORY:

No. Trans.			
7 522	<R2000-NO PROCUREMENT:	5 809 476.90	Acquisitions less than R2,000 - no procurement process is followed for small purchases
1 909	3rd PARTY PAYMENT:	53 274 435.01	Transactions where procurement plays no role - contribution payments / S&Ts / etc.
355	COUNCIL POLICY:	4 254 321.92	Study Bursaries / Sponsorships / Donations / etc.
1	DEV-PPPPA SEC.2(1)(f)	28 249.20	The supplier selected for the contract/tenderer did not score the highest points
636	DEV-REG.36(1)(a)	5 067 826.98	Transactions where no procurement process were followed (Emergencies/Sole Providers/etc.)
129	DWAF: PRE-PROCURED	2 730 208.70	DWAF Contracts where the CWDM did not do the procurement.
63	PAWC: PRE-PROCURED	1 466 208.77	PAWC Contracts where the CWDM did not do the procurement.
174	PETTY CASH:	8 739.02	Mainly small out of pocket refunds
1 714	QUOTATION PROCESS:	19 149 282.93	Acquisitions made in terms of a full quotation process up to R200,000 - minimum three quotes
301	REG.16(c) < 3 WQ	1 447 908.71	Acquisitions where it was not possible to obtain at least three quotations up to R10,000
198	REG.17(1)(c) < 3 FWPQ	4 361 743.42	Acquisitions where it was not possible to obtain at least three quotations between R10,000-R200,000
1 243	SERVICE ACCOUNTS:	8 635 868.44	Contracts with service providers - Telkom / Vodacom / municipal services / copy machines / etc.
10 100	SERVICE PROVIDERS:	12 031 192.27	Payments made in terms of contracts/agreements with long-term service providers
244	STATUTORY PAYMENTS:	21 160 107.86	Prescriptive payments made in terms of legislation - licensing / taxes / membership fees / etc.
68	SUBSCRIPTIONS:	1 511 146.21	Service provider is selected for the specific service and cannot be procured - sole providers
3 890	TENDER PROCESS:	96 943 220.58	Acquisitions made in terms of a full tender process on amounts above R200,000
2	EXPENDITURE TO BE APPROVED	46 250.00	Expenditure incurred where the prescribed legislation were not complied to in all aspects
28 549	SUB-TOTAL:	237 926 186.92	
68	QUOTES: INVEST/POLICY:	752 000 000.00	Investments are made in terms of council policy - Quotes are obtained from A-Rated Banks
28 617	TOTAL:	989 926 186.92	
CAPITAL: Included in Total Procurement		10 420 660.90	

DECLARATIONS IN TERMS OF:-

Regulation 44. Prohibition on awards to persons in the service of the state

D W WILLIAMS	105.89	BACK PAY WAS PAID OUT TO A FORMER OFFICIAL WHO ARE NOW EMPLOYED IN THE SERVICE OF THE STATE.	NOT PROCUREMENT RELATED	DIRECT PAYMENT	ID CHECK AGAINST PARSAL REVEALED THAT THE PERSON IS NOW WORKING IN THE SERVICE OF THE STATE
JULIANA DANIELS	8 920.00	CLEAN UP PROJECT: LA MOTTE BOSBOUDORP	QUOTATION PROCESS	CLEAN AND GREEN PROJECT	AT THE TIME WHEN THE AWARD WAS MADE THE MUNICIPALITY WAS IN NO POSITION TO CHECK WHETHER THE SUPPLIER IS WORKING IN THE SERVICE OF THE STATE
ISMAIL TOWING	2 280.00	BREAKDOWN SERVICES RENDERED TO RECOVER A VEHICLE	SINGLE QUOTATION OBTAINED	EMERGENCY: VEHICLE RECOVERY	DURING THE ANNUAL RE-REGISTRATION - THE SUPPLIER'S DECLARATION OF INTEREST REVEALED THAT THE OWNER IS A COUNCILLOR AT A LOCAL AUTHORITY
THE VALLEY & MOUNTAINS DEVELOPMENT FOUNDATION	5 000.00	APPLICATION WAS MADE TO THE MUNICIPALITY TO ASSIST THE ORGANISATION WITH A DONATION WHICH WAS GRANTED	NOT PROCUREMENT RELATED	DONATION FROM COUNCIL	IT WAS FOUND THAT ONE OF THE COMMITTEE MEMBERS IS WORKING IN THE SERVICE OF THE STET. THIS IS A NON-PROFITABLE ORGANISATION AND THE RELEVANT PERSON DOES NOT RECEIVE ANY PERSONAL BENEFIT
Z LILA	763.74	BACK PAY WAS PAID OUT TO A FORMER OFFICIAL WHO ARE NOW EMPLOYED IN THE SERVICE OF THE STATE.	NOT PROCUREMENT RELATED	DIRECT PAYMENT	ID CHECK AGAINST PARSAL REVEALED THAT THE PERSON IS NOW WORKING IN THE SERVICE OF THE STATE

Regulation 45. Awards to close family members of persons in the service of the state

<u>NAME:</u>	<u>TOTAL AMOUNT:</u>	<u>RELATION:</u>
KLEINPLASIE RESTAURANT The total procurement for the period amounted to:	17 946.00	The owner of the restaurant is the spouse of an official working at Council. The official does not work in the Department: Financial Management Services and has no influence over the SCMU

APPENDIX I: FUTURE COMMITMENTS (CAPITAL)

CONTRACT	SERVICE PROVIDER	CONTRACT VALUE	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	AMOUNT
T2013/506 Wan Design Proposal	Snowball Effect CC	640 299.32	-	-	640 299.32	-	-	640 299.32
TOTAL COMMITMENTS								640 299.32

APPENDIX J : MAYORAL BURSARY FUND 2013

Nr	Name(s)	Surname	Town	Paid Amount	Relatives at CWDM
1	Sandile Sydney	Booyesen	Paarl	R 17 596.75	Not Related
2	Werner Cedrick	Williams	Worcester	R 33 523.85	Not Related
3	Danzal Clinton	King	Paarl	R 40 000.00	Not Related
4	Ashmitha	Laljith	Worcester	R 40 000.00	Not Related
5	Firdoush	Parker	Paarl	R 40 000.00	Not Related
6	Chriswell	Valentine	Ashton	R 40 000.00	Not Related
7	Constance Rosetta	Simon	Worcester	R 9 440.25	Not Related
8	Odwa	Mjezu	Paarl	R 31 325.75	Not Related
9	Tshidi Dingo	Nel	Ashton	R 25 300.95	Not Related
10	Earl Chad	Nel	Ceres	R 26 557.90	Not Related
11	Regina Catherina	Pieterse	Montagu	R 35 000.00	Not Related
12	Phumalani	Sotashe	Stellenbosch	R 13 335.25	Not Related
13	Andries Gerhadus Du Toit	Valentine	Ceres	R 31 681.25	Not Related
14	Andre Jerome	Vlotman	Robertson	R 16 500.00	Not Related
15	Winlynn Latoya	Williams	Paarl	R 13 500.00	Not Related
16	Jean-Claude Desmond	Cupido	Worcester	R 16 000.00	Not Related
17	Christopher	Gertse	Wellington	R 25 640.00	Not Related
18	Aphiwe	Gxilishe	Stellenbosch	R 16 830.23	Not Related
19	Stefan Morne	Jacobs	Wellington	R 27 500.00	Not Related
20	Mujaahid	Khan	Worcester	R 20 000.00	Not Related
21	Ashwill Ian	Klein	Worcester	R 20 565.95	Not Related
22	Leah Thembisani	Dywili	Paarl	R 7 000.00	Not Related
23	Bianca	Jeftha	Worcester	R 11 500.00	Not Related
24	Eric Luthando	Mbambalala	Stellenbosch	R 4 000.00	Not Related
25	Theodore Johan	Phillips	Worcester	R 15 500.00	Not Related
26	Raywin Mark	Eksteen	Robertson	R 32 000.00	Not Related
27	Sibusiso	Gwele	Stellenbosch	R 7 391.35	Not Related
28	Anelisa	Vazana	Paarl	R 9 390.00	Not Related
29	Zimkhitha	Stuurman	Paarl	R 16 340.00	Not Related
30	Monray Lorenzo	Lourens	Robertson	R 21 040.00	Not Related
31	Giselle Tami 71%	Sauls	Stellenbosch	R 27 700.00	Not Related
32	Kelly Ann	Daniels	Robertson	R 40 000.00	Not Related
33	Ashwill	Pedro*	Wolseley	R 40 000.00	Not Related
34	Devonique Hildagard	Olivier	Robertson	R 28 395.40	Not Related

APPENDIX J : MAYORAL BURSARY FUND 2013

Nr	Name(s)	Surname	Town	Paid Amount	Relatives at CWDM
35	Gracia	Nicholls	Worcester	R 25 864.00	Not Related
36	Vernusca Jade	Blankenberg	Franschhoek	R 12 000.00	Not Related
37	Angelique Christelle	Africa	Ceres	R 18 410.00	Not Related
38	Mannel	Bouwer	Strand	R 37 284.40	Related
39	Charney	Anthony	Stellenbosch	R 36 000.00	Related
40	Lourens	Van Schalkwyk	Ceres	R 4 000.00	Related
41	Corvin Hendry	Nicholls	Stellenbosch	R 40 000.00	Related
42	Judy	Philander	Gugulethu	R 34 000.00	Related
43	Diane Lauren	Eland	Worcester	R 14 100.00	Related
44	Bongumsa	Jiya	Ceres	R 10 376.00	Not Related
45	Luyanda	Ndiki	Ceres	R 10 376.00	Not Related
46	Sydwin Steve	Wellman	Wellington	R 31 445.00	Not Related
47	Kirsty Elizabeth	Pedersen	Paarl	R 17 000.00	Not Related
				R 1 091 410.28	

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix K1

June 2013

Actual versus Budget (Statement of Financial Position) for the year ended 30 June 2013

	Current year 2013 Act. Bal. Rand	Current year 2013 Adjusted Budget Rand	Variance Rand	Var	Explanation of Significant Variances in excess of 10% and R10 000.
ASSETS					
Current Assets					
Inventories	2 243 194	1 500 000	743 194	49.5%	Transferred housing from property, plant and equipment to Inventory
Other receivables	6 607 230	4 727 209	1 880 021	39.8%	SALGA membership fees prepayment
Vat receivable	156 033	-	156 033	100.0%	Accounting system error resulted in Output VAT balance
Consumer debtors	537 818	134 379	403 439	300.2%	Fire Fighting contingency previously accounted for on a cash basis, reclassified to Trade Debtors.
Cash and cash equivalents	428 987 329	443 300 000	-14 312 671	-3.2%	
	438 531 604	449 661 588	-11 129 984	-2.5%	
Non-Current Assets					
Property plant and equipment	210 768 686	179 829 497	30 939 189	17.2%	Clean-up of Asset Register
Intangible Assets	943 707	864 032	79 675	9.2%	
	211 712 393	180 693 529	31 018 864	17.2%	

LIABILITIES**Current Liabilities**

					Consideration of the budget under Non-Current Liabilities includes Current liability for the Finance lease obligation. Variance calculation:
Finance lease obligation	84 603	-	84 603	100.0%	174 976 - (84 603 + 84 228) / 174 976.
Trade and other payables from exchange transactions	12 663 848	20 000 000	-7 336 152	-36.7%	Transfer Housing Fund. Reverse MSIG funds withheld Grant funds transferred from exchange to non-exchange transactions. Provision made for TASK Wage Curve
Trade and other payables from non-exchange	10 386 113	-	10 386 113	100.0%	
Retirement benefit obligation	-	-	-	0.0%	Agency services unspent funds disclosed as trade and other payables
Liabilities relating to conditional grants	5 276 773	7 364 983	-2 088 210	-28.4%	Actuarial valuation exceeded budget estimation.
Employee benefits	16 143 192	15 000 000	1 143 192	7.6%	
	44 554 529	42 364 983	2 189 546	5.2%	

Non-Current Liabilities

					Consideration of the budget under Non-Current Liabilities includes Current liability for the Finance lease obligation. Variance calculation:
Finance lease obligation	84 228	174 976	-90 748	-51.9%	174 976 - (84 603 + 84 228) / 174 976.
Employee benefits	140 179 602	121 903 954	18 275 648	15.0%	Actuarial valuation exceeded budget estimation.
	140 263 830	122 078 930	18 184 900	14.9%	

NET ASSETS**Reserves**

Revaluation reserve	102 233 152	113 025 871	-10 792 719	-9.5%	
Accumulated surplus	363 192 486	352 885 333	10 307 153	2.9%	
Total Net Assets	465 425 638	465 911 204	-485 566	-0.1%	

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix K2

June 2013

Actual versus Budget (Cash Flow Statement) for the year ended 30 June 2013

	Current year 2013 Act. Bal. Rand	Current year 2013 Adjusted Budget Rand	Variance	Rand	Var	Explanation of Significant Variances in excess of 10% and R10 000.
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Grants	206 969 693	231 130 941	-24 161 248		-10.5%	Grant funds withheld by NT. Transfer payment for Agency service included in budgeted other receipts below.
Interest income	24 717 627	24 340 000	377 627		1.6%	
Other receipts	77 060 806	71 472 375	5 588 431		100.0%	Refer to grants above
	308 748 126	326 943 316	-18 195 190		-5.6%	
Payments						
Employee costs and other cost	-266 909 275	-318 231 947	51 322 672		-16.1%	Projects to be rolled-over
Total receipts	308 748 126	326 943 316	-18 195 190		-5.6%	
Total payments	-266 909 275	-318 231 947	51 322 672		-16.1%	
Net cash flows from operating activities	41 838 851	8 711 369	33 127 482		380.3%	

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	-8 262 444	-11 194 127	2 931 683	-26.2% Clean-up of fixed asset register
Proceeds from sale of property, plant and equipment	42 653	-	42 653	100.0% Influenced by the number of insurance claims, however no provision was made
Purchase of other intangible assets	-184 720	-	-184 720	100.0% Acquisition in new financial year -To be rolled-over
Purchase of heritage assets		-	-	0.0%
Finance costs		-	-	0.0%
Net cash flows from investing activities	-8 404 511	-11 194 127	2 789 616	-24.9%

**KAAPSE WYNLAND
DISTRIKSMUNISIPALITEIT**

KENNISGEWING

**KONSEP NIE-GEODITEERDE
2012/2013 JAARVERSLAG**

Kennis geskied hiermee ingevolge artikel 21A van die Wet op Plaaslike Regering: Municipale Stelsels, 2000 (Wet No. 32 van 2000), gelees saam met artikel 127(5) (a) van die Wet op Plaaslike Regering: Municipale Finansiële Bestuur, 2003 (Wet, No. 56 van 2003)

Lede van die publiek en gemeenskappe binne die area van die Kaapse Wynland Distriksmunisipaliteit, Regeringsinstellings, die private sektor en organe van die burgerlike samelewing word hiermee uitgenooi om kommentaar te lewer oor die konsep Nie-Geoditeerde Jaarverslag vir die 2012/2013 finansiële jaar.

Die verslag sal vanaf 3 Oktober 2013 op die Munisipale webblad: www.capewinelands.gov.za beskikbaar wees. Hardekopieë is ook vir kommentaar en besigtiging by die volgende Kaapse Wynland Distriksmunisipaliteit kantore beskikbaar:

- Du Toitstraat 29, Stellenbosch (Mnr. M.J. Lesch)
- Trappesstraat 51, Worcester (Mn. F.J. van Zyl)
- Hooftweg 194, Paarl (Me. M. Ruiters)
- Munnikstraat 27, Ceres (Ms. C. Conradie)
- Van Reenenstraat 40, Robertson (Ms. N.L. Qhankqiso)
- Badstraat 50, Montagu (Ms. C.E. Marais)

Kommentaar, met betrekking tot die konsep Nie-Geoditeerde 2012/2013 Jaarverslag moet die Kantoer van die Munisipale Bestuurder voor 12:00 op Maandag, 4 November 2013 bereik.

Navrae kan gerig word aan: Kaapse Wynland Distriksmunisipaliteit, Posbus 100, Stellenbosch, 7599 of telefoon 0861 265 263, faks 023 342 8442 of per e-pos by: admin@capewinelands.gov.za

**M. MGAJO
MUNISIPALE
BESTUURDER**



KAAPSE WYNLAND DISTRIKS
MUNISIPALITEIT • 0861 265 263 • 023 342 8442

**CAPE WINELANDS DISTRICT
MUNICIPALITY**

NOTICE

**DRAFT UN-AUDITED 2012/2013
ANNUAL REPORT**

Notice is hereby given in terms of section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), read with section 127(5)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

Members of the public and communities within the area of the Cape Winelands District Municipality, Government institutions, the private sector and organs of the civil society, are hereby invited to comment on the draft Un-Audited Annual Report for the 2012/2013 financial year.

The report can be accessed on the municipal website: www.capewinelands.gov.za from 3 October 2013. Hard copies are also available for comments and viewing at the following Cape Winelands District Municipality Offices:

- 29 Du Toit Street, Stellenbosch (Mr. M.J. Lesch)
- 51 Trappes Street, Worcester (Ms. E.J. van Zyl)
- 194 Main Road, Paarl (Ms. M. Ruiters)
- 27 Munnik Street, Ceres (Ms. C. Conradie)
- 40 Van Reenen Street, Robertson (Ms. N.L. Qhankqiso)
- 50 Bad Street, Montagu (Ms. C.E. Marais)

Comments, with regard to the draft Un-Audited 2012/2013 Annual Report must reach the Office of the Municipal Manager before 12:00 on Monday, 4 November 2013.

Enquiries may be directed to: Cape Winelands District Municipality, P.O. Box 100, Stellenbosch, 7599 or telephone 0861 265 263, fax 023 342 8442 or via e-mail admin@capewinelands.gov.za

**M. MGAJO
MUNICIPAL
MANAGER**



CAPE WINELANDS DISTRICT
MUNICIPALITY • 0861 265 263 • 023 342 8442

**CAPE WINELANDS DISTRICT
MUNICIPALITY**

NOTICE

**IDRAFTI YENGXELO YONYAKA
WAMA-2012/2013 ENGAHLOLWANGA**

Ngokwenjenje senza isiziso ngokwecandelo 21A loRhulumente WooMasipala: UMthetho Weenkqubo ZikaMasipala, wowama-2000 (UMthetho 32 wowama-2000), ofundwa necandelo 127(5)(a) loRhulumente WooMasipala: UMthetho Wolawulo LwamaKamasipala, wowama-2003 (UMthetho 56 wowama-2003).

Ukuntu olukummandla woMasipala Wesithili SaseCape Winelands, amaziko Karhulumente, amashishini abucata nemibutho yohulumni, hayamonywa ukuba bagqabaze ngodrafti yeNgxelo Yonyaka-mali Wama-2012/2013 Engahlolwanga.

Le ngxelo Inokufunyanwa kwiwebhusayithi kamasipala nathi: www.capewinelands.gov.za ukususela ngowesi-3 kuOktobha 2013. Iikopi eziprintliweyo ziyafumaneka kwezi Ofisi ZikaMasipala Wesithili SaseCape Winelands zilandelayo ukuze zidibane kwaye kugqatyazwe ngazo:

- 29 Du Toit Street, Stellenbosch (Mnr. M.J. Lesch)
- 51 Trappes Street, Worcester (Nkszn. E.J. van Zyl)
- 194 Main Road, Paarl (Nkszn. M. Ruiters)
- 27 Munnik Street, Ceres (Nkszn. C. Conradie)
- 40 Van Reenen Street, Robertson (Nkszn. N.L. Qhankqiso)
- 50 Bad Street, Montagu (Nkszn. C.E. Marais)

Amagqabaza, aphahelele idrafti yeNgxelo Yonyaka Wama-2012/2013 Engahlolwanga amele ukuba kwiOfisi Yomphathi Kamasipala ngaphambi kweye-12:00 ngomvulo, ngowesi-4 kuNovemba 2013.

Inibuzo Inokubhekiswa: KuMasipala Wesithili SaseCape Winelands, P.O. Box 100, Stellenbosch, 7599 okanye kufunyanwa kude nombolo 0861 265 263, Ifeksi 023 342 8442 okanye I-imeyili: admin@capewinelands.gov.za

**M. MGAJO
UMPHATHI
KAMASIPALA**



CAPE WINELANDS DISTRICT
MUNICIPALITY • 0861 265 263 • 023 342 8442