

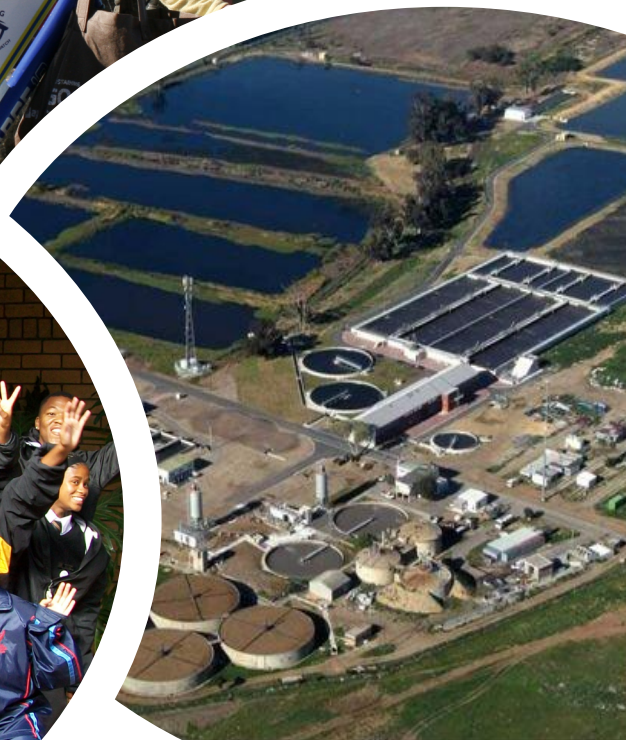
BREED VALLEY

Municipality Munisipaliteit U Masipala wase



WORCESTER ▽ RAWSONVILLE ▽ DE DOORNS ▽ TOUWS RIVER

Annual Report 2013/14



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Chapter 1

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



Inspired by our vision of *a unique and caring Valley of service excellence, opportunity and growth*;

Driven by our mission *to provide sustainable and affordable basic services in a safe and healthy environment and treasuring our staff as key to service delivery* and;

Guided by our value system, *based on the Batho Pele principles*;

Council and the administration set out to address challenges and fast track service delivery.

Key Policy Developments

In consultation with stakeholders from the community, Council formulated the following strategic objectives, underpinned by five strategic pillars – opportunity, safety, caring, inclusiveness and a well-run municipality – to ensure an effective, efficient, people-driven municipality:

- To create a unique and caring Valley of service excellence, opportunity and growth
- To provide, maintain and assure basic services and social upliftment for the Breede Valley community
- To create an enabling environment for employment and poverty eradication through proactive economic development and tourism
- To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
- Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government
- Ensure a healthy and productive workforce and an effective and efficient work environment
- Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

The above objectives form the essence of the Municipality's 5-year strategic plan (IDP) for the period 1 July 2012 to 30 June 2017.

Service delivery

The Breede Valley Municipality's impressive performance with regards to service delivery during this period is best described in the words of the President of South Africa, the honourable Jacob Zuma in his 2014 State of the Nation Address before Parliament:

"We are pleased that eleven municipalities stand out for consistent good performance in audits, expenditure on municipal infrastructure grants and service delivery."

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

The Breede Valley Municipality is proud to be one of this distinctive group of eleven high performing municipalities in the country.

The following are other 2013/14 highlights:

- After five consecutive unqualified audits the Municipality received a clean audit report for the 2012/13 financial year, proving that the Council and administration respectively executed their oversight role and managerial duties effectively, serving the best interest of the people of the Breede Valley
- The Breede Valley Municipality is one of three municipalities who have been selected by the Western Cape Cabinet to benefit from the Regional Socio-Economic Project (RSEP). This is another feather in the cap of the Breede Valley Municipality and an opportunity that will be pursued vigorously by Council. A regional spatial approach will be followed to provide context and to understand the relationships between geographical areas and the various projects that is envisaged. A task-team has been appointed to drive the project. In terms of developmental local government principles an inclusive approach will be followed to analyse the socio-economic characteristics of communities and to establish baseline data to inform projects
- Awarded a Green Drop for waste water quality management regulation
- Excelled in completing projects and spending government allocations
- Excelled in housing delivery (578 low cost housing units). While municipalities struggle to spend allocations for housing, Breede Valley Municipality delivered houses and received additional funding for housing development. The approval of the human settlement plan will accelerate housing delivery. The delivery targets for 2014/2015 are – sites (247)/units (853)
- Almost 800 title deeds were transferred to beneficiaries of housing projects
- The Expanded Public Works Programme (EPWP) and Community Works Program (CWP) created 6 873 much needed job opportunities for our people
- A new clinic for Rawsonville and surrounds
- The effective handling of the water crisis when the main water feeding system to Worcester was damaged by floods in November 2013. A joint effort by the municipality and the private sector prevented a break in the water supply to the CBD and residential areas
- The adoption of a new staff organisational structure to fast-track service delivery
- Approval of the BVM Spatial Development Framework
- Establishment of an electronic portal (Jobs4U) to assist young job seekers in the Breede Valley to find employment. With the development of a new website this exciting project will rapidly gain momentum
- The 2013 one-stop service delivery Jamboree, the second of its kind, taking service delivery issues to the doorsteps of communities of the four towns in the Breede Valley

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Social cohesion

- BVM is part of the Worcester Hope and Reconciliation Process, to heal- and rid the Breede Valley community of the shackles of the past – to address political and social divides, to enhance social cohesion and to instil cooperative citizenship. This process is ongoing and will continue to receive Council's full support
- The establishment of a Community Safety Forum and adoption of a safety plan
- In order to fast-track prosecution of traffic offenders and transgressors of municipal bylaws, Council has engaged the Department of Justice with a view to establish a municipal court for the Worcester magisterial district
- The switching on of the Worcester Festive Lights, a major community event contributing to social cohesion
- The annual Easter bazaars, a community event that attracts people from all over the Western Cape

Public Participation

BVM's communication strategy is aligned with the IDP, which is not only a strategic framework that guides performance, but also a vehicle for communication and a yardstick for political accountability. Although public participation is done mainly through ward committee meetings, Council also caters for sector interests. In order to involve citizens as wide as possible, sector meetings are held with interest groups such as business, sport, education and religious bodies. Regular feedback on service delivery is provided to communities via the external newsletter, media, municipal webpage, social media, pamphlets, annual service delivery Jamboree, and courtesy visits by Council to communities in the four towns of the Breede Valley.

Future Actions

- Establishment of a "municipal" court
- Development of a new industrial park (Uitvlugt) to accommodate the need for industrial land, attract investment and address unemployment
- Kleinplaspie development project
- New taxi rank (parking precinct) to address the growing taxi industry
- Upgrading of Worcester airfield to a fully functional regional airport
- Trans Hex ("Klipvlakte") housing development adjacent to Zweletemba
- Implementation of a transport plan for Worcester
- Multi-million rand resort development at Brandvlei Dam
- The launching of an updated client service charter during 2014
- Establishment of a special ratings area in the CBD to stimulate the development of the area
- Completion of a business retention and expansion survey in the industrial zone of Worcester

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Partnerships

The following partnerships have been entered into:

- A twinning agreement ("statenband") with the City of Aalst in Belgium
- Long term partnership agreement with Spanish city Vittoria Gasteiz on green economy as source of economic development
- Worcester Business Forum
- Department of Community Safety
- Department of Correctional Services
- Institutes for the Blind and Deaf

Conclusion

In pursuance of service excellence the Breede Valley Municipality follows a balanced approach. Our efforts to deliver services, promote socio-economic development and govern effectively are evenly matched by our desire to embrace our people in governance - listen to them and consult them on issues that affect their daily lives. The Breede Valley environment is diverse, challenging and an absolute delight to work and live in. Our people deserve the best and only the best is what we strive to offer the community of the Breede Valley. This report bears testimony of the present administration's achievements to address backlogs and fast track service delivery. I am confident that with the support of committed staff and in partnership with the people of the Breede Valley, we can achieve the ideals set out in our vision.

Councillor A Steyn

EXECUTIVE MAYOR

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

The 2013/14 financial year, although challenging, was an extraordinary year with many highlights. Following the good news of a clean audit for the 2012/13 financial year, came the recognition in the President, Mr. Jacob Zuma's State of the Nation Address that Breede Valley is one of 11 municipalities in South Africa recognized for consistent good performance in audits, expenditure on municipal infrastructure grants and service delivery. This accolade, the proverbial cherry on the cake of a very good year, speaks of a concerted effort by a committed workforce. The challenge for the future is to maintain the high levels of service delivery our communities have become accustomed to and to keep striving for excellence.

Administration and good governance

With regard to the clean audit I must mention that BVM's audit costs was regarded amongst the lowest in the country for high capacity municipalities, due to excellent planning, preparations, commitment from the staff to resolve matters within agreed timeframes, support to the Auditor-General's audit team, execution of our mandate, monitoring and internal controls, etc. Due to this good practice management initiative, money that was saved will now be spent on service delivery.

The planning and adoption of the restructured organogram was challenging. However, the filling of new posts will help to streamline service delivery. Service delivery remains our main focus and we will steadfastly pursue this objective, ensuring access to the most basic of services for our communities.

Various policies, such as a new Supply Chain Policy, have been adopted to direct good governance and ensure more effective and sustainable financial management, a top priority to the Breede Valley Municipality.

Building Relationships

Our main challenge remains the triple threat of poverty, inequality and unemployment. Empowering our communities, especially our youth, remains a focus point and will stay on our agenda. In this regard Council rolled out various training programs for unemployed youth, involved in the EPWP, accommodated interns, awarded bursaries to deserving youth for tertiary study and developed a jobseekers database (electronic portal) for the youth.

Council also fully supported the Worcester Hope and Reconciliation Process to address inequality and social and political divisions to enhance social cohesion and to instil cooperative citizenship.



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Crime

Criminality is threatening the moral fibre of our youth and impact negatively on service delivery. Also in this regard, Council led by example, tackling the threat head on. A community safety forum was established and safety plan approved. Safety is a standing item on our agenda and BVM will continue to liaise with all role players to eradicate this scourge.

Conclusion

BVM is working hard to create an organization of excellence to serve the people of the Breede Valley to the best of our ability, through prosperous and challenging times. I wish to express my sincere appreciation to all personnel who contribute towards an effective and service focused organization and go the extra mile to make us proud. Thank you to all residents who supported us and contributed towards BVM's success during this period. My sincere appreciation to the Executive Mayor, Mayoral Committee and Council for their continuous support, putting the administration in a position to excel in service delivery.

GF Matthyse

MUNICIPAL MANAGER

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report addresses the performance of the Breede Valley Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2013/14 annual report reflects on the performance of the Breede Valley Municipality for the period 1 July 2013 to 30 June 2014. The annual report is prepared in accordance with Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an annual report for each financial year.

1.2.1 VISION AND MISSION

The Breede Valley municipality committed itself to the vision and mission of:

Vision:

"A unique and caring valley of service excellence, opportunity and growth."

Mission:

"To provide sustainable and affordable services in a safe and healthy environment whilst promoting social and economic welfare through participative governance and committed service orientated approach to treasure the staff as the organisation's most valuable resource and key to service delivery"

1.2.2 DEMOGRAPHIC INFORMATION

a) *Municipal Geographical Information*

The most striking feature of the Breede Valley in the Western Cape is its scenic beauty. Majestic mountains, fertile valleys, vineyards and vast plains, covered with indigenous semi-desert vegetation, captivate the soul. The region has an estimated population of 166 825 (inclusive of the informal settlements), covers an area of 3 833 km² and comprises the towns of Worcester, De Doorns, Rawsonville, Touwsriver and the Matroosberg rural area. The Breede Valley has a vibrant economy, based on strong agricultural, manufacturing and tourism sectors, with well-developed commercial and service sectors.

The Breede Valley local municipality was formed in December 2000 encompassing the towns of Touwsriver, De Doorns, Worcester and Rawsonville.

**This information is as per Census 2011*

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Wards

The municipality is structured into the following 21 wards:

WARD	AREAS
1	The entire community of Touwsriver, including business and residential areas
2	De Doorns South, Stofland and adjacent farms
3	The centre of De Doorns, Hasie Square, Ekuphumleni and adjacent farm areas
4	Section of De Doorns town centre, Orchard and adjacent farm areas
5	De Doorns farming areas including Brandwag, De Wet and Sandhills
6	N1 Worcester entrance, Altona, Tuindorp, Bergsig, Van Riebeeck Park, Panorama, Hosp. Hill & Fairway Heights
7	Paglande, Meiringspark, Part of Roux Park, De La Bat Way, Fairy Glen, Industrial area
8	The Chessies and part of Worcester south (Zwelethemba)
9	Roodewal area & Esselen Park
10	Hexpark, Johnsonspark area & Roodewal flats
11	OVD, Riverview area & Parkersdam
12	Part of Avian Park, CBD and Russell Scheme
13	Johnsons Park 1,2 & part of 3, part of Noble Park and Riverview houses
14	Riverview flats & Victoria Park
15	Langerug, Worcester West, Somerset Park and Goudini farms
16	Zwelethemba
17	Zwelethemba
18	Zwelethemba & farms from Overhex, Nonna etc.
19	Part of the centre of Rawsonville and outlying farming community
20	Part of the centre of Rawsonville and areas towards N1
21	Avian Park and all surrounding informal areas

Table 1: Municipal wards

De Doorns, Hex River Valley

De Doorns lies on the main route to and from Cape Town, Johannesburg and Port Elizabeth. With its wide range of services and commercial facilities, De Doorns has become the business and shopping centre for the entire valley and surrounding towns. De Doorns is a town with a particularly impressive cultural heritage. In 1819 De Doorns was proclaimed a sub-drostdy of Tulbagh, after two farms had been bought for the purpose of laying out a town. In 1822 De Doorns was proclaimed a full drostdy.

The little town of De Doorns lies at the centre of the Hex River valley, only one and a half hours' drive from Cape Town, just off the N1 and 35 kilometres north of Worcester, in the midst of South Africa's table grape industry. This is a valley of rolling vineyards, historical Cape Dutch homesteads and snow-capped mountains during winter that combine to make it one of the most picturesque valleys, particularly during autumn when the different vines give rise to a display of variegated colour so rich that all who see it are inspired and none left untouched by its beauty.

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De Doorns literally translated means 'the thorns' in Dutch and refers to the Acacia thorn trees that dominate the Hex River banks. De Doorns' wine cellar boasts the longest harvest season in the world, from December through until April, and the area exports some 17 million cartons of grapes annually. Farms here lie nestled between the Hex and Quadou mountains, which provide much in the way of hiking, mountain biking and rock climbing.

Rawsonville

Rawsonville is a small wine growing and farming community in the Breede River valley of the Western Cape province of South Africa. The town is located in a scenic portion of the valley on the eastern flanks of the Du Toitskloof Mountains.

The climate is hinterland (further from oceanic influences) mediterranean with cool, rainy winters and warm, dry summers. Due to its more inland location, winters can sometimes get frosty, with heavy snowfalls sometimes falling on the surrounding high-ground. Summers are generally pleasant although some February and March days can reach 38°C or higher.

The area is known for the Breede Kloof Wine Route with its 22 cellars and wine estates and also hosts the annual Breede Kloof extreme sports festival. The economy remains heavily reliant on serving the agricultural community, however tourism in the form of weekend retreats are becoming more important to the town's income. Rawsonville is 90 km to the east of Cape Town and 15 km to the west of the large town of Worcester.

Touwsriver

On 7 November 1877, the Worcester-Matjiesfontein section of the Cape Government Railways' Cape Town-Kimberley main line was opened to traffic. The line included a station, originally named "Montagu Road", where the line bridged the Touwsriver. The name was given in reference to the town of Montagu, which lies about 90 kilometres (56 miles) to the south by road. In 1883 the station was renamed "Touwsriver".

The town of Touwsriver developed around the railway depot, at which locomotives were changed after the climb over the Hex River pass. It was particularly busy because of the need to bank trains over the pass; banking locomotives were turned at Touwsriver to return to De Doorns. From 1924 it also served as the junction for the branch line to Ladysmith. The closing of the Ladysmith branch in 1981 and the opening of the Hex River tunnel in 1989 reduced the importance of Touwsriver as a depot.

Touwsriver received municipal government in 1962; with the transformation of local government in South Africa it has been incorporated into the Breede Valley local municipality. It is located in ward 1 of the local municipality, which in turn falls within the Cape Winelands district municipality.

Touwsriver is located at an altitude of 770 meters (2 530 ft.) on the south-western edge of the Great Karoo, east of the Hex River Mountains and north of the Langeberg, at the point where the Donkies River flows into the Touwsriver. It lies just to the south of the N1 highway, 180 kilometres (110 miles) by road from Cape Town. The railway line passes through the town, with the yards and depot being located just to the north-east. By rail it is 257 kilometres (160 miles) from Cape Town.

Worcester

Worcester is a town in the Western Cape, South Africa. It is located 120 km north-east of Cape Town on the N1 highway north to Johannesburg.

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Worcester is the largest town in the Breede Valley municipality - home to approximately 100 000 people, including those people living on the surrounding farms. It is an old town established in 1820 and named after Lord Charles Somerset's nephew, the Marquis de Worcester. In 1823 there were only 10 houses in Worcester. It also serves as the administrative capital of the Breede Valley local municipality and as regional headquarters for most national and provincial government departments. The town also serves as the hub of the Western Cape's interior commercial, distribution and retail activity with a shopping mall, well developed central business district and infrastructure.

Worcester is also the largest wine growing region in South Africa, both in number of vines and volume of wine produced, accounting for 20% of the total production. There is plenty to see and do in the area and being so centrally situated to the surrounding towns, Worcester is an ideal base from which to explore the region.

Below is a map that indicates the five municipalities within the Cape Winelands district area:

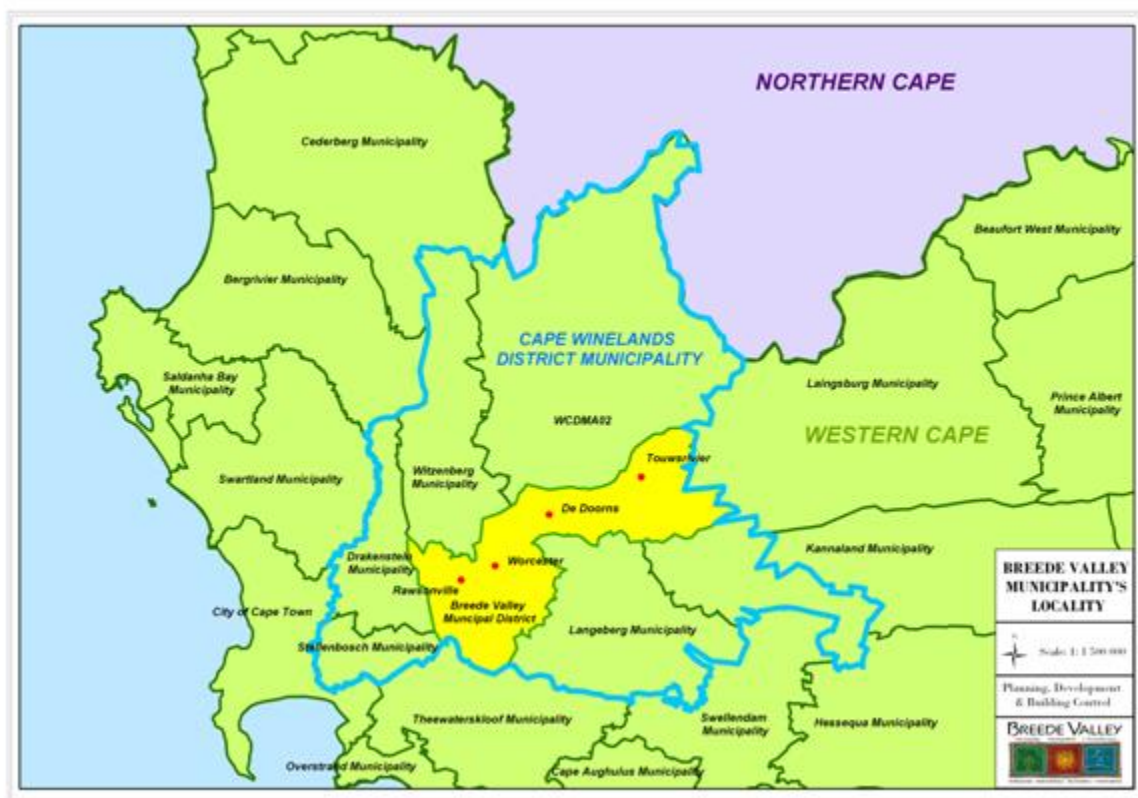


Figure 1 Western Cape area map

b) Population

Population size provides an indication of the volume of demand for government services in a particular geographical space. It also serves as a planning measure to assist budget planners to match available resources to address the relative demand for services. Breede Valley has the second largest population in the Cape Winelands District, which have a population size of 787 490.

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

The table below indicates the total population within the municipal area according to the 2011 Stats SA census:

Total population	166 825
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Table 2: Demographic information of the municipal area: Total population

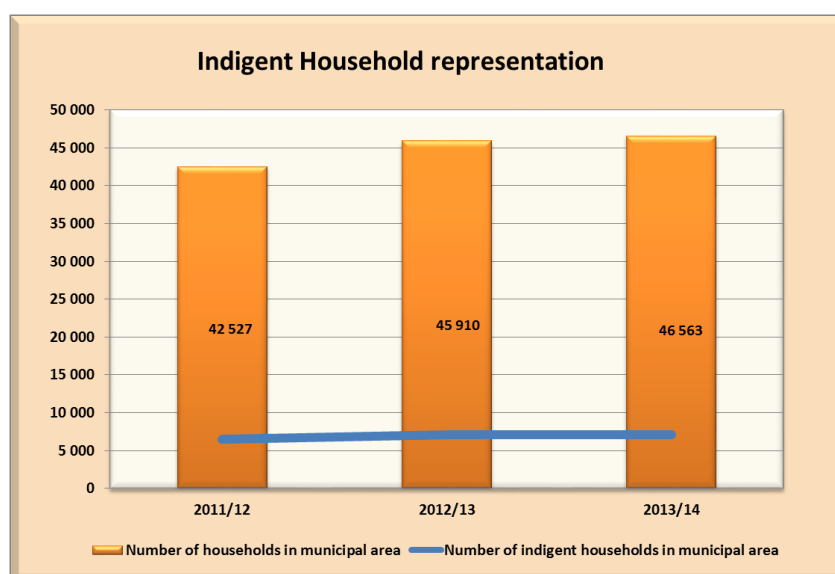
c) Households

The total number of households within the municipal area for the 2013/14 financial year was calculated as 46 563 (45 910 in 2012/13), based on the Community profile research conducted by Provincial Treasury.

Households	2011/12#	2012/13*	2013/14*
Number of households in municipal area	42 527	45 910	46 563
Number of indigent households in municipal area	6 507	7 061	7 095
*Source: Community profiles conducted by Provincial Treasury #Source: 2011 StatsSA Census			

Table 3: Total number of households

The graph below shows that the total number of indigent households grew from 6 507 in the 2011/12 to 7 095 in the 2013/14 financial year



Graph 1: Indigent household representation within the municipal area

d) Key Economic Activities

Intensive agricultural areas are located along river courses. The municipality is dependent upon the following economic activities:

Key economic activities	Description
Agriculture	Winery
	Table grapes, olives, dairy
Tourism	Agri- and outdoor tourism, wine routes, Big 5, guesthouses and B&B's, canoeing and fishing, hiking in mountains

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Key economic activities	Description
Manufacturing	Textiles, steel tankers, food processing, brandy and wood products

Table 4: Key economic activities

1.2.3 SOCIO ECONOMIC INFORMATION

a) Socio Economic growth

The socio-economic information for the municipal area is as follows:

Housing backlog	Unemployment rate*	Households with no income*
	(%)	(%)
23 194	14.4	12.0

**Source: 2011 StatsSA Census*

Table 5: Socio economic information

1.2.4 MUNICIPAL CHALLENGES

The following general challenges are experienced by the municipality:

Challenges	Actions to address
Limited capital reserves	Develop Long Term Financial Strategy to ensure financial sustainability
Lack of Customer Service Charter	Launch Contact Centre and design Customer Service Charter
Limited integration of departments and work in silos	Develop internal SLAs and establish Managers Forum
Poverty and growing indigent households	Develop Infrastructure Investment Plan and embark on Local Economic Development Strategy to create employment and businesses to expand rates and tax base
Moderate public participation rates and ineffective ward committee functioning	Implement Public Participation Policy and capacitate ward committees. Implement ward-based planning methodologies
Lack of succession planning and high turnover in senior management	Design and implement Succession Planning Policy
Streamlining of Supply Chain Management (SCM) processes and the implementation of SCM electronic system	Incorporate into Long Term Financial Strategy
Maintain clean audit status	Embark on Long Term Financial Strategy

Table 6: Municipal challenges

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 BASIC SERVICE DELIVERY HIGHLIGHTS

The following highlights were achieved by the municipality with regards to basic service delivery:

Highlight	Description
Stormwater	The timeous cleaning of the Stormwater system paid off and the early winter rains caused no serious problems in any of the areas, other than those below the flood lines
Refuse collection	The trial pertaining to the collection of refuse by a private contractor by means of skips in Zwelethemba area proved to be very successful. This model will be expanded in the future. Recycling activities are limited, but the present projects in Touwsriver (Waste Transfer Station), Paglande (clear bag system) and the cleaning of street bins by a private recycling company, are most successful
Sewerage	Two new sumps in Neethling Street and Quint Street, Roodewal were constructed and early observations indicate that sumps like these can play a major role in collecting foreign objects from the system. This in turn will reduce the number of sewer blockages, which totalled an average of 466 a month for the year. The total length of sewer pipes that were cleaned with the Vac jet machine that was purchased earlier in the year, came to more than 91.5km
Roads	The resurfacing of tar roads in all towns with MIG funds was a major highlight of the year. A total amount of R10 million was spend on this project. This will relieve the pressure on the maintenance of the roads where potholes form all the time

Table 7: Basic services delivery highlights

1.3.2 BASIC SERVICE DELIVERY CHALLENGES

The following general challenges are experienced by the municipality with regards to basic service delivery:

Service Area	Challenge	Actions to address
Refuse removal	The number of breakdowns in refuse compactors was one of the biggest challenges and had a negative influence on service delivery. This caused a lot of overtime, but in the end weekly schedules were completed	Annual tender to rent refuse compactors on a long term basis
Fleet	The expenditure on vehicle repairs for the year was relatively low compared to previous years. The expected expenditure is R4.1 million compared to R4.8 million in the previous year. This can partially be contributed to the fact that several of the older vehicles were sold a year ago. Managing the fuel expenses for the year turned out to be a challenge. Since compilation of the budget to date the price	Budget for increased expenditure due to increase in fuel prices

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Service Area	Challenge	Actions to address
	of fuel increased by more than 20% with the result that the budget was totally inadequate	
Water	The total number of burst pipes for the year came to 247. This can be compared to 230 for 2012/13; 287 for 2011/12 and 229 for 2010/12. There does not seem to be either a significant increase or decrease in the number of bursts pipes. The number of burst pipes for the year per 100km of network came to 53. This can be benchmarked against Australia where the number is well below 20 per 100km. Cape Town has also set their target as 20 bursts per 100km. To achieve this they have increased their spending on pipe cracking drastic. The way forward for BVM is to do the same	Budget for 2014/15 was increased by 50%

Table 8: Basic services delivery challenges

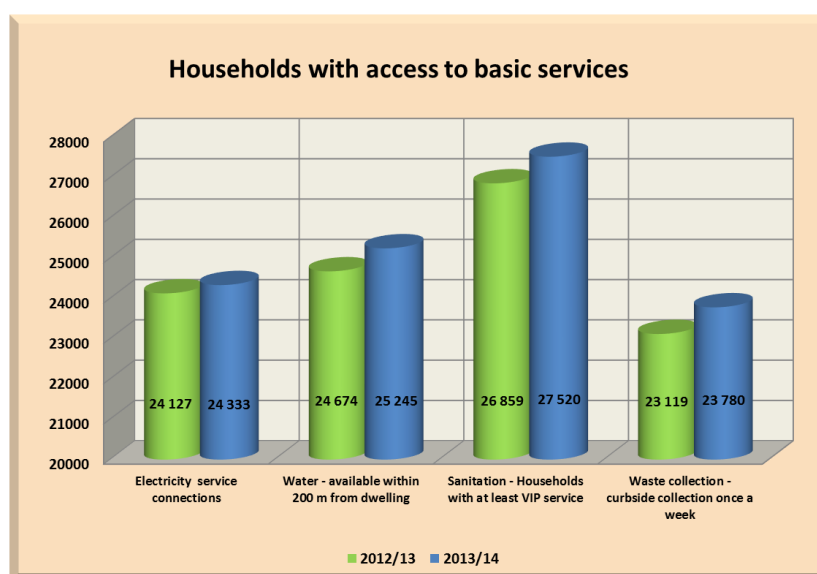
1.3.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO MINIMUM LEVEL OF BASIC SERVICES

The table below shows the total of households that do have access to the minimum levels of basic services

Level of Services	2012/13	2013/14
Electricity service connections	24 127	24 333
Water - available within 200 m from dwelling	24 674	25 245
Sanitation - Households with at least VIP service	26 859	27 520
Waste collection - kerbside collection once a week	23 119	23 780

Table 9: Households with minimum level of Basic Services

The graph below shows the proportion of households with access to basic level of services:



Graph 2: Households with access to basic services

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1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 FINANCIAL VIABILITY HIGHLIGHTS

The following highlights were achieved by the municipality regards to financial viability:

Highlight	Description
Clean audit outcome achieved in 2012/13 financial year	The clean audit accomplished during the 2012/13 financial year is indeed acknowledgement of hard work and dedication of all components of Breede Valley Municipality
Successful implementation of the MGRO	MGRO was successfully implemented by the municipality with buy in from executive management. A dedicated task team was established to drive the MGRO process and to ensure good governance. These processes went beyond only addressing the audit findings of the previous year, but were also inclusive of the top ten risks per directorate, compliance with laws and regulation and all internal audit findings
Funding acquired for the implementation of the Long Term Financial Strategy and Caseware.	Funding was acquired to implement the Long Term Financial Strategy and a consultant was appointed to finalise the plan, which will ensure financial health and sustainability. The Caseware module was implemented that will ensure timeous financial statements and compliance with applicable laws and regulations
Improvement of debt recovery rate	Debt recovery rate improved to 97.2% (2012/13 = 96.8%) despite the difficult economic circumstances
Approved Debt Write-off Policy	Council approved the debt write-off policy which will be implemented from 1 July 2014
Daily bank reconciliation	Bank reconciliations are performed on a daily basis and submitted monthly as part of the S71 reporting to Council
Critical vacancies filled	Two of the critical vacancies (Senior Manager: Financial Planning and Manager: AFS, Assets & Reporting) in the Finance Department were filled during the 2013/14 financial year

Table 10: Financial viability highlights

1.4.2 FINANCIAL VIABILITY CHALLENGES

The following general challenges are experienced by the municipality with regards to financial viability:

Challenge	Action to address
Market response to the vacancies/advertisements	Poor market response to advertised vacancies make it difficult to recruit competent and skilled personnel
Maintain a sound financial position in the context of the national and international economic climate	Breede Valley took a conservative approach towards borrowing until the tax base has broadened. Breede Valley also accepts that we should do more with less
Revenue enhancement	Breede Valley needs to further enhance the effectiveness and completeness of debt recovery and compile a Revenue Enhancement Plan that needs to be successfully implemented
Limited revenue base	Local economic development needs to ensure that the revenue base is broadened

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Challenge	Action to address
Building of a reserve fund	Implementation of the Long Term Financial Strategy to ensure financial health and sustainability

Table 11: Financial viability challenges

1.4.3 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

The following table indicates the municipality's performance in terms of the **national key performance indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **national key performance area** namely **municipal financial viability and management**.

KPA & indicator	2012/13 (Restated)	2013/14	Comments
Debt coverage- [(Total operating revenue-operating grants received)/debt service payments due within the year]	13.49	14.01	The ratio indicates the municipality's ability to service its debt payments, which implies that the municipality can do it 14.01 times. That is well above the target of 10 times
Service debtors to revenue- (Total outstanding service debtors/ revenue received for services)	13.41%	11.66%	This ratio indicates how effective revenue collection is being executed by the municipality. The current outstanding debt is 11.66% of revenue. Outstanding debt decreased from 13.41% in 2012/13 to 11.66% in 2013/14. This is within the norm of 8.33%-12.5%. Management is continuing with strict credit control measures to ensure all revenue due to the municipality is collected timeously
Cost coverage- (Available cash+ investments)/ Monthly fixed operating expenditure	2.79	2.69	This ratio indicates the municipality's ability to meet its monthly expenditure. The ratio of 2.69 is above the norm of 1.5:1. Management is constantly evaluating investment portfolios to ensure optimum inflows and return rates; cutting on cost containment items and constantly enhancing revenue inflows. The compilation of a Long-Term financial Strategy is also very nodal in the process to ensure sound cash flow and financial health within the municipality

Table 12: National KPI's for financial viability and management

1.4.4 FINANCIAL OVERVIEW

The table below shows the financial overview of the municipality:

Details	Original budget	Adjustment budget	Actual
	R'000		
Income	757 063	787 768	695 527
Grants	209 396	235 927	149 889
Taxes, Levies and tariffs	500 613	500 905	492 373
Other	47 054	50 935	53 266

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Details	Original budget	Adjustment budget	Actual
	R'000		
Less: Expenditure	713 353	712 517	682 297
Net surplus/(deficit)	43 710	75 251	13 230

Table 13: Financial overview

1.4.5 OPERATING RATIOS

The following table contains the operating ratios for the 2013/14 financial year:

Detail	Expected norm	Actual	% Variance
	(%)		
Employee cost	35	30.39	4.61
Repairs & maintenance	8-12	7	1.00
Finance charges & depreciation	18	14.80	3.20

Table 14: Operating ratios

The Breede Valley Municipality shows constant improvement in its financial health and sustainability. This is evident in the outcome of the current ratio of 1.53:1 for 2013/14 compared to 1.71:1 for 2012/13. Breede Valley is currently in the process of compiling a Long-Term Financial Strategy to further improve financial health and sustainability.

1.4.6 TOTAL CAPITAL EXPENDITURE

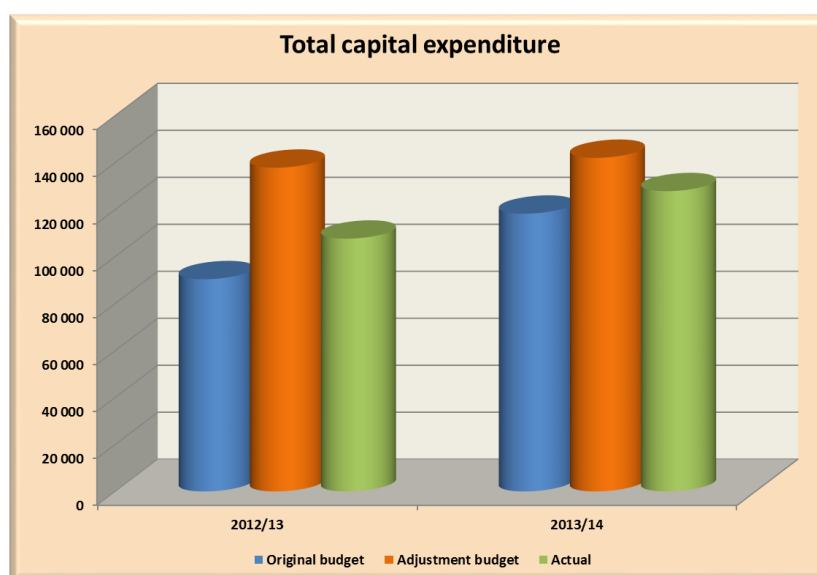
The table below shows the total capital expenditure for the last two years:

Detail	2012/13	2013/14
	(R'000)	
Original budget	90 347	118 231
Adjustment budget	137 817	142 011
Actual	107 618	127 825

Table 15: Total capital expenditure

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The graph below shows the total capital expenditure for the last two financial years:



Graph 3: Total capital expenditure

The capital expenditure incurred during the financial year amounts to R127 824 963 (R107 618 450 in 2012/13) that represents 90% (78% in 2012/13) of the adjusted budget. This under expenditure could be attributed to the delivery time of electrical equipment, non-completion of houses, requests for service deliveries not realised and insufficient time for the finalisation of projects approved in the adjustment budget. Unspent funding will be rolled over in the appropriate budget process during August 2014.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

The following highlights were achieved by the municipality regarding municipal transformation and organisational development:

Highlight	Description
A new Organisational Structure was approved	The municipality embarked on an organisational restructuring process in 2012. As part of this process, a new organisational structure was approved after proper consultation with all the relevant stakeholders, including organised labour. A comprehensive workshop with organised labour was held on 17 April 2013 who concurred with the new structure with certain limited reservations. The new Organisational Structure was approved on 20 August 2013
Staff placement process	In order to implement the newly approved Organisational Structure, current staff had to be placed in positions. To facilitate the placement process, a Placement Policy was approved on 15 October 2013. The Placement Committee commenced on the 1st of November 2013 and concluded its preliminary work on the 28th of February 2014. With the exception of a few staff members, nearly all the staff were placed in positions on the approved staff structure. Following the official placement notification, staff also had the right to object to

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Highlight	Description
	their placement and such objections are in the process of being finalised
A new Recruitment and Selection Policy was approved	A new Recruitment and Selection Policy was approved on 19 November 2013 that facilitates a better framework for the recruitment of staff
Tuned Assessment of Skills and Knowledge (TASK) and job description writing process	Local Government nationally, through SALGA, has accepted the TASK process as the official system for determining post grades and job descriptions at municipalities. In line with this, Breede Valley municipality embarked on a process to have all approved posts on the newly established organisational structure evaluated in terms of TASK. All newly filled posts were evaluated on TASK. A process was also undertaken to have job descriptions drawn up in terms of TASK for the entire organisation

Table 16: Municipal Transformation and Organisational Development highlights

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

The following general challenges are experienced by the municipality regarding municipal transformation and organisational development:

Challenge	Actions to address
Occupational Health and Safety	The municipality had, for the most part of the year, its Occupational Health and Safety post vacant. This presented several challenges with respect to compliance with Health and Safety related norms and standards. In the early part of 2014 this position was filled and various corrective measures had immediately been undertaken
Vacancies and recruitment of staff	Due to the placement process, vacancies could not be readily filled. During the placement process the pause and play principle was adopted. This entailed that the advertisement and recruitment for posts that were not considered as critical or specialist, would be paused and the post would be considered for filling through the possible placement process. This has a direct negative impact on the achievement of vacancy targets by the municipality, as incorporated in the performance system. However, a very important and necessary step to take during the placement process.
Continuous review and development of the Organisational Structure	The new regulations for senior managers place an obligation on municipalities to annually review its organisational structure. This presents an opportunity for the structure to always be relevant, but it creates an additional administrative burden of completing a cumbersome process.

Table 17: Municipal Transformation and Organisational Development challenges

1.5.3 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, 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 Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

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In order to assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted to 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

A total of **35** Employees were identified to obtain the above-mentioned qualification and prescribed competencies. By the end of June 2013, a total of **16** officials (financial and non-financial) were identified and commenced with the minimum competencies training. A total of 16 officials were competent at the end of the financial year, and the remaining officials are currently in the process of completing their unit standards in terms of the regulations.

The table below provides details of the financial competency attainment levels amongst financial and supply chain management officials as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Accounting Officer	1	1	1	0
Chief financial officer	1	1	1	1
Senior managers	3	3	3	0
Any other financial officials	2	2	0	2
Supply chain management officials				
Heads of supply chain management units	1	1	0	1
Supply chain management senior managers	2	2	0	2
TOTAL	10	10	5	6

Table 18: Financial competency development: Progress report

1.6 AUDITOR-GENERAL REPORT

Breede Valley Municipality implemented MGRO as initiated by Provincial Treasury. MGRO is a review outlook to monitor the performance of municipalities within certain focus areas to ensure clean administration within the Western Cape.

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The key control exercise, which is a quarterly assessment initially implemented by the Auditor-General to monitor performance of the municipality, was performed in-house by the Internal Audit team of Breede Valley Municipality for the 2013/14 financial year. The findings of the quarterly assessment, together with the audit findings of the previous year, a complete compliance list and the top ten risks of each directorate were included in MGRO document to ensure good governance. Progress regarding id being followed up on a continuous basis. MGRO has been included on the dashboard of the Municipal Manager and action plans are monitored on a regular basis.

1.6.1 AUDITED OUTCOMES

Year	2009/10	2010/11	2011/12	2012/13	2013/14
Status	Unqualified	Unqualified	Unqualified	Clean Audit	Clean Audit

Table 19: Audit outcomes



Chapter 2

CHAPTER 2: GOVERNANCE

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance comprises 8 major characteristics: it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, 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.

a) Highlights - Good Governance and Public Participation

The following highlights have been achieved by the municipality with regards to good governance and public participation:

Highlight	Description
Continuous in-year ward engagements	Ward committee meeting schedule outlines ward committee meetings throughout the year
Efficient IDP public participation process	Contained in the IDP process plan
Achieving a clean audit status	Clean audit achieved for 2012/13 financial year
Establishment of a governance team	A task team was appointed by the Municipal Manager under the stewardship of the Chief Financial Officer to drive good governance and ensure the institutionalisation of the Municipal Governance Review Outlook (MGRO) in Breede Valley Municipality
Adoption of Whistle Blower Policy	The Whistle Blower Policy was approved and will promote good governance
Adoption of Fraud and Anti-Corruption Policy	The Fraud and Anti-Corruption Policy was approved and will promote good governance

Table 20: Good governance and public participation performance highlights

b) Challenges - Good Governance and Public Participation

The following general challenges are experienced by the municipality with regards to municipal good governance and public participation:

Description	Actions to address
Moderate public participation rates and ineffective ward committee functioning	Implement Public Participation Policy and capacity building of ward committees. Implement ward-based planning methodologies
Lack of succession planning and high turnover in senior management	Design and implement Succession Planning Policy
Streamline of SCM processes and the implementation of SCM electronic system	Incorporate into the Long-Term Financial Strategy
Maintain clean audit status	Embark on Long Term Financial Strategy
Ineffective IDP Representative Forum	Review functioning of IDP Representative Forum
Lack of community involvement in performance management	Involve community in determining KPI's and performance targets

Table 21: Good governance and public participation challenges

CHAPTER 2: GOVERNANCE

2.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles and has delegated its executive function to the executive mayor and the mayoral committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

2.1.1 COUNCIL

Below is a table that categorised the councillors within their specific political parties and wards:

Name of councillor	Capacity	Political party	Ward representing or proportional
Cllr. A. Steyn*	Executive Mayor	DA	6
Cllr. J. Levendal	Deputy Executive Mayor	DA	Proportional
Cllr. M. Sampson	Speaker	DA	11
Cllr. R. Farao	Chief Whip	DA	13
Cllr. W. Blom	Member of mayoral committee	DA	Proportional
Cllr. A. Jordaan	Member of mayoral committee	DA	Proportional
Cllr. A. Du Toit	Member of mayoral committee	DA	Proportional
Cllr. S. Goedeman	Member of mayoral committee	DA	19
Cllr. S. Mei	Member of mayoral committee	DA	Proportional
Cllr. E. Sheldon	Member of mayoral committee	DA	12
Cllr. W. Meiring	Member of mayoral committee	DA	7
Cllr. J. Van Zyl	Member of mayoral committee	DA	Proportional
Cllr. M. Bushwana	Councillor; District Municipality Councillor	ANC	Proportional
Cllr. L. Dyabooi	Councillor	ANC	Proportional
Cllr. N. Jali	Councillor	ANC	16
Cllr. S. James	Councillor	ANC	Proportional
Cllr. P. Januarie	Councillor	ANC	3
Cllr. B. Klein	Councillor	ANC	Proportional
Cllr. M. Lubisi	Councillor	ANC	2
Cllr. S. Mfutwana	Councillor	ANC	Proportional
Cllr. B. Ntshingila	Councillor	ANC	Proportional
Cllr. L. Richards	Councillor	ANC	Proportional
Cllr. N. Steto	Councillor	ANC	8
Cllr. P. Tyira	Councillor	ANC	17
Cllr. C. Wilskut	Councillor	BO	Proportional
Cllr. G. Jaftha	Councillor	CI	Proportional
Cllr. P. Smith	Councillor	COPE	1

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Name of councillor	Capacity	Political party	Ward representing or proportional
ClIr. R. Blom	Councillor	DA	20
ClIr. J. Boshoff	Councillor	DA	15
ClIr. T. Dyonta	Councillor	DA	18
ClIr. B. Kriegler	Councillor	DA	5
ClIr. S. Lakey	Councillor	DA	Proportional
ClIr. E. Matjan	Councillor Councillor: District Municipality	DA	9
ClIr. J. Schneider	Councillor	DA	Proportional
ClIr. T. Wehr	Councillor	DA	21
ClIr. C. Ismail	Councillor	Independent	14
ClIr. C. Ntsomi	Councillor	ANC	Proportional
ClIr. P. Marran	Councillor; District Municipality Councillor	ANC	4
ClIr. E. van der Westhuizen	Councillor	DA	Proportional
ClIr. G. Stalmeester	Councillor; District Municipality Councillor	DA	10
ClIr. V. Appolis	Councillor	BO	Proportional
*Executive Mayor A Steyn replaced B Kivedo on 21 May 2014			

Table 22: Council 2013/14

Below is a table which indicates council meeting attendance for the 2013/14 financial year:

Meeting dates	Number of items submitted	Percentage council meetings attendance	Percentage apologies for non-attendance
21 August 2013	4	39 (95%)	(2) 5%
27 November 2013	6	39 (95%)	(2) 5%
25 February 2014	9	41 (100%)	n/a
25 March 2014	4	38 (93%)	(3) 7%
25 May 2014 (Special meeting)	1	41 (100%)	n/a
29 May 2014	5	39 (95%)	(2) 5%

Table 23: Council meetings

2.1.2 EXECUTIVE MAYORAL COMMITTEE

The executive mayor of the municipality, **Councillor B.D. Kivedo** (replaced by **Councillor A. Steyn** on 21 May 2014) assisted by the mayoral committee, heads the executive arm of the municipality. The executive mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the executive mayor delegated by the council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the municipality, the executive mayor operates in collaboration with the mayoral committee.

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The name and portfolio of each member of the mayoral committee is listed in the table below for the period 1 July 2013 to 30 June 2014:

Name of member	Portfolio Holder
Deputy executive Mayor, Cllr. J. Levendal	Basic Services; Community Safety & Traffic
Cllr. W. Blom	Financial Services; Internal Audit; IDP & PMS
Cllr. A. Jordaan	Agriculture & Rural Development; Disaster Management (Fire & Rescue included)
Cllr. A. Du Toit	LED & Tourism (Business & Agri-Business included)
Cllr. S. Goedeman	Arts & Culture (Heritage matters included); Environment, Recreation & Sport
Cllr. S. Mei	Community Services; Disabled; Library Services; Social Development; Women & Youth
Cllr. E. Sheldon	Housing
Cllr. W. Meiring	Human Resources; Technical Services (Civil & Planning Services)
Cllr. J. van Zyl	Communication & Marketing; Corporate Services

Table 24: Executive mayoral committee 2013/14

2.1.3 COMMITTEES

On 11 August 2011 Council resolved that there would be three types of meetings of Council:

- Section 79 committee that should meet on the first Tuesday of every month to discuss matters that need to be referred to MayCo or Council and to make suitable recommendations;
- MayCo committee that should meet on the third Tuesday of every month to consider the recommendations of the Section 79 committee and to resolve all matters referred to it in terms of delegated authority; and
- Council meetings that should meet at least four times a year to resolve matters that have not been delegated to officials or MayCo.

In addition to these meetings, there are Statutory Committee meetings such as the Audit Committee, the Performance Audit Committee, the Local Labour Forum, which includes the Employment Equity and Training Committee, and the Oversight Committee. All committees mentioned met regularly during the year under review.

The Section 79 committee is chaired by the Speaker and all councillors are required to attend. MayCo is chaired by the Executive Mayor and the Deputy Executive Mayor. In addition, eight "portfolio" councillors, the Chief Whip (ex-officio) and the Speaker (ex-officio) serve on MayCo. BVM does not have portfolio committees, therefore the portfolio councillors on MayCo are responsible for motivating matters applicable to their respective portfolios. Council meets to discuss and rule on legislative compliance issues (only for matters which they cannot delegate such as passing of by-laws, approval of budgets, imposition of rates and other taxes, levies and duties and the raising of loans).

a) Section 79 Committee

Section 79 committees are committees that specialise in a specific functional area of the municipality. Council resolved that they make recommendations to the mayoral committee.

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There are four Section 79 committees for the 2011-2016 mayoral term and their chairpersons are as follows:

Committee	Chairperson
Corporate Services Section 79 committee	Cllr. T.C. Dyonta
Financial Services Section 79 committee	Cllr. J.A. Boshoff
Operational Services Section 79 committee	Cllr. S. Lakey
Public Safety & Community Development Services Section 79 committee	Cllr. T.M. Wehr

Table 25: Portfolio committees

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The municipal manager is the accounting officer of the municipality. He is the head of the administration and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his executive management team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Mr. G. Matthyse	Municipal Manager	Yes
Mr. R. Esau	Strategic Support Services	Yes
Mr. D. McThomas	Financial Services	Yes
Mr. J. Marthinus	Community Services	Yes
Mr. Eddie Delport	Technical Services	Yes

Table 26: Administrative governance structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Breede Valley participates in numerous cooperative governance and intergovernmental relation initiatives such as:

- The district forums;
- Provincial and national departmental forums and meetings;
- Municipal managers forums;
- Chief financial officers forums;
- IDP forums; and
- Business forums
- SALGA workshops

It is the intention of the Breede Valley Administration and Council to ensure that the community derives maximum benefit from its participation in these forums and meetings.

2.3 INTER-GOVERNMENTAL RELATIONS (IGR)

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2.3.1 NATIONAL INTER-GOVERNMENTAL STRUCTURES

Breede Valley is participating fully in national forums with the main purpose of ensuring that the Breede Valley capitalise on best practices and also fully address the need of the Breede Valley to create an understanding and ensure that the priority of the needs are acknowledged and addressed. The Municipal Manager also participates on the National Municipal Managers Forum, co-ordinated by SALGA to ensure national alignment amongst Municipal Manager's.

2.3.2 PROVINCIAL INTER-GOVERNMENTAL STRUCTURES

The provincial IGR meetings attended by Breede Valley Municipality are:

- Provincial MinMay technical is attended by the Municipal Manager. The meeting is between the Director-General of the Department of Local Government, provincial departments and municipalities to formulate joint strategic, policy and agenda items for the MinMay.
- MinMay is attended by the Executive Mayor and the Municipal Manager. The meeting is between the MEC for Local Government and all Executive Mayors in the province.
- Premier's Co-ordinating Forum with the Premier, MEC's and all Executive Mayors in the province, is attended by the Executive Mayor and the Municipal Manager.

The municipality participate on all SALGA working groups, sectoral committees/forums ie.; Municipal Manager's Forum, CFO Forum, IDP Forum, SCM Forum, Internal Auditor's Forum, Communication Forum, Speaker's Forum and Provincial Disaster Management Forum.

We are also active participants on all LG MTech structures and IDP Indabas.

2.3.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

- District Co-ordinating Forum Technical is attended by the Municipal Manager and all other municipal managers in the district.
- District Co-ordinating Forum is attended by the Executive Mayor, the Municipal Manager and all other mayors and municipal managers in the district to discuss strategic and policy alignment matters at a district level i.e. IDP alignment, shared service functions, transversal matters impacting on all spheres of government, SALGA matters, district specific issues etc. The added benefit is ensuring joint planning and co-ordination and resource optimisation.

COMPONENT C: PUBLIC ACCOUNTABILITY

MSA S15 (b): requires a municipality to establish and organise its Administration to facilitate a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

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Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

2.4 PUBLIC MEETINGS

The table below shows the different public meetings for the 2013/14 financial years:

Nature and purpose of meeting	Date of events	Number of participating municipal councillors	Number of participating municipal administrators	Number of community members attending
Ward committee meetings	9 to 26 September 2013	30	10	211
Public Participation	15 to 30 April 2014	24	18	500

Table 27: Public Meetings

2.4.1 REPRESENTATIVE FORUMS

a) Labour Forums

The table below specifies the members of the labour forum for the 2013/14 financial year:

Name of representative	Capacity	Meeting dates
10 Employer representatives	5 Councillors	29 August 2013 05 September 2013 23 October 2013
	Municipal Manager	
	4 Directors	
10 Employee representatives	5 SAMWU Members	
	5 IMATU Members	

Table 28: Labour forum

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2.4.2 WARD COMMITTEES

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The ward committees support the ward councillor who receives reports on development, participates in development planning processes, and facilitates wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

a) Ward 1: The entire community of Touwsriver, including business and residential areas

Name of representative	Capacity Representing	Number meetings held during the year
Mr. F. Beukes	Finance & Economic Development	4
Mr. M. Nicholas	Sport, Culture & Youth	
Ms. L. Williams	Women, CBO & Youth	
Mr. A. Jacobs	Housing	
Mr. M. Visagie	Environment	
Mr. A. Matthys	Development Planning	
Mr. V. Kaptein	Women, CBP, NGO	
Mr. D. Prins	Safety	
Ms. M. Persent	Infrastructure and Basic Services	

Table 29: Ward 1 Committee Meetings

b) Ward 2: De Doorns South, Stofland and adjacent farms

Name of representative	Capacity Representing	Number meetings held during the year
Ms. F. Dondolo	Finance & Economic Development	1
Mr. T. Masiloane	Sport, Culture & Youth	
Ms. C. Nyithani	Women, CBO & NGO	
Vacant	Housing	
Ms. N. Dawgaca	Environment	
Ms. V. Makeleni	Infrastructure & Basic Services	

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Name of representative	Capacity Representing	Number meetings held during the year
Vacant	Safety	
Mr. S. Madlolo	Health	
Vacant	Transport	
Vacant	Development Planning	

Table 30: Ward 2 Committee Meetings

c) Ward 3: The centre of De Doorns, Hasie Square, Ekuphumleni and adjacent farms areas

Name of representative	Capacity Representing	Number meetings held during the year
Mr. A. Mfutwana	Sport, Culture & Youth	2
Ms. N. Gxagxa	Women CBO & NGO	
Mr. A. Nyembe	Housing	
Ms. W. Fuller	Environment	
Ms. M. Mfutwana	Development Planning	
Mr. K. Madlolo	Transport	
Ms. L. Bietou	Health	
Ms. W. Verendah	Safety	
Ms. S. Smith	Infrastructure & Basic Services	
Vacant	Finance & Economic Development	

Table 31: Ward 3 Committee Meetings

d) Ward 4: Section of De Doorns town centre, Orchard and adjacent farm areas

Name of representative	Capacity Representing	Number meetings held during the year
Mr. A. Solomons	Finance & Economic Development	0
Mr. S. Prent	Sport, Culture & Youth	
Ms. E. Isaacs	Women, CBO & NGO	
Mr. G. Makendlana	Housing	
Ms. A. Theron	Environment	
Ms. S. Mbali	Development Planning	
Mr. W. Swarts	Transport	
Ms. E. Lambert	Health	
Mr. A. Kamfer	Safety	
Mr. J. Philander	Infrastructure & Basic Services	

Table 32: Ward 4 Committee Meetings

e) Ward 5: De Doorns farming areas including Brandwag, De Wet and Sandhills

Name of representative	Capacity Representing	Number meetings held during the year
Mr. J. Plaatjies	Finance & Economic Development	0

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Name of representative	Capacity Representing	Number meetings held during the year
Mr. K. Prins	Sport, Culture & Youth	
Ms. B. Fortuin	Women, CBO & NGO	
Mr. J. Swartz	Housing	
Ms. L. Swartz	Environment	
Ms. N. Dzingwa	Development Planning	
Mr. H. Green	Transport	
Ms. V. Mangaliso	Health	
Mr. D. Libo	Safety	
Mr. C. Barends	Infrastructure & Basic Services	

Table 33: Ward 5 Committee Meetings

f) Ward 6: N1 Worcester entrance, Altona, Tuindorp, Bergsig, Van Riebeeck Park, Panorama, Hospital Hill and Fairway Heights

Name of representative	Capacity Representing	Number meetings held during the year
Mr. H. Adams	Finance & Economic Development	4 ward committee meetings and 2 public meetings
Mr. R. Cupido	Sport, Culture & Youth	
Ms. C. Opperman	Women, CBO & NGO	
Vacant	Housing	
Mr. A. Plaatjies	Environment	
Mr. A. Appelgryn	Development Planning	
Mr. P. Stevens	Transport	
Mr. V. Le Roux	Health	
Mr. E. Africa	Safety, Infrastructure & Basic Services	
Ms. L. Loff	Development Planning	

Table 34: Ward 6 Committee Meetings

g) Ward 7: Paglande, Meiringspark, Part of Roux Park, De La Bat Way, Fairy Glen and Industrial area

Name of representative	Capacity Representing	Number meetings held during the year
Mr. J. Lategan	Finance & Economic Development	4 ward committee meetings and 2 public meetings
Mr. M. Swart	Sport, Culture & Youth	
Mr. W. Lategan	Women, CBO & NGO	
Mr. D. de Koker	Housing	
Mr. R. Lennox	Environment	
Mr. C. la Grange	Development Planning	
Mr. J. de Koker	Transport	
Mr. J. van der Walt	Safety	
Mr. J. Kritzinger	Infrastructure & Basic Services	

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Name of representative	Capacity Representing	Number meetings held during the year
Vacant	Health	

Table 35: Ward 7 Committee Meetings

h) Ward 8: The Chessies and part of Worcester south (Zwelethemba)

Name of representative	Capacity Representing	Number meetings held during the year
Ms. C. Kobe	Finance & Economic Development	2 public meetings
Mr. D. Mapingana	Sport, Culture & Youth	
Ms. J. Gcuze	Women, CBO & NGO	
Ms. S. Vyver	Housing	
Mr. L. Leteba	Environment	
Mr. K. Sogwagwa	Development Planning	
Mr. J. Visser	Transport	
Ms. L. Mngxunyeneni	Health	
Mr. T. Chole	Safety	
Mr. B. Msizi	Basic Services & Infrastructure	

Table 36: Ward 8 Committee Meetings

i) Ward 9: Roodewal area and Esselen Park

Name of representative	Capacity Representing	Number meetings held during the year
Ms. C. Moos	Finance & Economic Development	4
Mr. J. Brand	Sport, Culture & Youth	
Ms. M. Adams	Women, CBO & NGO	
Mr. R. Saayman	Housing	
Ms. L. Williams	Environment	
Ms. H. Deelman	Development Planning	
Mr. W. Maans	Transport	
Mr. A. Deelman	Health	
Mr. R. Louw	Safety	
Mr. A. Fleur	Infrastructure & Basic Services	

Table 37: Ward 9 Committee Meetings

j) Ward 10: Hexpark, Johnsonspark area and Roodewal flats

Name of representative	Capacity Representing	Number meetings held during the year
Mr. D. Scheepers	Finance & Economic Development	4
Ms. M. Hofman	Sport, Culture & Youth	
Ms. J. Snyders	Women, CBO & NGO	
Mr. W. Witbooi	Housing	

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Name of representative	Capacity Representing	Number meetings held during the year
Ms. L. Olkers	Environment	
Ms. J. Johannes	Development Planning	
Mr. P. Klaaste	Transport	
Ms. S. Kees	Health	
Mr. W. Pieterse	Safety	
Ms. W. Grove	Basic Services & Infrastructure	

Table 38: Ward 10 Committee Meetings

k) Ward 11: OVD, Riverview area and Parkersdam

Name of representative	Capacity Representing	Number meetings held during the year
Mr. R. Williams	Finance & Economic Development	5
Ms. S. Africa	Sport, Culture & Youth	
Ms. E. Heradien	Women, CBO & NGO	
Mr. A. Mentsza	Housing	
Mr. T. Jacobs	Development Planning	
Mr. J. Jooste	Transport	
Ms. B. Vlok	Health	
Ms. K. Willemse	Safety	
Mr. R. Savahl	Infrastructure & Basic Services	
Mr. C. Nonnies	Development Planning	

Table 39: Ward 11 Committee Meetings

l) Ward 12: Part of Avian Park, CBD and Russell Scheme

Name of representative	Capacity representing	Number meetings held during the year
Ms. L. Pierce	Sport, Culture & Development	4 ward committee meetings and 3 public meetings
Ms. M. Jaftha	Women, CBO & NGO	
Mr. C. Apollis	Housing	
Ms. I. Claasen	Environment	
Mr. N. November	Development Planning	
Mr. C. Rittles	Transport	
Ms. M. Abrahams	Health	
Mr. E. Malan	Safety	
Ms. I. Titus	Infrastructure & Basic Services	
Mr. B. Noble	Finance & Economic Development	

Table 40: Ward 12 Committee Meetings

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m) Ward 13: Johnsons Park 1,2 & part of 3, part of Noble Park and Riverview houses

Name of representative	Capacity Representing	Number meetings held during the year
Mr. J. Stalmeester	Finance & Economic Development	3
Ms. A. Farao	Sport, Culture & Youth	
Mr. C. Adams	Women, CBO & NGO	
Ms. J. Fischer	Housing	
Mr. C. Fielies	Environment	
Ms. K. Gordon	Development Planning	
Mr. Claasen	Transport	
Ms. L. Rooi	Health	
Mr. B. Jansen	Safety	
Ms. S. Jacobs	Infrastructure & Basic Services	

Table 41: Ward 13 Committee Meetings

n) Ward 14: Riverview flats and Victoria Park

Name of representative	Capacity Representing	Number meetings held during the year
Mr. A. Streyers	Finance & Economic Development	3
Mr. R. Antonie	Sport, Culture & Youth	
Ms. T. Afrika	Women, CBO & NGO	
Ms. R. Williams	Housing	
Ms. H. Williams	Environment	
Mr. J. Wyngaard	Development Planning	
Ms. L. Jacobs	Transport	
Ms. K. Sahabodien	Health	
Mr. S. Pekeur	Safety	
Ms. C. Adams	Infrastructure & Basic Services	

Table 42: Ward 14 Committee Meetings

o) Ward 15: Langerug, Worcester West, Somerset Park and Goudini farms

Name of representative	Capacity Representing	Number meetings held during the year
Mr. J. Higgo	Finance & Economic Development	4
Mr. E. Viljoen	Sport, Culture & Youth	
Ms. L. Stols	Women, CBO & NGO	
Ms. A. Hamman	Health	
Mr. L. Loverlot	Environment	
Mr. P. Coetzee	Development Planning	
Mr. I. Jones	Transport	
Mr. P. Pieterse	Health	

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Name of representative	Capacity Representing	Number meetings held during the year
Mr. W. Welgemoed	Safety	
Mr. J. Meiring	Infrastructure & Basic Services	

Table 43: Ward 15 Committee Meetings

p) Ward 16: Zwelethemba

Name of representative	Capacity Representing	Number meetings held during the year
Mr. S. Mavemeqwana	Finance & Economic Development	4
Ms. N. Maqanda	Sport, Culture & Youth	
Ms. G. Bulani	Women, CBO & NGO	
Ms. B. Mamase	Housing	
Ms. N. Msutwana	Environment	
Mr. D. Sebetoane	Development Planning	
Ms. A. Ningiza	Transport	
Ms. B. Siko	Health	
Ms. M. Maduna	Safety	
Mr. Z. Shoba	Infrastructure & Basic Services	

Table 44: Ward 16 Committee Meetings

q) Ward 17: Zwelethemba

Name of representative	Capacity Representing	Number meetings held during the year
Ms. P. Nhlapo	Finance & Economic Development	1
Ms. A. Lamani	Sport, Culture & Youth	
Ms. G. Moso	Women, CBO & NGO	
Ms. P. Mfengu	Housing	
Ms. M. Yeko	Environment	
Ms. N. Platyi	Development Planning	
Advocate Tshokovu	Transport	
Ms. E. Nqakala	Health	
Vacant	Safety	
Mr. G. Guza	Infrastructure & Basic Services	

Table 45: Ward 17 Committee Meetings

r) Ward 18: Zwelethemba & farms from Overhex, Nonna

Name of representative	Capacity Representing	Number meetings held during the year
Ms. L. Willemse	Finance & Economic Development	0
Ms. S. Jacobs	Sport, Culture & Youth	
Ms. S. Mohlakola	Women, CBO & NGO	

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Name of representative	Capacity Representing	Number meetings held during the year
Ms. X. Mroxisa	Housing	
Mr. J. van Wyk	Environment	
Mr. G. Jansen	Development Planning	
Mr. C. Dutywa	Transport	
Ms. S. Pieterse	Health	
Mr. J. Bosman	Safety	
Mr. J. Jansen	Infrastructure & Development	

Table 46: Ward 18 Committee Meetings

s) Ward 19: Part of the centre of Rawsonville and outlying farming community

Name of representative	Capacity Representing	Number meetings held during the year
Ms. L. Heyns	Finance & Economic Development	5
Mr. G. Franse	Sport, Culture & Youth	
Ms. G. Esbach	Women, CBO & NGO	
Mr. D. Fredericks	Housing	
Mr. P. Hendricks	Environment	
Ms. F. Van Rooi	Development Planning	
Mr. H. Prins	Transport	
Mr. S. Bosman	Health	
Mr. N. Moses	Safety	
Mr. P. Frieslaar	Infrastructure & Basic Services	

Table 47: Ward 19 Committee Meetings

t) Ward 20: Part of the centre of Rawsonville and areas towards N1

Name of representative	Capacity Representing	Number meetings held during the year
Mr. A. Pietersen	Finance & Economic Development	4
Mr. D. Langisa	Sport, Culture & Youth	
Ms. S. Skippers	Women, CBO & NGO	
Mr. A. Otto	Housing	
Ms. R. Sylvester	Environment	
Mr. M. Pieterse	Development Planning	
Mr. J. Karelse	Transport	
Ms. K. Goedeman	Health	
Mr. A. Lesley	Safety	
Mr. W. Mandy	Infrastructure & Basic Services	

Table 48: Ward 20 Committee Meetings

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u) Ward 21: Avian Park and surrounding informal areas

Name of representative	Capacity Representing	Number meetings held during the year
Ms. M. Burger	Finance & Economic Development	4
Mr. C. Fransman	Sport, Culture & Youth	
Ms. J. Diamond	Women, CBO & NGO	
Ms. E. Willemse	Housing	
Ms. F. Fielies	Environment	
Mr. E. Ruiters	Development Planning	
Mr. A. Mtsila	Transport	
Ms. J. Bredaar	Health	
Ms. A. Le Roux	Safety	
Mr. P. Antonie	Infrastructure & Basic Services	

Table 49: Ward 21 Committee Meetings

2.4.3 FUNCTIONALITY OF WARD COMMITTEES

The table below provides information on the composition and functionality of ward committees as follows:

- Ward committee meetings held during the year include scheduled meetings between ward councillor and committee members, including IDP/Ward Committee engagements as part of the IDP process for the 2014/15 planning year. Currently the number of ward committee meetings are limited in order to align ward committee meetings to the Council resolution of a minimum of four meetings per financial year.
- Number of reports does not include IDP/Ward committee engagements for which specific reports are reflected in the IDP minutes.
- Functionality of ward committees is determined by the active engagements of ward committees with communities on public platforms and direct interactive sessions to improve or create better communities.
- The challenge which Breede Valley currently experiences is the total lack of activity beyond the four official activities for which Council authorised the process of payments in the form of stipends. Continuous engagements between the Speaker and the Administration has been undertaken to increase the activity levels of ward committees and stimulate motivation and willingness to drive development in the wards across Breede Valley.

Ward number	Committee established: Yes / No	Number of reports submitted to the speaker's/ IDP office	Number of meetings held during the year
1	Yes	4	4
2	Yes	1	1
3	Yes	2	2
4	Yes	0	0
5	Yes	0	0
6	Yes	6	6
7	Yes	6	6

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Ward number	Committee established: Yes / No	Number of reports submitted to the speaker's/ IDP office	Number of meetings held during the year
8	Yes	2	2
9	Yes	3	4
10	Yes	4	4
11	Yes	5	5
12	Yes	7	7
13	Yes	3	3
14	Yes	3	3
15	Yes	4	4
16	Yes	4	4
17	Yes	1	1
18	Yes	0	0
19	Yes	5	5
20	Yes	4	4
21	Yes	4	4

Table 50: Functioning of ward committees

The Office of the Speaker with the active participation of the Western Cape Department of Local Government are in the process of drafting a Ward Committee Activity Plan for each ward. This program will include a review of the Ward Committee and Public Participation Policy and the allocation of more resources to the ward committee program.

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes relationships among many stakeholders involved and the goals by which the institution is governed.

2.5 RISK MANAGEMENT

Risk management is a systematic and formalised process instituted by the municipality to identify, assess, manage, monitor and report risks to ensure the achievement of objectives.

- In terms of Section 62(1)(c)(i) and Section 95(c)(i) of the Municipal Finance Management Act (MFMA), No. 56 of 2003, it requires the accounting officer to ensure that the municipality and municipal entities, if any, have and maintain effective, efficient and transparent systems of risk management.
- The main reason for risk management is that the service delivery environment and the public sector's interface with stakeholders have become far more demanding and volatile than before.

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The objective of the Risk Management Policy is to assist management and Council to make informed decisions which will:

- Improve the municipality's performance on decision making and planning;
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance;
- Assist management in ensuring more effective reporting and compliance with applicable laws, regulations and other corporate governance requirements.
- Foster a culture of good governance, ethical conduct, discourage inefficiencies and counter fraud and corruption.

Historical ways of doing things are no longer effective as evidenced by a number of service delivery and general failures. Benefits from risk management are:

- more efficient, reliable and cost effective delivery of services;
- minimised waste and fraud; and
- more reliable decision making

2.5.1 TOP FIVE RISKS

- Lack of preventative maintenance on:
 - Water Network;
 - Sewer Network;
 - Roads Network;
 - Stormwater Network;
 - Electricity Network; and
 - Pump stations.
- Contravention of the OHS Act
- No standby power supply for pump stations
- River pollution
- Insufficient bulk capacity for water, waste and electricity at Worcester, De Doorns, Touwsriver and Rawsonville
- Insufficient asset management

2.5.2 ACTION PLAN TO ADDRESS THE TOP FIVE RISKS

The table below provide the actions implemented/that will be implemented to address the top five risks:

Risk	Actions implemented or that will be implemented
Lack of preventative maintenance on: <ul style="list-style-type: none">• Water network• Sewer Network• Roads Network• Stormwater Network• Electricity Network• Pump stations• Plant and Vehicles• Council Buildings	Allocate resources in revised budget and next year's budget. Draw up realistic multi-year scheduled maintenance plans. Start with asset register, decide on asset management system and implement over a number of years. Scheduled maintenance to be introduced with On-Key System. Budget for the roll-out of the asset management system in 2014/15

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Risk	Actions implemented or that will be implemented
Contravention of OHS Act	Appointment of dedicated OHS Officer. Establishment of functional structures and procedures. Training was provided. Investigated possibility to allocate a budget to OHS activities within 2014/15
No standby power supply for pump stations	One honey-sucker will be used to pump out sewerage. Hiring of available honey-suckers if power outage is more than one (1) hour. Medium-term period acquired mobile standby generators
River pollution	We have a Waste Water and Industrial Effluent Incident Management Protocol in place (documented). Reaction team will be activated and laboratory will take background samplings
Insufficient bulk capacity for water, waste and electricity at Worcester, De Doorns, Touwsriver and Rawsonville	Only De Doorns identified as a concern. Council already approved investigation for augmenting De Doorns raw bulk supply
Insufficient asset management	In process to roll-out On-Key asset management system through the entire Technical Services Department

Table 51: Action Plan to address the top five risks

2.5.3 APPROVED RISK POLICIES AND STRATEGIES

Name of strategy / policy	Developed Yes/No	Date adopted/reviewed
Enterprise Risk Management Policy	Yes	Adopted by Council on 27 November 2012
Enterprise Risk Management Strategy	Yes	Adopted by Council on 27 November 2012

Table 52: Approved risk policies and strategies

2.6 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

2.6.1 DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date adopted/reviewed
Fraud and Corruption Prevention Policy and Response Plan	Yes	Adopted by Council on 27 November 2012
Fraud and Corruption Prevention Strategy	Yes	Adopted by Council on 27 November 2012
Whistle Blowing Policy	Yes	Adopted by Council on 27 November 2012

Table 53: Strategies

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2.6.2 IMPLEMENTATION OF STRATEGIES

The table below provide details of the strategies that will be implemented for anti-corruption and anti-fraud:

Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
Restructuring of Organogram	Effective and efficient service delivery	<ol style="list-style-type: none"> 1. Aligning of organogram with Performance Management System and Service Delivery Budget Implementation Plan (SDBIP); 2. Productivity and accountability; 3. Clear job descriptions & standard operating procedures (Focus on Top Layer SDBIP for now); 4. Functional Local Labour Forum; 5. Implementation of placement policy framework; 6. Alignment of Minimum Competency Regulations with Recruitment & Selection Policy Framework.
Review of Delegation Register	Roles and responsibilities	<ol style="list-style-type: none"> 1. Alignments of delegation register with latest legislation and restructuring of the organogram, budget and IDP; 2. Appointment of dedicated legal services manager; 3. Strict adherence to MGRO processes as identified on the maturity assessment tool introduced by Provincial Treasury.
Establishment of Whistle Blowing Toll Free Number	Fraud Prevention	<ol style="list-style-type: none"> 1. Fraud Prevention Framework published on municipal website; 2. Awareness campaigns to be conducted and implemented during the financial year; 3. Toll free number and email account created for councillors, staff and community members to report irregularities, fraud and corruption etc.; 4. Information also advertised in local newsletters; 5. In process to investigate the effectiveness of the current hotline administration to appoint independent administrator.
Municipal Governance Review Outlook	Clean Administration	<ol style="list-style-type: none"> 1. Maturity measurements levels on performance of compliance to legislation etc.; 2. Action plan to improve audit outcomes; 3. Internal auditing responsible to audit performance information on a quarterly basis;

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Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
		<ol style="list-style-type: none">4. Key controls assessed on a quarterly basis;5. Establishment of task team by the Accounting Officer, to ensure Clean Administration (<i>inter alia</i> Governance Task Team was identified and chaired by the CFO)

Table 54: Implementation of the strategies

2.7 AUDIT COMMITTEE/S

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must:

(a) advise the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- internal financial control;
- risk management;
- performance management; and
- effective governance.

2.7.1 FUNCTIONS OF THE AUDIT COMMITTEE

Breede Valley Municipality's Audit Committee was appointed for a second term on 27 January 2014, which has a dual role as a Performance Audit Committee that was fully functional during the 2013/14 financial year.

The audit committee has the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

- To advise the council on all matters related to compliance and effective governance
- To review the annual financial statements to provide council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation
- Respond to the council on any issues raised by the auditor-general in the audit report.
- To review the quarterly reports submitted to it by the internal audit
- To evaluate audit reports pertaining to financial, administrative and technical systems
- To review the performance management system and make recommendations in this regard to council
- To identify major risks to which council is exposed and determine the extent to which risks have been minimised
- Review the plans of the internal audit function and in so doing, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.

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- Provide support to the internal audit function.
- Ensure that no restrictions or limitations are placed on the internal audit section.
- Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation.

2.7.2 MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
B. Lodewyk	Chairperson	28 August 2013
Dr. B. Jansen van Rensburg	Member	11 November 2013
N. Salie	Member	24 February 2014
		17 June 2014

Table 55: Members of the audit committee

2.7.3 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

Date of Committee	Matters discussed during 2013/14	Recommendations adopted
28 August 2013	<ul style="list-style-type: none"> • National Treasury Feedback on the Quality Assurance Review conducted on the Internal Audit Unit • Internal Audit quarterly reporting to the Audit Committee on the implementation of the Internal Audit Plan and matters prescribed by legislation • Review and approval of the unaudited Annual Financial Statements 2012/13 by the Audit Committee prior to submission to the Auditor-General (AG) 	Yes
11 November 2013	<ul style="list-style-type: none"> • Key Controls Feedback quarter 4 and quarter 1 from Internal Audit • Audit Committee overview on the outcome of the Draft Management Report of the AG, including the audit process and AG fees • Internal Audit quarterly reporting to Audit Committee on the implementation of the Internal Audit Plan and matters prescribed by legislation • Feedback on status of the Risk Assessment and implementation of risk management process of BVM • Feedback on processes in place to deal with irregular expenditure as prescribed by legislative prescripts and the current status 	Yes
24 February 2014	<ul style="list-style-type: none"> • Follow-up on AG's Audit Report and Management Report (MGRO) - Status of records and planning for year-end audit • Internal Audit quarterly reporting to the Audit Committee on the implementation of the Internal Audit 	Yes

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Date of Committee	Matters discussed during 2013/14	Recommendations adopted
	Plan and matters prescribed by legislation <ul style="list-style-type: none"> • Key Control quarter 2 feedback from Internal Audit • Update on Implementation of Enterprise Risk Management process and feedback on risk register and action plans 	
17 June 2014	<ul style="list-style-type: none"> • Confirmation of Internal Audit independence to the Audit Committee • Internal Audit annual reporting to the Audit Committee on the implementation of the Internal Audit Plan and matters prescribed by legislation • Internal Audit Plan 2014/15 submitted for approval • Approval of Internal Audit Charter • Review and approval of Audit Committee Charter 	Yes

Table 56: Municipal Audit Committee recommendations

2.8 PERFORMANCE AUDIT COMMITTEE

The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience. The majority may not be in the employ of the municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of an audit committee entirely.

Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

2.8.1 FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

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In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to:

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- (iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

2.8.2 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

Name of Member	Capacity	Experience	Meeting dates
Mr. B. Lodewyk	Chairperson	Chartered Accountant(CA)	2 December 2013 19 May 2014
Dr. B. Jansen van Rensburg	Member	Doctorate in Economics	
Ms. N. Salie	Member	BCom Finance (Hons)	

Table 57: Members of the performance audit committee

2.9 INTERNAL AUDITING

Section 165 (2) (a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
 - (i) Internal audit;
 - (ii) internal controls;
 - (iii) accounting procedures and practices;
 - (iv) risk and risk management;
 - (v) performance management;
 - (vi) loss control; and
 - (vii) compliance with this act, the annual Division of Revenue Act and any other applicable legislation; and
- (c) perform such other duties as may be assigned to it by the Accounting Officer.

Breede Valley Municipality has an in-house Internal Audit function consisting of the Chief Internal Auditor, two Internal Auditors, one Clerk and one Intern.

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2.9.1 RISK REGISTER AND THREE-YEAR STRATEGIC PLAN

A risk assessment was performed during June 2012 and all relevant risks were populated into a new risk register for Breede Valley Municipality. This risk assessment formed the basis of the 3-year Strategic Audit Plan for 2012-2015. The annual risk assessment was conducted in 2013/14 and the risk register was approved by Council during November 2013 and formed the basis for the 2014/15 Annual Risk Based Audit Plan.

2.9.2 ANNUAL AUDIT PLAN

The risk based audit plan for 2013/14 which was executed based on the above approach and methodology. 95% of the annual Risk Based Audit Plan was implemented with available resources. The table below provides detail on audits completed:

Breede Valley Municipality – Annual audit plan 2013/14		
Description	No of hours estimated	Date completed
Risk based audits		
Community Services		
Traffic Services: Licences	300	12 November 2013
Financial Services		
Grants	320	30 June 2014
Operations		
Repairs and Maintenance: Assets	450	21 July 2014
Cyclical audits		
Financial Services		
Supply Chain	450	20 February 2014
Annual Stock Take: Stores	160	06 August 2013
Municipal Manager		
Risk Management	160	20 March 2014
Corporate Services		
Minimum Competency Compliance	160	30 June 2014
Legislated audits		
All Directorates		
Predetermined Objectives	640	Quarter 4 (2012/13) - 25 November 2013 Quarter 1 (2013/14) – 25 November 2013 Quarter 2 (2013/14) – 28 March 2014 Quarter 3 (2013/14) – 14 May 2014
Follow-Up Audits		
Corporate Services		
HR: Recruitment and Selection	160	30 June 2014
Community Services		
Traffic Services: Licences	160	30 June 2014

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Breede Valley Municipality – Annual audit plan 2013/14		
Description	No of hours estimated	Date completed
Financial Services		
Revenue: Sundries and Rentals	160	28 March 2014
Revenue: Water and Electricity	160	04 April 2014
Continuous		
Key Control Checklist	300	Quarter 4 (2012/13) – 22 October 2014 Quarter 1 (2013/14) – 5 November 2013 Quarter 2 (2013/14) – 18 February 2014 Quarter 3 (2013/14) – 9 April 2014
Compile Annual Audit Plan	40	30 June 2014
Junior Internal Audit Assistance	500	Ongoing Review and Supervision of Audit Work – 30 June 2014
Training CPD	500	30 June 2014
Total hours	4 620	

Table 58: Internal audit coverage plan

Below are the functions of the internal audit unit that was performed during the financial year under review:

Function	Date/Number
Risk analysis completed/reviewed	May/June 2013
Risk Based Audit Plan approved for 2013/14 financial year	24 June 2013
Internal Audit Programme drafted and approved	24 June 2013
Number of audits/reviews conducted and reported on	19
Audit reports included the following key focus areas:	
Internal controls	19
Accounting procedures and practices	5
Risk and risk management	19
Performance management	4
Loss control	2
Compliance with the MFMA and other legislation	19

Table 59: Internal audit functions

2.10 SUPPLY CHAIN MANAGEMENT

Supply chain management includes all processes which need to be followed to procure goods and services. It entails the identification of needs by the end user departments, registration of vendors, processes of obtaining quotes and bids, keeping of inventory and payment of all creditors, councillors and personnel.

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2.10.1 COMPETITIVE BIDS IN EXCESS OF R200 000

a) *Bid Committee meetings*

The following table details the number of bid committee meetings held for the 2013/14 financial year:

Bid specification committee	Bid evaluation committee	Bid adjudication committee
41	33	18

Table 60: Bid Committee meetings

The attendance figures of members of the Bid Specification Committee are as follows:

Member	Percentage attendance
Manager: Procurement	99
Relevant technical expert responsible for a function	98

Table 61: Attendance of members of Bid Specification Committee

The attendance figures of members of the Bid Evaluation Committee are as follows:

Member	Percentage attendance
Head: Procurement	99
Relevant technical expert responsible for a function	99

Table 62: Attendance of members of Bid Evaluation Committee

The attendance figures of members of the Bid Adjudication Committee are as follows:

Member	Percentage attendance
Director Financial Services (Chairperson)	98
Director Technical Services	95
Director Community Services	95
Director Strategic Support Services	95
Deputy Director Finance/ Manager Supply Chain Management	80

Table 63: Attendance of members of Bid Adjudication Committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

b) *Awards made by the Bid Adjudication Committee*

The Bid Adjudication Committee awarded 47 bids with an estimated value of R87 million.

The ten highest bids awarded by the Bid Adjudication Committee are as follows:

Bid number	Title of bid	Directorate and section	Successful bidder	Value of bid awarded (R)
BV292	Resurfacing of various municipal roads	Technical	Zebra Surfacing	33 477 536.00

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Bid number	Title of bid	Directorate and section	Successful bidder	Value of bid awarded (R)
BV322	Augmentation of the Stettynskloof Booster Pump: Mechanical and Electrical Works	Technical	Viking Pony Africa t/a Tricom Africa	8 673 378.78
BV318	Supply and delivery of wheelie bins	Technical	Otto Waste Systems (Pty) Ltd	1 949 399.36
BV311	Supply, delivery, installation and commissioning of high mast lights and street lights within the BVM	Technical	Solethu Energy (Pty) Ltd	5 648 935.35
BV319	Replacement of street lights in High Street	Technical	Current Affairs Electrical CC	2 146 857.84
BV310	Supply, delivery and off-loading of ductile iron pipes at the Bokriver: Touwsrivier	Technical	VW Civil Engineering Supplies	2 534 300.00
BV299	Supply and delivery of half ton LDV pick-ups and mobile aerial platforms	Technical	Uni-Cape Equipment (Pty) Ltd	813 447.54
BV302	Supply and delivery of 500KVA and 630KVA transformers	Technical	Powertech Transformers (Pty) Ltd	696 654.00
BV317	Supply, delivery and off-loading of transformer to the Stettynskloof Booster Pump	Technical	WCC Cables (Pty) Ltd	603 888.78
BV 320	Supply and delivery of floating aerators to Touwsrivier Waste Water Treatment Works	Technical	M.A.N Engineering Services (Pty) Ltd	783 750.00

Table 64: Ten highest bids awarded by Bid Adjudication Committee

c) Awards made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's SCM Policy, only the Accounting Officer may award a bid which is in excess of R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer. The only bid awarded by the Accounting Officer is as follows:

Bid number	Title of bid	Directorate and section	Successful bidder
BV292	Resurfacing of various municipal roads	Technical	Zebra Surfacing

Table 65: Awards made by Accounting Officer

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d) *Appeals lodged by aggrieved bidders*

Two appeals were lodged by aggrieved bidders on awards made in terms of section 62(1) of the Municipal Systems Act (Act 32 of 2000), which relate to BV's 286 and 304. However, the municipality managed to resolve the appeals successfully without accruing any financial burden.

e) *Awards made to Historically Disadvantaged Individuals (HDI's), women and enterprises within the Breede Valley Municipal Area*

The following table details the value of competitive bids awarded to historically disadvantaged individuals (HDI owners), women and enterprises within the Breede Valley municipal area during the 2013/14 financial year:

Number of contracts awarded to wholly or partly owned HDI companies	Percentage of contracts awarded to HDI members	Value of contracts managed by HDI members (R)	Percentage of contract value awarded to HDI members
n/a	n/a	76 679 882.29	37%

Table 66: HDI bid awards

The total premium paid during the 2013/14 financial year in order to promote specific goals as set out in the Preferential Procurement Regulations of 2001, was R69 445.65.

2.10.2 FORMAL WRITTEN PRICE QUOTATIONS BETWEEN R30 000 AND R200 000

a) *Awards Made to the companies/enterprises established within the Breede Valley Municipal Area*

The following table details the value of all quotations awarded to enterprises and contractors for the period 1 July 2013 to 30 June 2014:

Month	Total Orders (R)	Local Companies (R)
July 2013	14 407 218.30	5 529 318.32
August 2013	41 198 053.54	3 379 364.66
September 2013	36 461 860.50	2 443 767.95
October 2013	29 177 873.98	4 370 199.76
November 2013	10 491 487.76	3 689 775.92
December 2013	10 146 778.02	3 631 231.52
January 2014	14 299 517.01	2 669 856.65
February 2014	35 202.88	3 013 069.32
March 2014	13 057 896.66	3 388 349.09
April 2014	12 828 518.84	3 261 901.07
May 2014	12 438 137.03	4 174 553.80
June 2014	8 814 711.76	2 959 851.27

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Month	Total Orders (R)	Local Companies (R)
Total	203 357 256.28	42 511 239.33
Percentage (%)-	20.9	

Table 67: Awards made to local companies

The total premium paid during the 2013/14 financial year in order to promote specific goals as set out in the Preferential Procurement Regulations of 2001 was R140 790.34.

2.10.3 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R34 116 667.07 were approved by the Accounting Officer. The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value
Sole provider	202	10 677 437.14	31.31
Strip and Quote	445	5 023 876.91	14.73
Goods/Service needed urgently/Emergency	159	3 179 764.78	9.32
Impractical to follow the normal procurement process	287	13 565 971.07	39.76
Insurance	55	788 761.23	2.31
Publications/Adverts	88	565 059.14	1.66
Accommodation	41	308 296.80	0.903
Special works	2	7 500.00	0.002

Table 68: Summary of deviations

Deviations from the normal procurement processes have been monitored closely since the start of the previous financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with. A large number and amount of deviations is caused by the strip and quote as a result of ageing fleet that needs frequent and urgent mechanical attention. In order to avoid service delivery being hampered, the SCM Policy allows a single quotation to a maximum of R30 000 for emergency repairs. SCM has identified instances where the normal procurement processes can be adhered instead of following the deviation process. These cases have been taken up with the relevant departments and satisfactory co-operation has been received.

2.10.4 LOGISTICS MANAGEMENT

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

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- the setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores in Market Avenue is coded and listed on the financial system. Monthly monitoring of issues and receipts patterns is performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and services that are received are certified by the responsible person which is in line with the general conditions of a contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

The results of the June 2014 stock-take showed a surplus inventory to the value of R62 018 (R55 319 – June 2013) and a shortage of R67 373 (R58 228 – June 2013), with a negative net adjustment result of R5 339 (R2 909 – June 2013). The value of slow moving items decreased from R986 812 to R516 132 (decrease 30 June 2013 from R1 273 401 to R986 812) at financial year end, 30 June 2014. Damaged stock is valued at R4 695, redundant stock at R19 155 and GRAP.12 inventory (stock capitalised) at R1 008 625.

As at 30 June 2014, the total value of stock at the municipal stores amounted to R9 030 543 with a satisfactory stock turnover rate of 1.89%.

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2.10.5 DISPOSAL MANAGEMENT

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the national conventional arms control committee;
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial Department of Education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets. The disposal process plan was finalised in August 2010 and aims to provide the guidelines for the disposal of all obsolete and damaged assets. Information regarding assets earmarked for disposal has already been collated and the request for approval for disposal will be tabled to Council in the near future.

2.10.6 PERFORMANCE MANAGEMENT

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been developed, approved and are being implemented. Monthly reporting of appeals received by aggrieved bidders are also done to measure the performance of the bid specification and bid evaluation committees.

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During the 2013/14 financial year, the municipality listed the following company as prohibited from doing business with it. However, such company has not been listed in the National Treasury's database, as the exercise is time consuming and involves lengthy legal implications.

Name of supplier	Person registration number/ ID number	Reason for restriction	Period from
Pikes Construction	P00076	Conducted a fraudulent activity in the name of the municipality	1 April 2014

Table 69: Restricted suppliers

The company mentioned above and its directors are prohibited from doing business with any organ of state for a period of 5 years.

Three of the most important key performance indicators in the SCM unit, is that of turnaround time from the date that requests are received from departments until bids are adjudicated and awarded.

The following table details the performance for each of those key performance indicators:

Key performance indicator	2012/13 Achievement	2013/14 Achievement	Remarks
Quotations between R0 – R2 000	3 days	3 days	Still have to improve
Quotations between R2 000 – R30 000	6 days	6 days	Still have to improve
Quotations between R30 000 – R200 000	8 days	9 days	Within the norm
Competitive bidding system (tenders)	7 weeks	7 weeks	Within the norm

Table 70: SCM performance indicators

For the 2013/14 financial year it took an average of **8 days** for bids **less than R200 000** to be awarded from the date of departmental request.

For the 2013/14 financial year it took an average of **49 days** for competitive bids (**R200 000 and more**) to be awarded from bid closing date. Under normal circumstances bids should be awarded within 90 days from the bid closing date. None of the competitive bids took longer than the 90 days requirement. Our performance in this regard is therefore exceptional.

2.10.7 PROCUREMENT AND CONTRACT MANAGEMENT

We have complied with SCM Regulation 6(3) for the 2013/14 financial year. These reports were submitted in a timely manner to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

2.10.8 PROCUREMENT AND CONTRACT MANAGEMENT – NON-COMPLIANCE WITH SCM POLICY SECTION 26 (1)

The appointment of an independent observer is made when specific bids are requested and deemed necessary. A framework for the appointment of a neutral or independent observer will be developed for the approval by the Accounting Officer. The aim of such an appointment is to promote fairness and transparency within the municipal bid committee system. In addition to this and the departmental members, the Manager Local Economic Development, Manager Legal Services and Head Procurement serve as members of the Bid Specification and/or Bid Evaluation Committees. Their task is to provide input with reference to the IDP objectives, local economic development and compliance.

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2.10.9 PROCUREMENT AND CONTRACT MANAGEMENT – INCORRECT DECLARATION OF INTEREST MADE

Urgent attention is given to the declarations made by bidders when submitting bids. The necessary background checks are done as indicated to the Auditor-General. For the entire 2013/14 financial year, an extract of the supplier database was sent to the Provincial SCM office, where checks were conducted using the Persal system to ensure that the municipality does not conduct business with employees of the state. To date, no negative feedback has been received.

2.10.10 PROCUREMENT AND CONTRACT MANAGEMENT – SUPPLIERS NOT REGISTERED FOR VAT

VAT registration numbers of suppliers are indicated on a VAT 103 form that is issued by SARS. We can also confirm a VAT number that appears on an original tax clearance certificate. The unit has access to a VAT number validity function which is available on the SARS website. It is easily accessible and is currently utilised.

2.10.11 PROCUREMENT AND CONTRACT MANAGEMENT – MONITORING OF CONTRACTS NOT DONE ON A MONTHLY BASIS

Contract management is the responsibility of each manager for contracts in his/her functionality area. The challenge is, however, that this will get urgent attention from senior management as additional capacity needs to be created within the SCM unit. In future the Chief Financial Officer will make recommendations in this regard.

2.11 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal councils the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/revised	Date adopted	Public participation conducted prior to adoption of policy(Yes/No)	Resolution Number
Land Management and Disposal Policy	Not yet adopted	n/a	n/a
Prevention of anti-social behaviour by tenants of municipal rental stock	Not yet adopted	n/a	n/a
Section 62 Appeals policy	Not yet adopted	n/a	n/a
Special Rating Areas Policy	Not yet adopted	n/a	n/a
Supply Chain Management Policy	29 May 2014	Yes	Item 9.1.2

Table 71: Policies

Below is a list of all the by-laws developed and reviewed during the financial year:

By-laws developed/revised	Date adopted	Public participation conducted prior to adoption of policy (Yes/No)	Date of publication
By-law relating to the management and control of flats	Not yet adopted. Still in draft	n/a	n/a

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By-laws developed/revised	Date adopted	Public participation conducted prior to adoption of policy (Yes/No)	Date of publication
owned by Breede Valley Municipality			
Encroachment By-law	Not yet adopted. Still in draft	n/a	n/a
Informal Traders By-law	Revision completed. Not yet adopted. Still in draft	n/a	n/a
Liquor Trading Days and Hours By-law	26 March 2013	Yes	6 September 2013
Parking By-law	26 March 2014	Yes	12 July 2014
Special Rating areas By-law	Not yet adopted. Still in draft	n/a	n/a
Standard By-law on Municipal Land Use Planning	Only adopted in draft	Yes	Final adoption will be completed after public participation

Table 72: By-laws

2.12 WEBSITE

A municipal website is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the municipality's / entity's website	Yes / No	Publishing date
Current annual and adjustments budgets and all budget-related documents	Yes	2 June 2014 - 9 June 2014
All current budget-related policies	Yes	6 June 2014
Annual report for 2012/13	Yes	23 May 2014
All performance agreements and scorecards for 2013/14 as required in terms of section 57(1)(b) of the Municipal Systems Act	Yes	4 March 2014
All long-term borrowing contracts for 2013/14	Yes	15 July 2014
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 2013/14	Yes	16 July 2014
All quarterly reports tabled in the council in terms of section 52 (d) during 2013/14	Yes	14 July 2014
<i>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments</i>		

Table 73: Website checklist

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2.13 COMMUNICATION

BVM's communication function is aligned with and supports the IDP. It informs, persuades and engages the public in terms of developmental local government principles. Communication is regarded as an integral part of public participation, serving as the vehicle by which public participation is enabled. It involves the provision of customer orientated services and building capacity for citizens to provide the municipality with feedback to improve these services.

Council acknowledges the right of the community to participate in governance and encourages communities to play an active role in the development of their areas. Local government has moved away from exercising power over people to a position where they share power with people.

Council regards the people of the Breede Valley as strategic partners in the development of the area and invites communities to become part of the solutions for the challenges facing the Breede Valley. Although legislation regulates the relationship between local government and the community, BVM regards this partnership to be based on openness, respect and trust, rather than mandatory. It is not only about compliance, but also to promote the Batho Pele principles and Council's vision, mission and values.

In addition to receiving a clean audit report for the 2012/13 financial year, BVM is also one of 11 municipalities commended in President Zuma's State of the Nation address for consistent good performance in audits and expenditure on municipal infrastructure grants and service delivery, underlining the value of good communication in getting the job done.

The following actions were undertaken to involve the community of the Breede Valley in governance and to inform the public on Council activities:

- **IDP/Budget meetings:** rendered support – media advertisements/pamphlets/radio announcements, loud hailing;
- **Ward committee meetings:** ward committees were also afforded opportunity to make inputs to the IDP;
- **Forming of partnerships:** partnerships with organisations such as the Worcester Business Forum, local SAPS and the Departments of Correctional Services and Community Safety;
- **Safety projects** in terms of strategic objective 4 (to ensure a safe, healthy, clean sustainable environment for all the residents in the Breede Valley): implementation of the first *Safe Worcester* safety trailer project in the CBD and safety office in Roodewal – strengthening partnerships with SAPS, ward committees and NGO's. The projects will be fully operational during 2014/15 financial year;
- **Promotion of peace and harmony** in terms of strategic objective 1 (to create a unique and caring valley of service excellence, opportunity and growth): support of the Worcester Hope and Reconciliation Process. The reconciliation theme is also entertained in speeches of the Executive Mayor at public engagements;
- **Sound media relations (print and radio)** to inform and educate the public: regular interaction with the media. A media breakfast involving all local media was held to inform media on Council's media policy and improve Council/media relationships.

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- **Publication of an external newsletter/promotion articles (13)** to inform and educate the public on municipal activities: The newsletter (11 000) is distributed with the Standard, local community newspaper from the Media 24 stable. Copies are also distributed by ward councillors in their wards;
- **A communication liaison committee** in terms of strategic objective 6 (to ensure a healthy and productive workforce and an effective and efficient work environment) was established to advise on internal communication issues and assist with the planning of the internal and external newsletters. Together with the communication section (Head of communication, Marketing Officer and Translator), the liaison committee forms the communication unit. Internal communication facilitates and manages the flow of information within the municipality in order to create an informed workforce. It involves information about municipal programmes, relevant human resource information and other useful information that staff may have an interest in;
- **The publication of an internal e-newsletter (15)** in terms of strategic objective 6 (to ensure a healthy and productive workforce and an effective and efficient work environment);
- **Implementation of social media (Facebook (450 likes) and twitter)** and regular updating of municipal web-page;
- **Regular liaison with communication sections of other municipalities** in the Western Cape, GCIS and the provincial communication and public participation directorate, via District PPCOM and Provincial PPCOM meetings and tele-conferences to enhance inter-governmental relations and update communication processes;
- **Upgrading of contact centre** to fast track service delivery;
- **Adoption of a communication strategy/policy**, aligned with the IDP;

The table below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	Yes
Communication strategy/policy	Yes
Editorial committee	Yes
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes
Pamphlets	Yes
Web page	Yes

Table 74: Communication activities



Chapter 3

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

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

3.1 PERFORMANCE MANAGEMENT

Performance management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance. The municipality adopted a Performance Management Framework and Policy that was approved by Council on the 28th of February 2011.

3.1.1 ORGANISATIONAL PERFORMANCE

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The top layer SDBIP was approved by the Mayor on the 12 June 2013 and the information was loaded on an electronic web based system.
- The web based system send automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 20th of every month for the previous month’s performance.
- Additionally, the performance system administrator reminds all departments on a monthly basis to update their actual performance on the web based system.
- The actual results against monthly targets set, are discussed in the monthly management meetings to determine early warning indicators and discuss corrective measures if needed.
- The first quarterly report was submitted to Council on 27 November 2013 and the second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the mayor on 24 January 2014. The third quarter report was signed and approved by the Mayor on 31 March 2014. The 4th quarterly report was approved and signed by the Mayor.
- Internal Audit audits the performance measurements of the municipality on a continuous basis as prescribed by the relevant legislation, which includes submission of reports on a quarterly basis to the Municipal Manager and Performance Audit Committee.
- The Performance Audit Committee reviews the municipality’s performance management system, which includes the quarterly reports produced and submitted by Internal Audit. The quarterly reports were submitted to the committee on 2 December 2013 and 19 May 2014.

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

3.1.2 INDIVIDUAL PERFORMANCE

a) Municipal Manager and Managers directly accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2013/14 financial year were signed on 23 July 2013 as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2012/13 financial year (1 January 2013 to 30 June 2013) took place during September 2013 and the mid-year performance of 2013/14 (1 July 2013 to 31 December 2013) took place on 7 April 2014.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal Manager Witzenberg Municipality
- PM unit provided administrative and logistical support
- Internal audit monitored that the process was fair and transparent and conforming to relevant legal prescripts.

b) Other Municipal Personnel

The municipality is in process of implementing individual performance management to lower level staff in annual phases. Performance Improvement Plans are drafted by each directorate after the mid-year performance review. Actual results vs performance targets are discussed in monthly management meetings to identify areas of underperformance for lower level staff.

3.2 THE IDP AND THE BUDGET

The IDP for 2013/14 was reviewed and approved on 30 May 2013 (Resolution number C34/2013) whilst the budget for 2013/14 was also approved by Council on 30 May 2013. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

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

3.3 INTRODUCTION TO SERVICE DELIVERY PERFORMANCE

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2013/14 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore includes an overview on achievement in 2013/14 compared to actual performance in 2012/13.

3.4 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

3.4.1 OVERALL ACTUAL STRATEGIC PERFORMANCE FOR 2013/14

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, budget and performance agreements)

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to IDP (strategic) objectives.

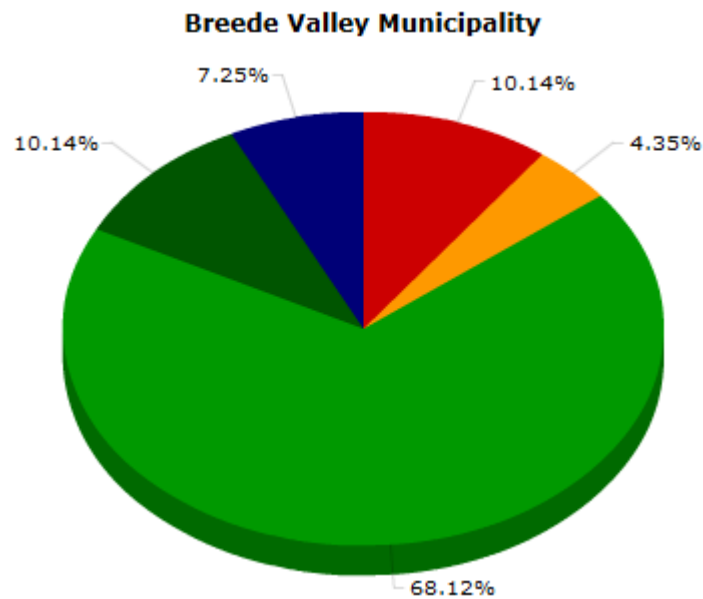
The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

Category	Color	Explanation
KPI's Not Yet Measured	Grey	KPIs with no targets or actuals in the selected period.
KPI's Not Met	Red	0% >= Actual/Target < 75%
KPI's Almost Met	Orange	75% >= Actual/Target < 100%
KPI's Met	Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target < 150%
KPI's Extremely Well Met	Dark Blue	Actual/Target >= 150%

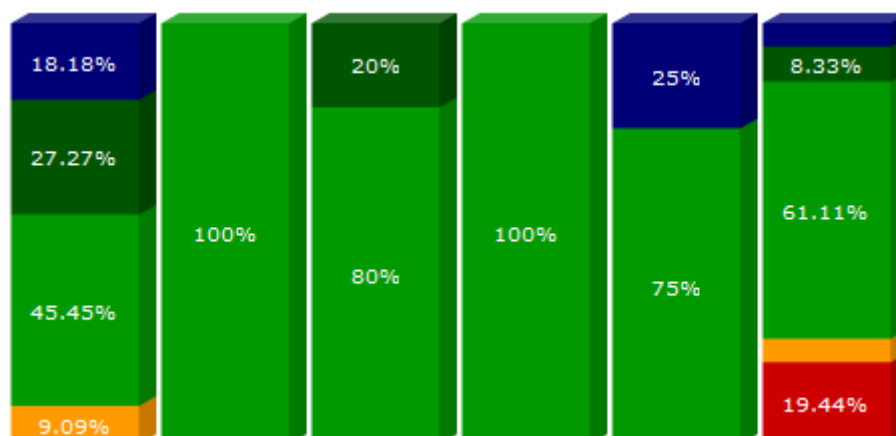
Figure 2 SDBIP measurement categories

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The graph below displays the overall performance per strategic objective for 2013/14:



	Breede Valley Municipality
KPI Not Met	7 (10.1%)
KPI Almost Met	3 (4.3%)
KPI Met	47 (68.1%)
KPI Well Met	7 (10.1%)
KPI Extremely Well Met	5 (7.2%)
Total:	69





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	Strategic Objective					
	Assure financial viability and sustainable growth	To actively participate in determining the future of our country	To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	To provide an maintain basic services and ensure social upliftment of the Breede Valley community
 KPI Not Met	-	-	-	-	-	7 (19.4%)
 KPI Almost Met	1 (9.1%)	-	-	-	-	2 (5.6%)
 KPI Met	5 (45.5%)	6 (100%)	4 (80%)	7 (100%)	3 (75%)	22 (61.1%)
 KPI Well Met	3 (27.3%)	-	1 (20%)	-	-	3 (8.3%)
 KPI Extremely Well Met	2 (18.2%)	-	-	-	1 (25%)	2 (5.6%)
Total:	11	6	5	7	4	36

Graph 4: Overall strategic performance for 2013/14 per strategic objective

3.4.2 DETAIL ACTUAL STRATEGIC PERFORMANCE FOR 2013/14 AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED PER STRATEGIC OBJECTIVE

a) *Assure financial viability and sustainable growth*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	2.79	1.5	1.5	1.5	1.5	1.5	2.69		
TL16	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue- operating grants received)/debt service payments due within the year) (%)	Ratio achieved	All	13.49	10	10	10	10	10	14.01		

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL17	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	13.41%	17%	16%	15%	14%	15.50%	11.66%		
TL18	Develop an action plan to implement the long term financial sustainability and viability and submit to the MM for approval by end June	Action plan submitted to MM by end June	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		
TL19	Upgrade the electronic SCM system by end December	Updated electronic SCM system	All	New performance indicator for 2013/14. No comparatives available	0	1	0	0	1	1		
TL20	Provide free basic services to indigent consumers	Number of indigent consumers receiving free basic services	All	New performance indicator for 2013/14. No comparatives available	6 800	6 800	6 800	6 800	6 800	7 095		
TL21	Submit the approved financial statements to the Auditor General by 31 August	Approved financial statements submitted to the AG by 31 August	All	1	1	0	0	0	1	1		
TL22	Achieve a payment percentage of above 96%	Payment % achieved	All	New performance indicator for 2013/14. No comparatives available	96%	96%	96%	96%	96%	97.21%		
TL23	Review the MGRO Clean Audit Plan and submit to MM by end January	Plan completed and submitted to the MM by end January	All	1	0	0	1	0	1	1		
TL24	Review the revenue enhancement plan by the end of December and submit to MM for approval	Strategy completed and submitted to the MM by end December	All	1	0	1	0	0	1	1		

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL66	The percentage of the municipal capital budget actually spent on capital projects identified in terms of the IDP (Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100	% of the municipal budget spent (Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	75%	75%	87.80%		

Table 75: Assure financial viability and sustainable growth

b) To actively participate in determining the future of our country

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL2	Develop a draft encroachment by-law and submit to Council for approval by end June	Draft by-laws submitted to council by end June	All	2	0	0	0	1	1	1		
TL3	Review the Standing Rules of Order and submit to Council by end September	Reviewed Rules of order submitted to council by end September	All	New performance indicator for 2013/14. No comparatives available	1	0	0	0	1	1		
TL8	Draft a communication strategy and submit to Council by end March	Strategy drafted and submitted to council by end March	All	New performance indicator for 2013/14. No comparatives available	0	0	1	0	1	1		
TL9	Facilitate the compilation of ward based development plans by end March to include in the IDP	Number of ward based development plans completed	All	New performance indicator for 2013/14. No comparatives available	0	0	6	0	6	6		
TL42	Risk based audit plan approved by June 2014	Plan approved	All	100%	0	0	0	1	1	1		
TL43	Compile an action plan to address the top 10 municipal risks by the end of June 2014	Action plan completed	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		

Table 76: To actively participate in determining the future of our country

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c) To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL10	Create job opportunities through the municipality's local economic development initiatives including capital projects and the EPWP	Number of employment contracts signed	All	New performance indicator for 2013/14. No comparatives available	2 700	2 700	2 700	2 700	10 800	13 611		
TL11	Develop a marketing and advertising strategy and submit to Council by end December	Strategy completed and submitted to council by end December	All	New performance indicator for 2013/14. No comparatives available	0	1	0	0	1	1		
TL12	Develop a major events strategy and policy and submit draft to Council by end December	Strategy and policy completed and submitted to council by end December	All	New performance indicator for 2013/14. No comparatives available	0	1	0	0	1	1		
TL13	Draft a business case for the possible development of the Uitenhage industrial park and submit to Council by end December	Business case submitted to council by end December	All	New performance indicator for 2013/14. No comparatives available	0	1	0	0	1	1		
TL14	Conduct a Business Retention and Expansion study in the existing industrial area and submit a report with recommendations to Council by end June	Report submitted to council by end June	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		

Table 77: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

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d) To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL1	Spent 1% of operational budget on training (Actual total training expenditure divided by total operational budget)	% of personnel budget spent	All	1%	0%	0%	0%	1%	1%	1%		
TL4	Review the ICT Master Systems Plan and submit to Council by end March	Plan completed and submitted to council by end March	All	1	0	0	1	0	1	1		
TL5	Limit vacancy rate to less than 15% of budgeted post (Number of funded posts vacant divided by budgeted funded posts)	% Vacancy rate of budgeted posts	All	15%	0%	0%	0%	15%	15%	15%		
TL6	Implement individual performance management in senior management levels 14, 15 and 16 (Number of post level 14, 15 and 16 personnel with signed performance agreements/ Total Number of post level 14, 15 and 16 personnel in the municipality)	% of identified personnel with signed performance agreements	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	100%	100%	100%		
TL7	Draft the Employment Equity Plan and submit to the Executive Mayor for approval by end September	Plan drafted and submitted to the Executive Mayor by end September	All	New performance indicator for 2013/14. No comparatives available	1	0	0	0	1	1		
TL28	Review the Disaster Risk Management plan and submit to Council by end March	Plan reviewed and submitted to Council by end March	All	1	0	0	1	0	1	1		
TL41	Section 57 performance agreements signed by the end of July 2013	Number of performance agreements signed	All	5	5	0	0	0	5	5		

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL67	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed in the three highest levels of management	All	New performance indicator for 2013/14. No comparatives available	0	0	0	0	0	0		

Table 78: To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team

e) To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL29	Review the Fire and Rescue Services Plan and submit to Council by March	Reviewed plan submitted to Council by end March	All	New performance indicator for 2013/14. No comparatives available	0	0	1	0	1	1		
TL31	Report quarterly to Director Community Services on the activities implemented into the law enforcement strategy	Number of reports submitted	All	New performance indicator for 2013/14. No comparatives available	1	1	1	1	4	4		
TL32	Compile a feasibility study on the establishment of a municipal court and submit a report with recommendations to the MM by the end of December	Study compiled and submitted to Municipal Manager by end December	All	1	0	1	0	0	1	1		
TL65	Public awareness initiatives with regard to recycle of solid waste	Number of initiatives	All	1	0	0	0	1	1	7		

Table 79: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

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f) *To provide and maintain basic services and ensure social upliftment of the Breede Valley community*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL25	Review the Human Settlement Plan and submit to by Council by the end of December	Reviewed strategy submitted to Council by end December	All	1	0	1	0	0	1	1		
TL26	Development of a beneficiary selection policy of new housing projects and submit to Council by June	Policy drafted and submitted to Council by end June	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	0		<ul style="list-style-type: none"> Policy will first be work shopped with all councilors and updated Policy will be resubmitted to Council in the 2014/15 financial year
TL27	Alienate old housing stock by June (Number of units actually transferred/ Total planned)	Number of units transferred	All	New performance indicator for 2013/14. No comparatives available	0	0	0	200	200	200		
TL35	Research and compile a proposal to submit to Council by end March for the hosting of Breede Valley Sport Awards during 2014/15	Proposal compiled and submitted to Council by end March	All	New performance indicator for 2013/14. No comparatives available	0	0	1	0	1	0		<ul style="list-style-type: none"> Draft proposal was compiled Funding need should be resolved Proposal with financial implication/ available budget will be submitted to Mayco/ Council When approved the proposal will be implemented

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL36	Develop a client service charter with service standards acceptable to all customers and submit to Council by the end June	Charter submitted to Council by end June	All	1 Charter completed	0	0	0	1	1	0		Resignation of Mr Omar Valley (Project Manager, who was responsible for the development of Client Service Charter) and the vacancy of the PMS/IDP Manager contributed to the kpi not being achieved. Process was initiated and information was collected. PMS/IDP Manager appointed on the 1st of May 2014. Dedicated budget approved of R100 000 in the 2014/15 budget to ensure the customer survey will be conducted during 2014/15
TL37	Establish a new wheelie wagon project	Number of projects	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		
TL38	Develop a management and maintenance plan for municipal owned office buildings and halls and submit to Council by the end of June	Plan developed by end June	All	0	0	0	0	1	1	1		
TL39	Complete a feasibility study regarding the viability and management of Nekkies Resort and submit a report with findings to the	Study and findings submitted to Municipal Manager	All	1 Study completed	0	0	1	0	1	1		

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
	MM by the end of March											
TL40	Upgrade libraries	Number of libraries upgraded	All	New performance indicator for 2013/14. No comparatives available	0	0	0	2	2	1		Will be reprioritised based on availability of funds
TL44	Limit electricity losses to 14% or less (National target 21%)	% of total electricity losses	All	7.39%	14%	14%	14%	14%	14%	7.23%		
TL45	100% of the electricity maintenance approved budget spent (Actual expenditure per the maintenance votes divided by the approved budget)	% of maintenance budget of electricity spent	All	100%	0%	30%	60%	100%	100%	94.41%		<ul style="list-style-type: none"> KPI target will be in future aligned with norm from NT that is 95% expenditure result Budgetary control will be implemented quarterly to ensure performance Ensure that capital are been dealt with to enhance service delivery performance
TL46	242 New electricity connections to provide electricity reticulation to new housing developments	Number of new electricity connections	18	222	0	0	0	242	242	166		<ul style="list-style-type: none"> KPI and targets will be reviewed and postponed to 2014/15 financial year All applicable connections will then be dealt with accordingly
TL47	Construct 18 high mast lights in identified wards	Number of lights	1; 2; 4; 13; 16; 20	New performance indicator for 2013/14. No comparatives available	0	0	0	18	18	19		

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL48	Replace centre island street lighting and cables (High Street - CBD) by the end of June 2014	Project completed	12	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		
TL49	Complete the activities for the planning and tender award process of the DME upgrade funding for electricity before the end of June 2014	Number of activities	All	New performance indicator for 2013/14. No comparatives available	2	0	2	1	5	5		
TL50	Complete the new 11/66kV electricity substation at Worcester by the end of June 2014	Project completed	9; 10; 11; 12; 13; 14	100%	0	0	0	1	1	0		<ul style="list-style-type: none"> • ESKOM will be connected to ensure that they do their part • substation will be commissioned after the finalization of ESKOM
TL51	Complete the stormwater assets plan on IMQS by the end of June 2014	Plan completed	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		
TL52	Complete the upgrade of the inlet works at Worcester Waste Water Treatment Works by the end of September 2013	Project completed	All	New performance indicator for 2013/14. No comparatives available	1	0	0	0	1	1		
TL53	Achieve a 95% waste water discharge compliance with microbial content	% waste water discharge that comply with microbial content	All	100%	95%	95%	95%	95%	95%	98.75%		
TL54	Complete Phase 1 of the upgrade of Stettynskloof supply pipe line by September 2013	Phase 1 completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	95%	1	0	0	0	1	1		
TL55	Complete Phase 2 of the upgrade of Stettynskloof supply pipe line by June 2014	Phase 2 completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL56	Complete Rawsonville water supply and 2 ML reservoir by the end of December 2013	Plan completed	19; 20	New performance indicator for 2013/14. No comparatives available	0	0	1	0	1	1		
TL57	Rehabilitate Bokrivier water supply pipe line to Touwsriver by the end of June 2014	Project completed	1	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		
TL58	Purchase vehicles to upgrade or expand the existing fleet	Number of vehicles	All	New performance indicator for 2013/14. No comparatives available	0	1	0	2	3	3		
TL59	Reseal roads in terms of the approved budget	Kilometres of road resealed	1; 3; 4; 9; 10; 11; 12; 14; 16; 17; 18; 20; 21	New performance indicator for 2013/14. No comparatives available	0	0	0	16	16	16		
TL60	Service 229 sites in terms of the housing implementation plan	Number of sites serviced	2; 3; 19	New performance indicator for 2013/14. No comparatives available	0	0	0	229	229	229		
TL61	Construct 486 top structures in terms of the housing implementation plan	Number of top structures constructed	3; 16; 17; 18; 19	338	0	0	0	486	486	486		
TL62	Limit non-revenue water to 21% or less	% of water loss	All	14.50%	0%	0%	0%	18%	18%	9.53%		
TL63	Achieve 95% water quality level as measured per SANS 241 criteria	% water quality level	All	100%	95%	95%	95%	95%	95%	97.88%		
TL64	Achieve a 91% average Blue Drop Compliance assessment by the end of June 2014	% assessment achieved	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	91%	91%	0%		KPI will be postponed to the 2014/15 financial year. Dependent on DWARF for outcome/ results
TL68	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water	Number of formal residential properties that receive piped water (credit and prepaid water)	All	New performance indicator for 2013/14. No comparatives available	0	0	0	18 563	18 563	18 563		

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
	infrastructure network											
TL69	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	Number of credit and prepaid electrical metering	All		0	0	0	22 672	22 672	22 672		
TL70	Number of sanitation services to residential properties (connected to the municipal waste water sanitation/sewerage network) billed for sewerage service, irrespective of the number of water closets (toilets)"	Number of residential properties which are billed for sewerage	All	New performance indicator for 2013/14. No comparatives available	0	0	0	17 485	17 485	17 485		
TL71	Number of formal residential properties for which refuse is removed once per week	Number of formal residential properties	All	New performance indicator for 2013/14. No comparatives available	0	0	0	17 736	17 736	17 736		
TL72	Number of informal areas with access to basic services, excluding electricity	Number of informal areas	All	New performance indicator for 2013/14. No comparatives available	0	0	0	12	12	12		
TL73	Number of informal areas with access to electricity, excluding Zionpark, private properties and Eskom jurisdictions	Number of informal areas	All	New performance indicator for 2013/14. No comparatives available	0	0	0	6	6	6		

Table 80: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

3.5 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement and is defined as:

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

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- A comparison of the performance with targets set for and performances in the previous financial year; and
- Measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered and for goods delivered for an amount more than R200 000 are listed.

The tables below indicate service providers utilised according to functional areas:

3.5.1 OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager did not utilise any service providers for the year under review.

3.5.2 FINANCIAL SERVICES

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Long Term Financial Strategy	Once-off	Satisfactory (work in progress)	Satisfactory	n/a

Table 81: Service provider performance: Financial Services

3.5.3 STRATEGIC SUPPORT SERVICES

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Provision of internet and related services for the period of three years	3 years	Satisfactory (work in progress)	Satisfactory	n/a
Supply of VMware Licence and Support	Once-off	Satisfactory (Completed)	Satisfactory	n/a

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Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Group Life Insurance for the period of three years	3 years	Satisfactory (work in progress)	Satisfactory	n/a

Table 82: Service provider performance: Strategic Support Services

3.5.4 COMMUNITY SERVICES

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Rehabilitation and the development of the sport field in the De Doorns West	Once-off	Satisfactory (Completed)	Satisfactory	n/a
Rehabilitation and the development of the sport field in the De Doorns East	Once-off	Satisfactory (Completed)	Satisfactory	n/a
Fencing of the De Doorns East sport field	Once-off	Satisfactory (Completed)	Satisfactory	n/a
Installation of metal guard rails in High Street, Worcester	Once-off	Satisfactory (Completed)	Satisfactory	n/a

Table 83: Service provider performance: Community Services

3.5.5 TECHNICAL SERVICES

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Resurfacing of various municipal roads	3 years	Satisfactory (work in progress)	Satisfactory	n/a
Augmentation of the Stettynskloof Booster Pump: Mechanical and Electrical Works	Once-off	Satisfactory (work in progress)	Satisfactory	n/a
Supply, delivery, installation and commissioning of high mast lights and street lights within the BVM	14 weeks	Satisfactory (Completed)	Satisfactory	n/a
Replacement of street lights in High Street	3 months	Satisfactory (Completed)	Satisfactory	n/a
Supply, delivery and off-loading of ductile iron pipes at the Bokriver: Touwsriver	Once-off	Satisfactory (work in progress)	Satisfactory	n/a
Supply, delivery and off-loading of transformer to	Once-off	Satisfactory (completed)	Satisfactory	n/a

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
the Stetteynskloof Booster Pump				
Supply and delivery of floating aerators to Touwsriver Waste Water Treatment Works	Once-off	Satisfactory (completed)	Satisfactory	n/a
Rehabilitation of the Bokriver Water Supply Pipeline: Phase 5	11 weeks	Satisfactory (work in progress)	Satisfactory	n/a
Consulting Engineering Services for The MIG Projects 2013-14 Financial Year	10 months	Satisfactory (completed)	Satisfactory	n/a
Rental of plant and machinery for the period ending 30 June 2014	12 months	Satisfactory (completed)	Satisfactory	n/a

Table 84: Service provider performance (only 10 major services): Technical Services

3.6 MUNICIPAL FUNCTIONS

3.6.1 ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal function	Municipal function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes

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Municipal function	Municipal function: Yes / No
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	None
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

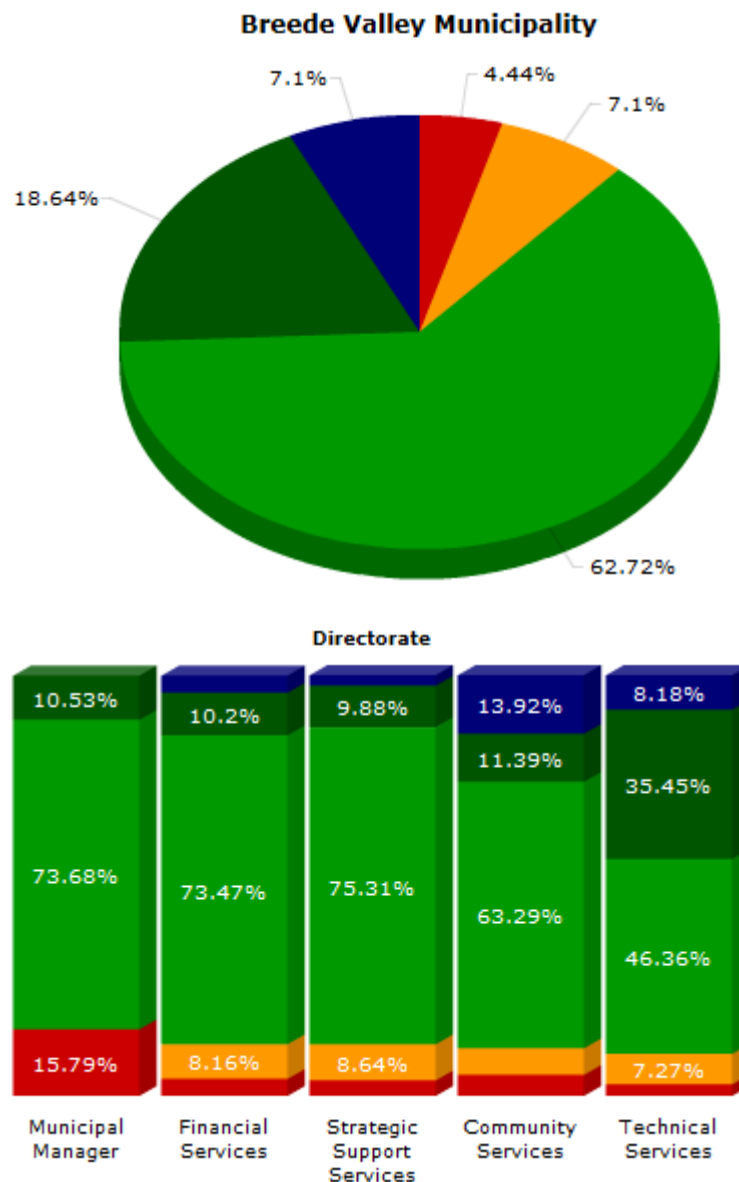
Table 85: Functional areas

3.7 OVERVIEW OF PERFORMANCE PER DIRECTORATE

Performance of all the graphs in the following sub paragraphs includes performance in terms of the Departmental SDBIP for the 2013/14 financial year. The graphs provide an illustrative overview of the overall performance results of all the KPI's measured as at 30 June 2014.

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The following graph indicates the overall results of all the KPIs measured of the various directorates in terms of the municipal SDBIP performance management system:



Graph 5: Overall performance of directorates for 2013/14

3.8 PERFORMANCE PER FUNCTIONAL AREA (DEPARTMENTAL/OPERATIONAL SDBIP)

3.8.1 MUNICIPAL MANAGER

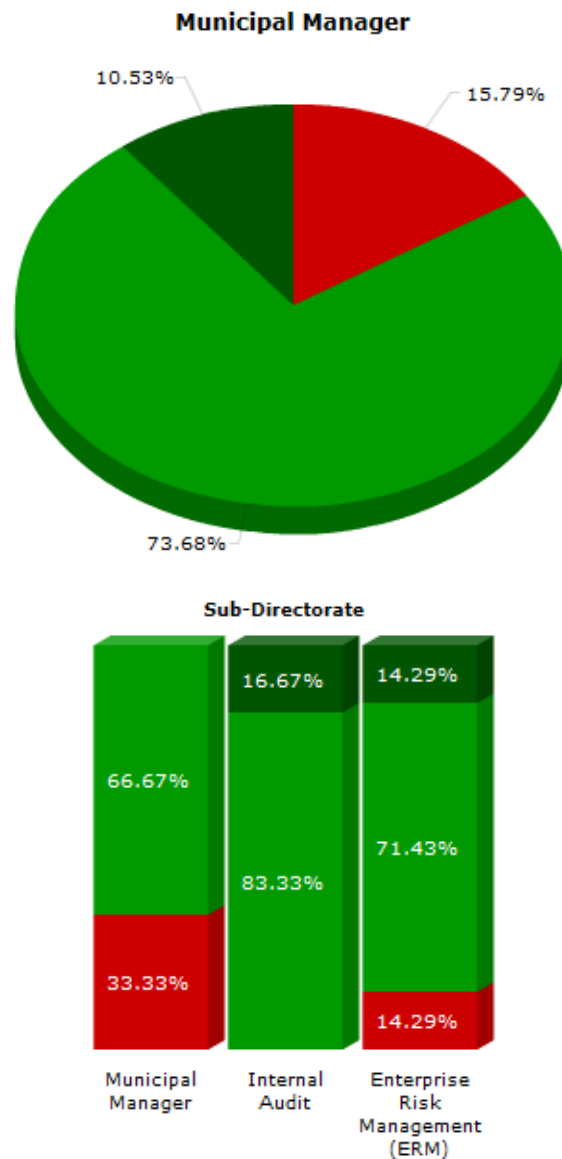
The Municipal Manager SDBIP consists of the following divisions:

- Municipal Manager
- Internal Audit

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- Enterprise Risk Management (ERM)

The following graph indicates the performance of the various sub-directorates within the Municipal Manager directorate in terms of the municipal SDBIP performance management system:



Graph 6: Municipal Manager sub-directorate performance

3.8.2 TECHNICAL SERVICES

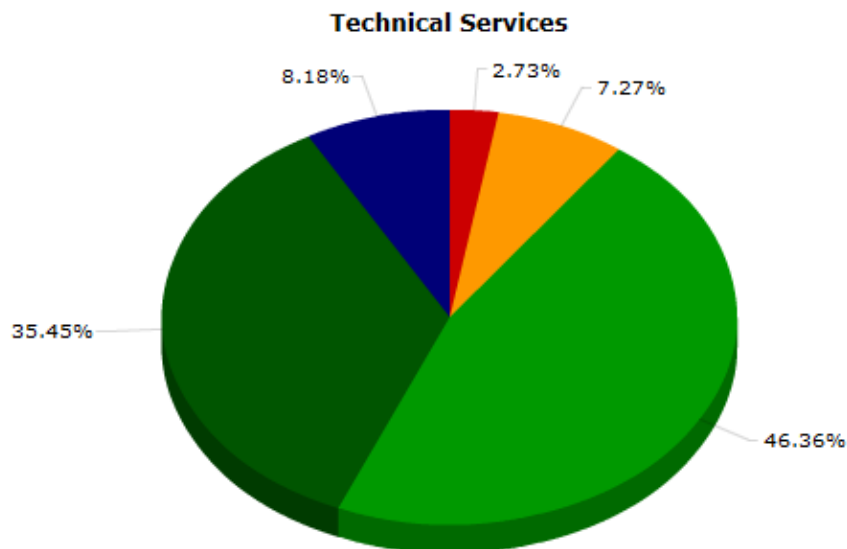
The Technical Services SDBIP consists of the following divisions:

- Director: Technical Services
- Planning: Building Control
- Planning: Town Planning

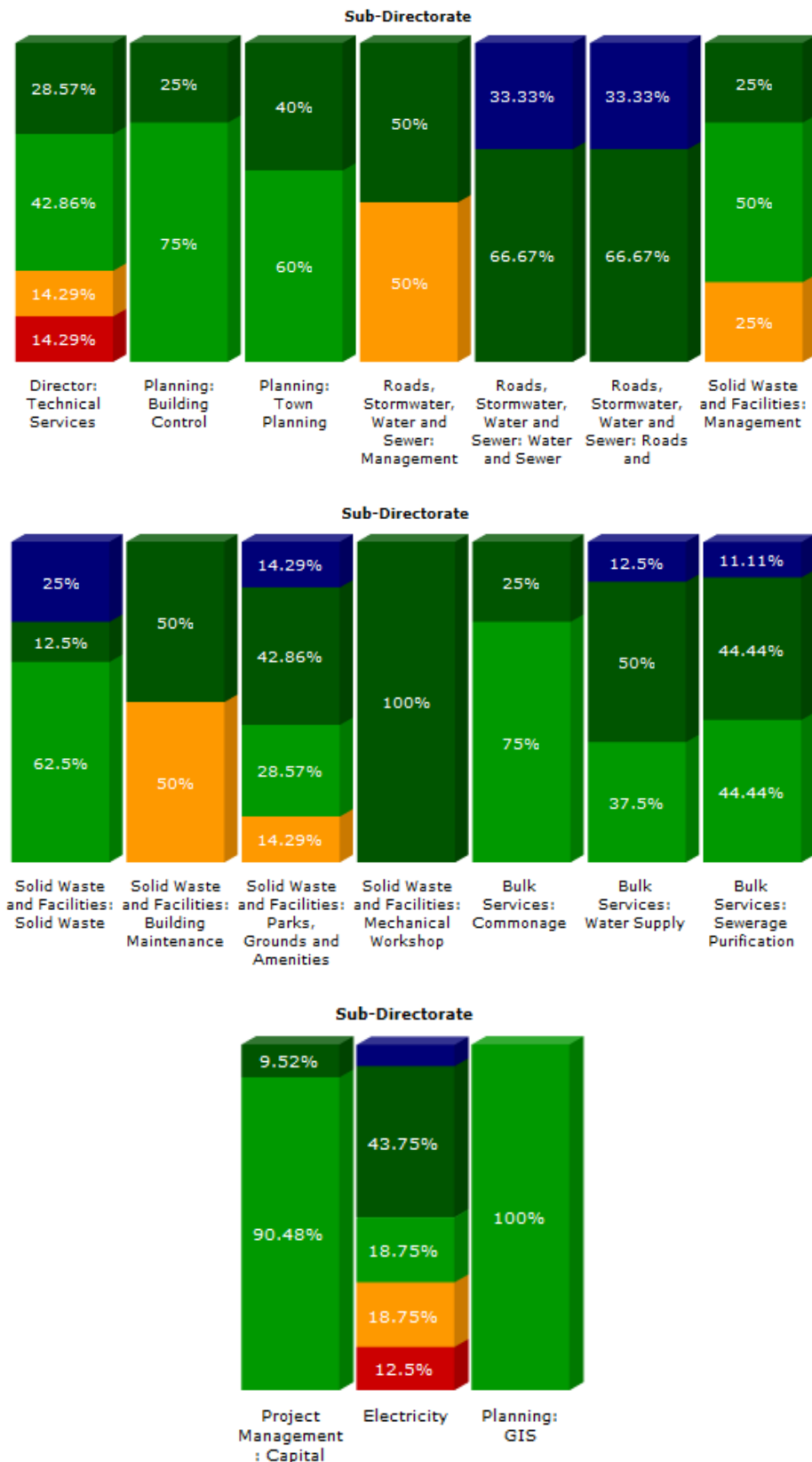
CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

- Roads, Stormwater, Water and Sewer: Management
- Roads, Stormwater, Water and Sewer: Water & Sewer
- Roads, Stormwater, Water and Sewer: Roads and Stormwater
- Solid Waste and Facilities: Management
- Solid Waste and Facilities: Solid Waste
- Solid Waste and Facilities: Building Maintenance
- Solid Waste and Facilities: Parks, Grounds & Amenities
- Solid Waste and Facilities: Mechanical Workshop
- Bulk Services: Refuse Removal: Landfill Sites
- Bulk Services: Commonage
- Bulk Services: Water Supply
- Bulk Services: Resorts and Swimming Pools
- Bulk Services: Sewerage Purification
- Project Management: Capital
- Electricity
- Planning: GIS

The following graph indicates the performance of the various sub-directorates within the Technical Services directorate in terms of the municipal SDBIP performance management system:



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



Graph 7: Technical Services sub-directorate performance

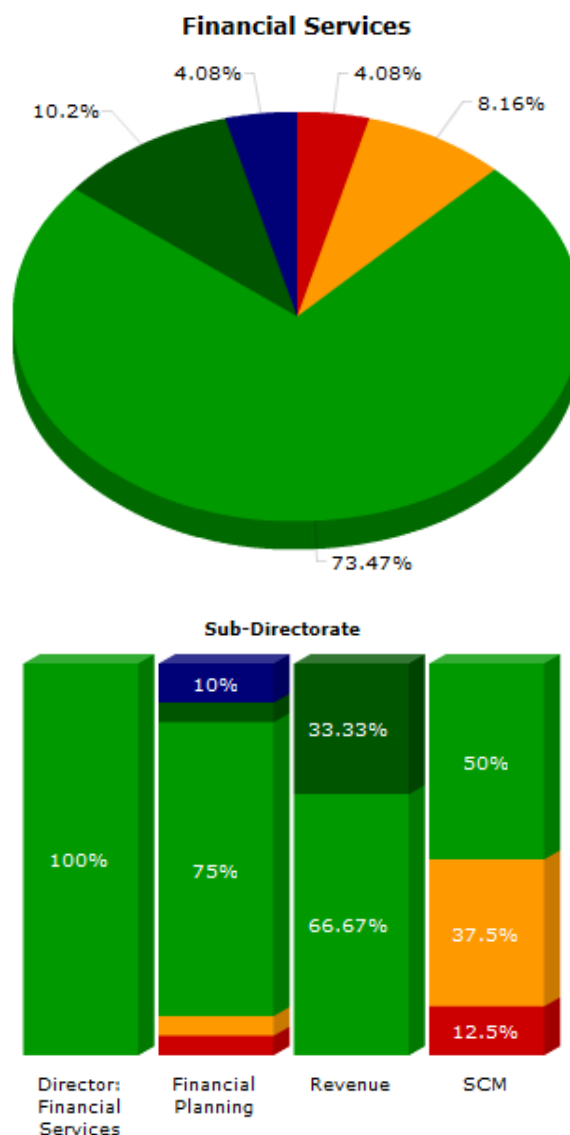
CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

3.8.3 FINANCIAL SERVICES

The Financial Services SDBIP consists of the following divisions:

- Director: Financial Services
- Financial planning
- Revenue
- SCM

The following graph indicates the performance of the various sub-directorates within the Financial Services directorate in terms of the municipal SDBIP performance management system:



Graph 8: Financial Services sub-directorate performance

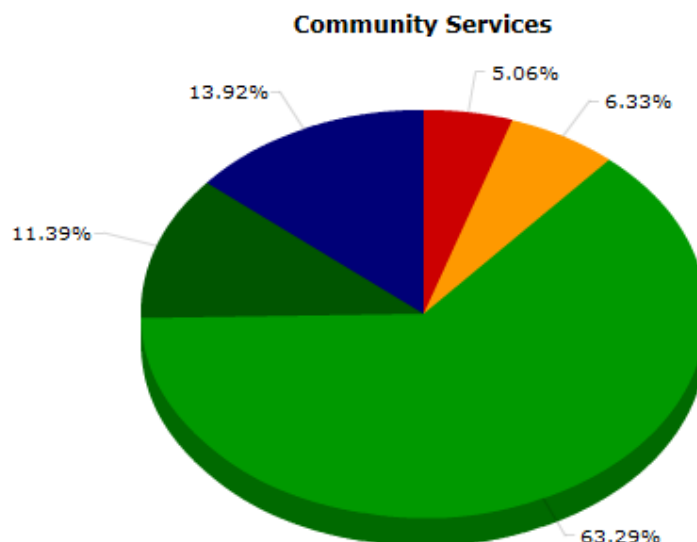
CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

3.8.4 COMMUNITY SERVICES

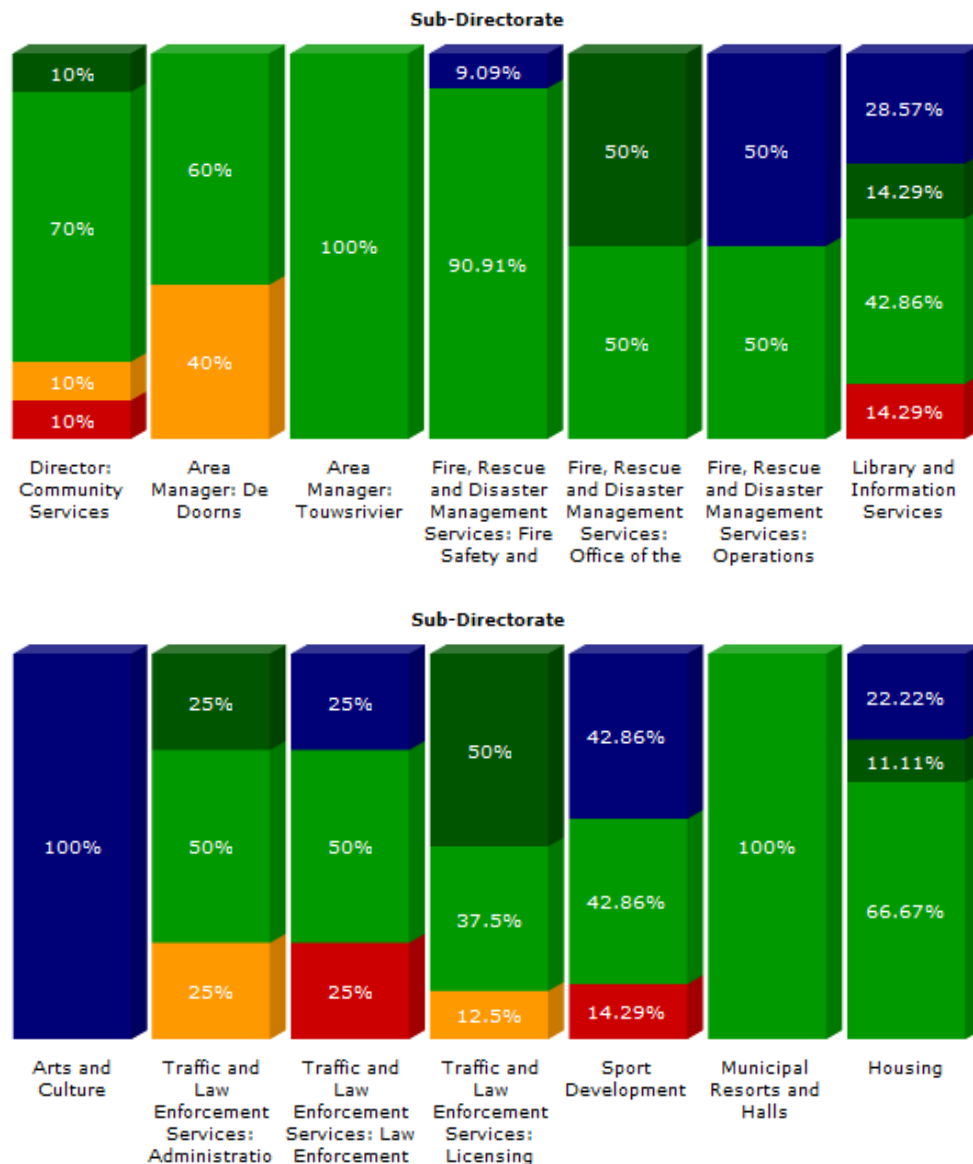
The Community Services SDBIP consist of the following divisions:

- Director: Community Services
- Area Manager: De Doorns
- Area Manager: Touwsriver
- Fire, Rescue and Disaster Management Services: Fire Safety & Risk Management
- Fire, Rescue and Disaster Management Services: Office of the Chief Fire Officer
- Fire, Rescue and Disaster Management Services: Operations
- Fire, Rescue and Disaster Management Services: Training & Support Services
- Library & Information Services
- Arts and Culture
- Traffic & Law Enforcement Services: Administration
- Traffic & Law Enforcement Services: Law Enforcement
- Traffic & Law Enforcement Services: Licensing
- Traffic & Law Enforcement Services: Licensing
- Sport Development
- Special Projects
- Municipal Resorts and Halls
- Customer care services
- Housing

The following graph indicates the performance of the various sub-directorates within the Community Services directorate in terms of the municipal SDBIP performance management system:



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



Graph 9: Community Services sub-directorate performance

3.8.5 STRATEGIC SUPPORT SERVICES

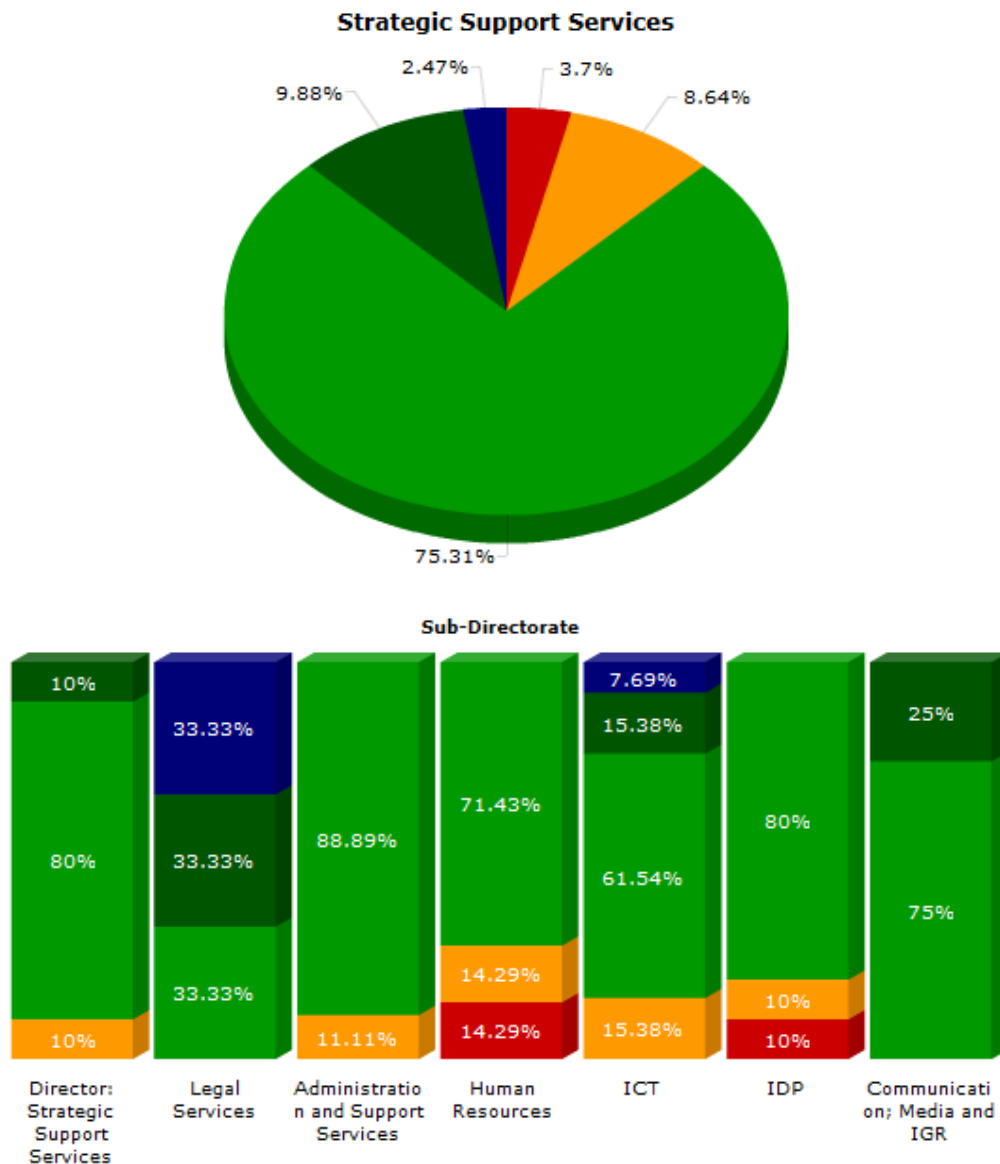
The Strategic Support Services SDBIP consists of the following divisions:

- Director: Strategic Support Services
- Legal Services
- Administration & Support Services
- Human Resources
- ICT
- IDP
- Logistic Services

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- Communication; Media and IGR
- LED and Tourism
- PMS

The following graph indicates the performance of the various sub-directorates within Strategic Support Services directorate in terms of the municipal SDBIP performance management system:



Graph 10: Strategic Support Services sub-directorate performance

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COMPONENT A: BASIC SERVICES

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

3.9 WATER PROVISION

The municipality is an authorised water service authority and as such must adhere to the relevant sections of the Water Services Act (No. 108 of 1997) and the Municipal Systems Act (No. 32 of 2000). The municipality has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.

Water projects (forms part of housing development projects) that are implemented in economically poor areas and have a positive short term and long term result. In the short term there are job opportunities and in the long term there might be a maintenance need for these services. The improvement in the well-being of the community along with education towards water health awareness will improve the whole of the community profile.

3.9.1 SERVICE DELIVERY INDICATORS: WATER SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL54	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Complete Phase 1 of the upgrade of Stettynskloof supply pipe line by September 2013	Phase 1 completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	95%	1	1	
TL55	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Complete Phase 2 of the upgrade of Stettynskloof supply pipe line by June 2014	Phase 2 completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	New performance indicator for 2013/14. No comparatives available	1	1	
TL56	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Complete Rawsonville water supply and 2 ML reservoir by the end of December 2013	Plan completed	19; 20	New performance indicator for 2013/14. No comparatives available	1	1	
TL57	To provide and maintain basic services and ensure social upliftment of	Rehabilitate Bokrivier water supply pipe line to	Project completed	1	New performance indicator for 2013/14. No	1	1	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
	the Breede Valley community	Touwsriver by the end of June 2014			comparatives available			
TL62	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Limit non-revenue water to 21% or less	% of water loss	All	14.50%	18%	9.53%	
TL63	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Achieve 95% water quality level as measured per SANS 241 criteria	% water quality level	All	100%	95%	97.88%	
TL64	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Achieve a 91% average Blue Drop Compliance assessment by the end of June 2014	% assessment achieved	All	New performance indicator for 2013/14. No comparatives available	91%	0%	
TL68	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network	Number of formal residential properties that receive piped water (credit and prepaid water)	All	New performance indicator for 2013/14. No comparatives available	18 563	18 563	
TL72	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Number of informal areas with access to basic services, excluding electricity	Number of informal areas	All	New performance indicator for 2013/14. No comparatives available	12	12	

Table 86: Service delivery indicators: Water services

3.9.2 WATER SERVICE DELIVERY LEVELS

Water is probably the most fundamental and indispensable of natural resources. Fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems and domestic waste water and sewerage disposal systems as a local government function. Basic water is defined as 25 litres of potable water per day supplied within 200 meters of a household.

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Non-revenue water of 9.53% was reported at 30 June 2014. The municipality has set themselves a target of 20% for the reduction of non-revenue water during the 2013/14 financial year. The implementation of initiatives for the eradication of non-revenue water in the municipality has resulted in a non-revenue water of 9.53% for the 2013/14 financial year.

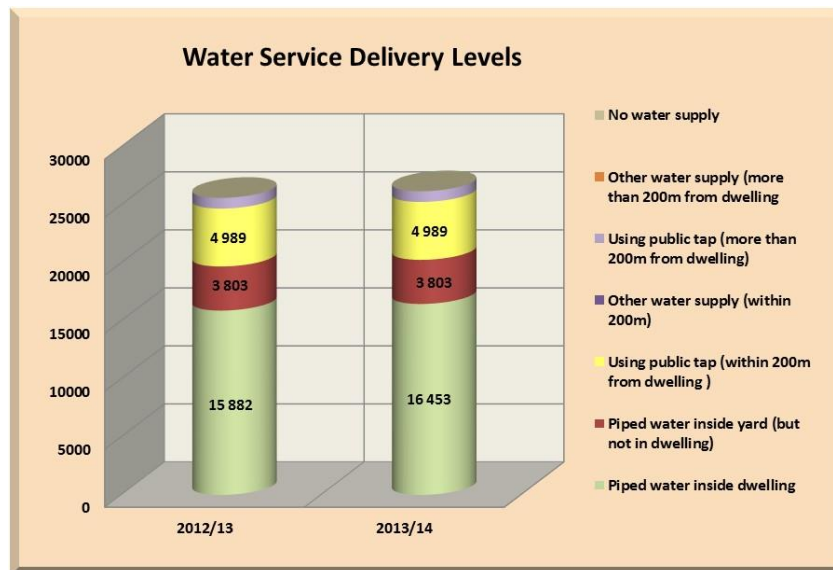
Below is a table that specifies the different water service delivery levels per household **within the urban edge area** for the financial years 2012/13 and 2013/14.

Description	2012/13	2013/14
	Actual	Actual
Household		
Water: (above minimum level)		
Piped water inside dwelling	15 882	16 453
Piped water inside yard (but not in dwelling)	3 803	3 803
Using public tap (within 200m from dwelling)	4 989	4 989
Other water supply (within 200m)	0	0
Minimum service level and above sub-total	24 674	25 245*
Minimum service level and above percentage	96	96
Water: (below minimum level)		
Using public tap (more than 200m from dwelling)	924	924
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below minimum service level sub-total	924	924
Below minimum service level percentage	4	4
Total number of households (formal and informal)	25 598	26 169
<i>*Total reflects the total number of households including households not separately billed</i>		

Table 87: Water service delivery levels

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The graph below shows the different water service delivery levels per total household and the progress per year:



Graph 11: Water service delivery levels

3.9.3 HOUSEHOLDS - WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM

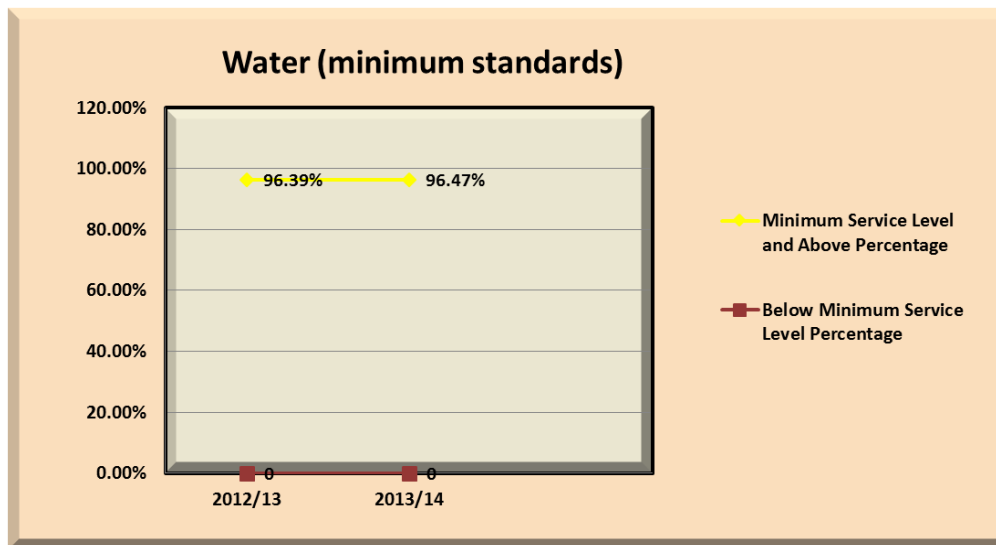
Below is a table that specifies the number of formal and informal households with water service delivery levels below the minimum standards for the financial years 2012/13 and 2013/14:

Description	2012/13	2013/14
	Actual	Actual
Formal settlements		
Total households	24 674	25 245*
Households below minimum service level	0	0
Proportion of households below minimum service level	0	0
Informal settlements		
Total households	4 989	4 989
Households below minimum service level	924	924
Proportion of households below minimum service level	18%	18%
*Total reflects the total number of households including households not separately billed		

Table 88: Water service delivery levels below the minimum: Households

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The graph below shows the water service delivery levels below the minimum standards and the progress per year:



Graph 12: Water service delivery levels below the minimum standards: Households

3.9.4 EMPLOYEES: WATER SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	0	0	0	0
5 – 7	1	1	0	0
8 – 11	8	6	2	25
12 – 15	8	6	2	25
16 – 19	53	52	1	2
Total	70	65	5	7.15

Table 89: Employees: Water Services

3.9.5 CAPITAL EXPENDITURE – WATER SERVICES

The table below indicates the amount that was actually spent on water services projects for the 2013/14 financial year:

Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Stettynskloof Water Supply Worcester	33 716 482	38 066 401	37 433 587	632 814	96 591 133

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Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
Stettynskloof Water Supply Rawsonville	6 368 983	13 197 332	12 862 680	334 652	16 518 665
Rehabilitation of Bok River Pipe line – Phase 5 (MIG152683)	4 384 059	4 384 059	4 384 059	0	4 384 059
De Doorns South of N1 Development	1 102 626	1 412 116	1 412 116	0	1 412 116
De Nova: Water Reticulation	342 000	1 363 636	1 363 636	0	1 363 636
Total all	45 914 150	58 363 544	57 456 078	967 466	120 269 609
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 90: Capital expenditure 2013/14: Water services

3.10 SANITATION SERVICES

The municipality has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to sanitation services that promote sustainable livelihoods and economic development.

Sanitation projects (form part of housing development projects) that are implemented in economically poor areas and have a positive short term and long term result. In the short term there are job opportunities and in the long term there might be a maintenance need for these services. The improvement in the well-being of the community along with education towards sanitation health awareness, will improve the whole of the community profile.

Although challenges do exist in the poorer areas where education towards sanitation awareness is lacking, the service provided by BVM is relatively high/acceptable. All formal areas boast flushing toilets with water borne gravity flow disposal. In the informal (squatter camp) areas, chemical toilets are provided in accordance with the prescribed ratio (persons per toilet).

3.10.1 GREEN DROP CERTIFICATION

The 1st Green Drop assessments occurred late 2009 with 449 (53%) out of approximately 852 municipal waste water systems being accessed in the country. Only 6 WSAs attained Green Drop certification at the time. Since the rollout of the Green Drop Certification to date, Breede Valley has gradually improved the average scoring performance.

Previous Average GD Results

1. 2013 – 90.21%
2. 2011 – 78.30%
3. 2009 – 33.00%

Breede Valley Municipality is responsible for the following systems

- Worcester

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- Rawsonville
- De Doorns
- Tlouwsriver

BVM managed to achieve Green Drop status for the Worcester Waste Water Plant with a score of 90.65% in the 2013 assessment.

In 2010 BVM engaged in a process of improving the quality of our services. These efforts were geared at total quality improvement across the spectrum and would guarantee that we are set on a course of improving our services as we are addressing the leading factors that ensure that our turnaround strategy will be successful and that the fruit of our efforts will be seen within the foreseeable future. These improvements were wide spread and includes amongst others:

- increasing the capacity of the sewerage treatment works plan
- more frequent monitoring of levels of our effluent
- upskilling the knowledge of our process controllers
- better resourced laboratory that ensured more efficient compliance monitoring

The following table provides details regarding the green drop scores of the assessed financial years:

	Worcester	Rawsonville	De Doorns	Tlouwsriver
2013	90.65↑	86.54↑	86.85↑	84.13↑
2011	78.30	79.30	79.00	67.30
2009	50.00	26.00	28.00	26.00

Table 91: System scoring over the years

Regulatory Impression:

The Breede Valley Municipality's preparedness for the Green Drop assessment has been remarkable. The wastewater team is showing a strong drive towards improving the Green Drop status by focusing on good management practice and excellent team work. The hard work is rewarded by means of an improvement for 100% of the systems, with one Green Drop Certificate award. The municipal Green Drop Score of 90.2% is a remarkable upward trend from the 2011: 78.3%. The Regulator extended its congratulations to the Breede Valley Municipality and acknowledged that the municipality is in full conformance of the Green Drop expectations.

Challenge:

All the waste water and water systems operational personnel does not comply with Regulation 17 as required by the Department of Water Affairs. Further training of personnel must be investigated or posts re-evaluated to attract qualified process staff.

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3.10.2 SERVICE DELIVERY INDICATORS: SANITATION SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL52	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Complete the upgrade of the inlet works at Worcester Waste Water Treatment Works by the end of September 2013	Project completed	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL53	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Achieve a 95% waste water discharge compliance with microbial content	% waste water discharge that comply with microbial content	All	100%	95%	98.75%	
TL70	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Number of sanitation services to residential properties (connected to the municipal waste water sanitation/sewerage network) billed for sewerage service, irrespective of the number of water closets (toilets)	Number of residential properties which are billed for sewerage	All	New performance indicator for 2013/14. No comparatives available	17 485	17 485	
TL72	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Number of informal areas with access to basic services, excluding electricity	Number of informal areas	All	New performance indicator for 2013/14. No comparatives available	12	12	

Table 92: Service delivery indicators: Sanitation Services

3.10.3 SANITATION SERVICE DELIVERY LEVELS

Below is a table that specifies the different sanitation service delivery levels per household **within the urban edge area** for the financial years 2012/13 and 2013/14.

Description	2012/13	2013/14
	Actual	Actual
Household		
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	23 109	23 680*
Flush toilet (with septic tank)	100	100*

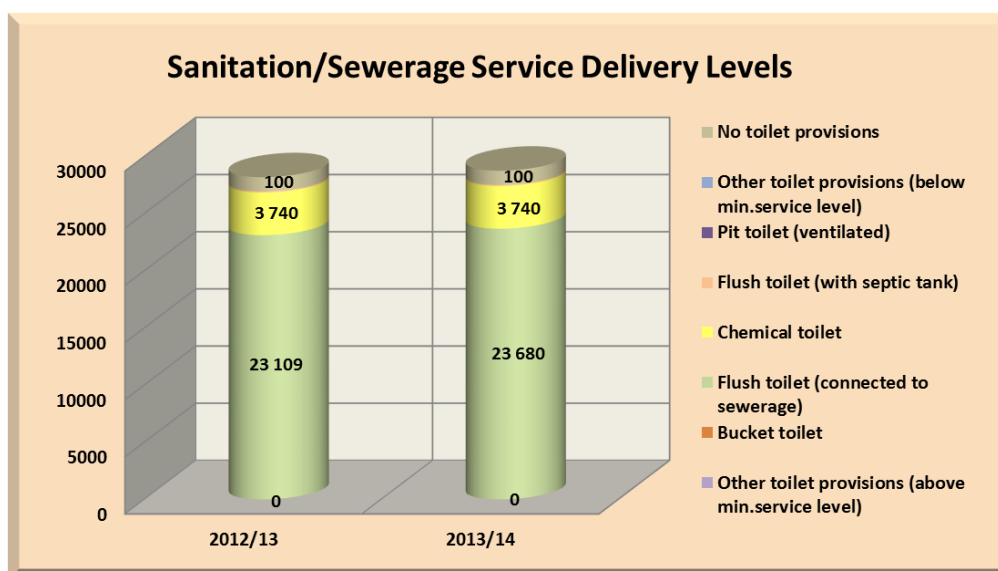
CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description	2012/13	2013/14
	Actual	Actual
Household		
Chemical toilet	3 740	3 740
Pit toilet (ventilated)	0	0
Other toilet provisions (below minimum service level)	0	0
Minimum service level and above sub-total	26 859	27 520
Minimum service level and above percentage	95.6	96
Sanitation/sewerage: (below minimum level)		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	1 233	1 233
Below minimum service level sub-total	1 233	1 233
Below minimum service level percentage	4.4	4
Total number of households	28 092	28 753

**Total reflects the total number of households including households not separately billed*

Table 93: Sanitation service delivery levels

The graph below shows the different sanitation service delivery levels per total households and the progress per year:



Graph 13: Sanitation service delivery levels

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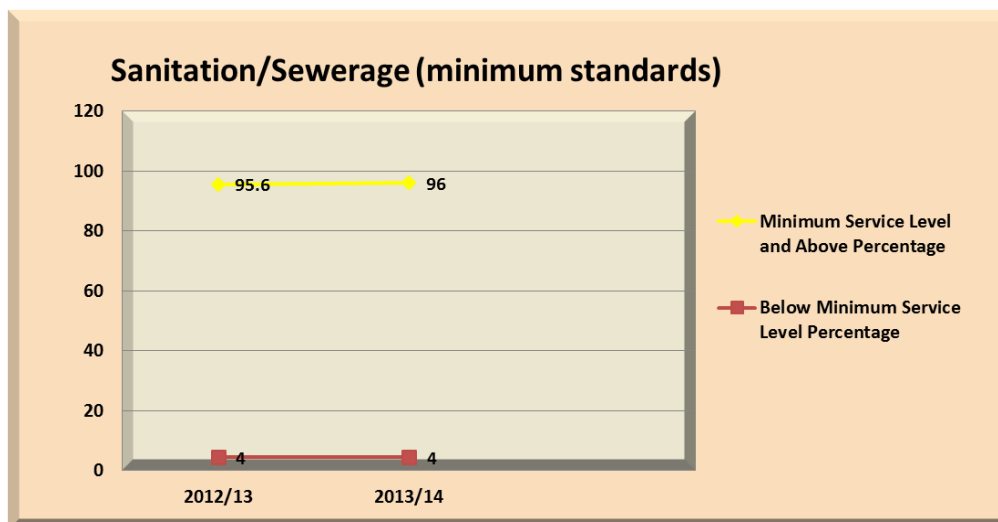
3.10.4 HOUSEHOLDS - SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Description	2012/13	2013/14		
	Actual	Original budget	Adjusted budget	Actual
	No.	R'000	R'000	No.
Formal settlements				
Total households	23 199	4 832	8 179	23 780*
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0	0	0	0
Informal settlements				
Total households	4 973	0	0	4 973
Households below minimum service level	526	0	0	526
Proportion of households below minimum service level	10.6	0	0	10.6%

*Total reflects the total number of households including households not separately billed

Table 94: Sanitation service delivery levels below the minimum level

The graph below shows the sanitation service delivery levels per total households below the minimum standards and the progress per year:



Graph 14: Sanitation service delivery levels below the minimum level

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3.10.5 EMPLOYEES: SANITATION SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	0	0	0	0
5 – 7	2	2	0	0
8 – 11	7	7	0	0
12 – 15	28	21	7	25
16 – 19	39	33	6	15
Total	76	63	13	17

Table 95: Employees: Sanitation Services

3.10.6 CAPITAL EXPENDITURE – SANITATION SERVICES

The table below indicates the amount that was actually spent on sanitation services projects for the 2013/14 financial year:

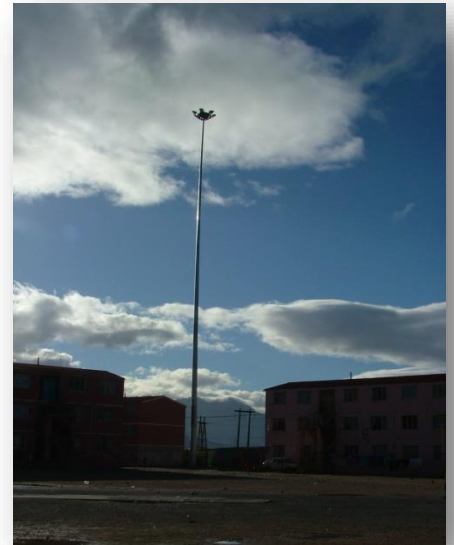
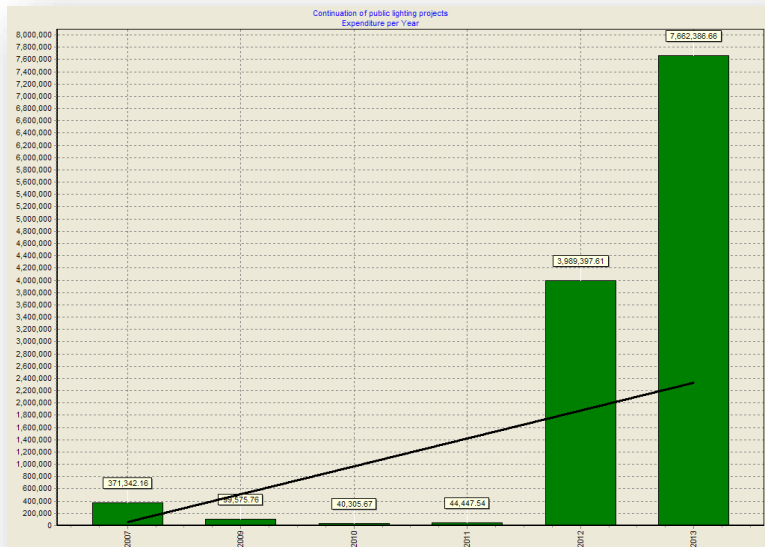
Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Rawsonville : Public Toilets	0	160 000	149 500	10 500	160 000
Toilets Female employees	0	11 582	9 926	1 656	11 582
De Doorns South of N1 Development	1 457 042	1 866 011	1 866 011	0	1 866 011
Refurbish sewer pump station	0	200 000	128 850	71 150	200 000
De Doorns South of N1 Development	570 000	1 363 636	1 363 636	0	1 363 136
Upgrading Worcester WWTW	0	258 992	258 992	0	170 287 181
Store for flammable liquids Worcester WWTW	0	200 000	200 000	0	200 000
Replace mechanical grids Worcester WWTW	0	1 121 286	880 118	241 168	2 758 831
Upgrading Touwsriver WWTW	0	800 000	685 000	115 000	685 000
Total all	2 027 042	5 981 507	5 542 033	439 474	177 531 741
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 96: Capital Expenditure 2013/14: Sanitation services

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3.11 ELECTRICITY

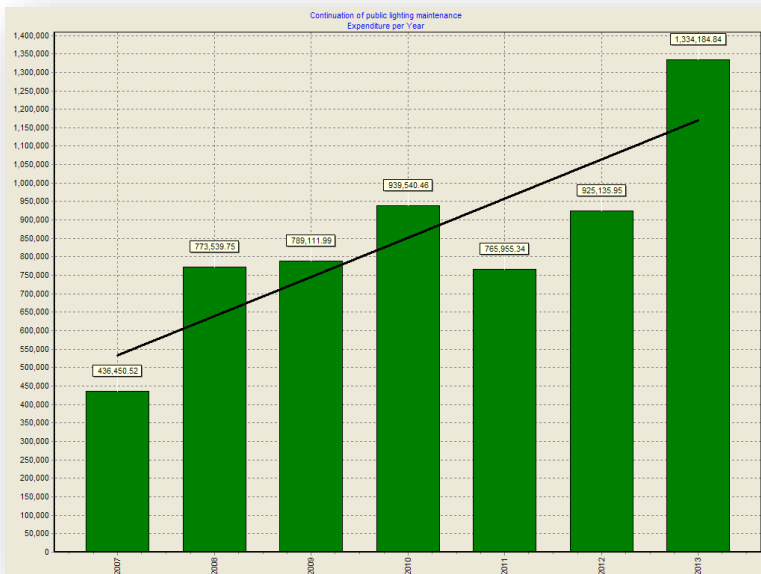
As housing development areas are identified and top structure programs are developed, the necessary INEP grant funding applications are submitted to either to the Department of Energy or, in the case where the area falls within the ESKOM area of distribution jurisdiction, to the ESKOM Electrification section.



Graph 15: IDP projects completed as per MIG funding received for the various projects within the respective wards within the Breede Valley.

Public lighting maintenance has increased annually while the department effectively maintain street and area lighting within the Breede Valley Municipality enhancing social upliftment to provide and maintain and assure basic services. We will continuously improve the lighting network system to reduce maintenance and to improve the energy sufficiency within the area, to accommodate for the required community needs.

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Graph 16: Public lighting maintenance

3.11.1 SERVICE DELIVERY INDICATORS: ELECTRICITY SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL44	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Limit electricity losses to 14% or less (National target 21%)	% of total electricity losses	All	7.39%	14%	7.23%	
TL45	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	100% of the electricity maintenance approved budget spent (Actual expenditure per the maintenance votes divided by the approved budget)	% of maintenance budget of electricity spent	All	100%	100%	94.41%	
TL46	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	242 New electricity connections to provide electricity reticulation to new housing developments	Number of new electricity connections	18	222	242	166	
TL47	To provide and maintain basic services and ensure social upliftment of	Construct 18 high mast lights in identified wards	Number of lights	1; 2; 4; 13; 16; 20	New performance indicator for 2013/14. No	18	19	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
	the Breede Valley community				comparatives available			
TL48	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Replace centre island street lighting and cables (High Street - CBD) by the end of June 2014	Project completed	12	New performance indicator for 2013/14. No comparatives available	1	1	
TL49	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Complete the activities for the planning and tender award process of the DME upgrade funding for electricity before the end of June 2014	Number of activities	All	New performance indicator for 2013/14. No comparatives available	5	5	
TL50	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Complete the new 11/66kV electricity substation at Worcester by the end of June 2014	Project completed	9; 10; 11; 12; 13; 14	100%	1	0	
TL69	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	Number of credit and prepaid electrical metering	All	New performance indicator for 2013/14. No comparatives available	22 672	22 672	
TL73	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Number of informal areas with access to electricity, excluding Zionpark, private properties and Eskom jurisdictions	Number of informal areas	All	New performance indicator for 2013/14. No comparatives available	6	6	

Table 97: Service Delivery Indicators: Electricity Services

The energy losses for the 2013/14 financial year were **7.23%** whilst the losses in the 2012/13 financial year were 7.13%.

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3.11.2 ELECTRICITY SERVICE DELIVERY LEVELS

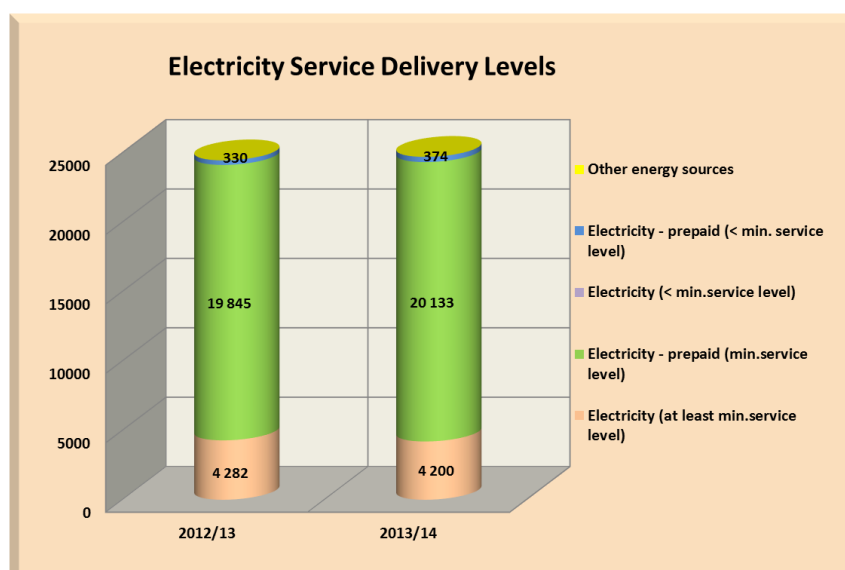
The table below indicates the different service delivery level standards for electricity within the urban edge area of the municipality:

Description	2012/13	2013/14
	Actual	Actual
Household		
Energy: (above minimum level)		
Electricity (at least minimum service level)	4 282	4 200
Electricity - prepaid (minimum service level)	19 845	20 133
Minimum service level and above sub-total	24 127	24 333*
Minimum service level and above percentage	100	100
Energy: (below minimum level)		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< minimum service level)	0	0
Other energy sources	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	24 127	24 333*

*Electricity service delivery include Eskom provision

Table 98: Electricity service delivery levels

The graph below shows the different electricity service delivery levels per total households and the progress per year:



Graph 17: Electricity service delivery levels

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3.11.3 EMPLOYEES: ELECTRICITY SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	4	4	3	1
5 – 7	6	6	6	0
8 – 11	30	30	24	6
12 – 15	5	5	3	2
16 – 19	23	23	21	2
Total	68	68	57	11

Table 99: Employees: Electricity Services

3.11.4 CAPITAL EXPENDITURE – ELECTRICITY SERVICES

The table below indicates the amount that was actually spent on electricity services projects for the 2013/14 financial year:

Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Aan De Doorns 66/11kV Substation	3 799 667	5 733 387	4 851 559	881 828	58 930 314
Electrification 439 Lots (DME)	0	170 437	170 415	22	17 95 348
Electrification 242 Lots (DME)	0	456 493	456 485	8	715 392
Electrification - 242 Lots (Phase 2A) - INEP	2 541 000	2 540 000	1 931 014	608 986	2 540 000
Transhex INEP 1366613	23 459 000	5 000 000	0	5 000 000	5 000 000
High Mast Lighting- Zion Park	293 404	293 404	293 404	0	293 404
High Mast Lighting- Stof Land (MIG 207743)	2 640 636	2 640 636	2 640 636	0	2 640 636
De Doorns: Sunnyside Orchards: New High Mast Lighting (MIG211786)	293 404	293 404	293 404	0	293 404
High street lighting & street lighting (MIG 211787)	802 986	802 968	802 968	0	802 968
High street- CBD- Replace centre island Street lighting and cables	2 170 000	2 170 000	1 871 550	298 450	2 170 000
Avian Park High Mast Lighting (MIG 211777)	1 173 616	1 173 616	1 173 616	0	1 173 616
High Mast Lighting (Zwelethemba Phases 2B & 3)- (MIG 211784)	586 808	586 808	586 808	0	586 808

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Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
Total all	37 760 521	21 861 153	15 071 859	6 789 294	75 146 542
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 100: Capital expenditure 2013/14: Electricity services

3.12 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

The Breede Valley Municipality (BVM) provides a relatively efficient waste removal service to all formal areas/settlements. Excluding the informal settlements (where certain challenges are experienced), standards is generally high. The land-fill site is permitted to receive only "General waste", i.e. that which does not pose an immediate threat to human life or the environment. This includes household waste, builder's rubble, garden waste and certain dry industrial or commercial waste.

Financial management for waste removal within the municipality is relatively tight. Funding shortages do, however, prevent extended or more effective practices being pursued.

The Breede Valley Municipal area does not have a hazardous waste disposal facility to support the needs of the industrial sector and medical waste generated. These industries, though few, rely on private industry and contractors for this service. Such waste is removed mainly to the Vissershok facility near Cape Town.

Only limited waste minimization initiatives are currently being practiced by the Breede Valley Municipality. These being at the Touwsriver Waste Transfer Station and from the refuse collected from street bins and by street cleaning contractors in Worcester. A pilot recycling project was also launched in the residential area known as Paglande to separate at source. The quantity recovered by the contractor during 2013/14 was approximately 220 tonnes.

In addition to the above, minor buy-back initiatives are also run by local church groups in the Worcester area.

3.12.1 SERVICE DELIVERY INDICATORS: WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL65	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	Public awareness initiatives with regard to recycle of solid waste	Number of initiatives	All	1	1	7	
TL71	To provide and maintain basic services and ensure	Number of formal residential properties for which	Number of formal residential properties	All	New performance indicator for	17 736	17 736	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
	social upliftment of the Breede Valley community	refuse is removed once per week			2013/14. No comparatives available			
TL72	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Number of informal areas with access to basic services, excluding electricity	Number of informal areas	All	New performance indicator for 2013/14. No comparatives available	12	12	

Table 101: Service delivery indicators: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

3.12.2 REFUSE REMOVAL SERVICE DELIVERY LEVELS

The table below indicates the different refuse removal service delivery level standards within the urban edge area of the municipality:

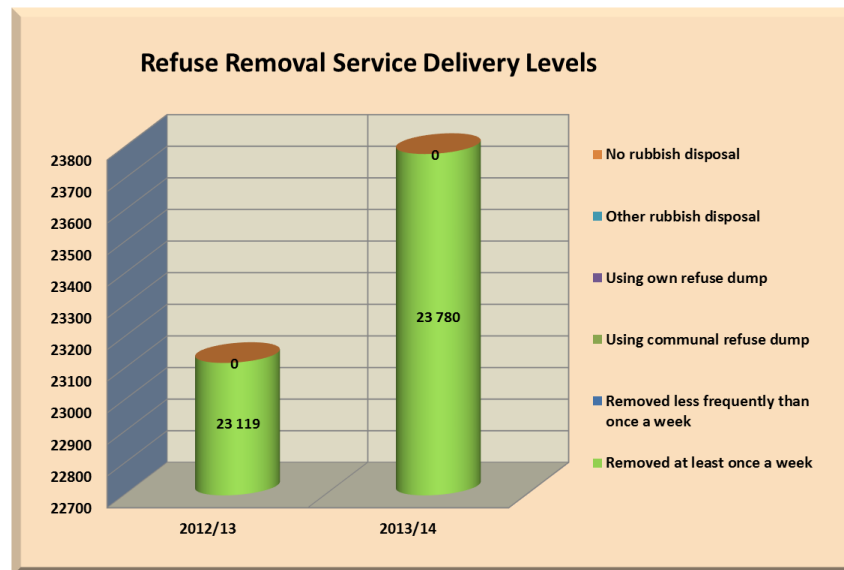
Description	2012/13	2013/14
	Outcome	Actual
Household		
Refuse removal: (Minimum level)		
Removed at least once a week	23 119	23 780*
Minimum service level and above sub-total	23 119	23 780*
Minimum service level and above percentage	100	100
Refuse removal: (Below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	23 119	23 780*

*Total reflects the total number of households including households not separately billed

Table 102: Refuse removal service delivery levels

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The graph below shows the different refuse removal service delivery levels per total households and the progress per year:



Graph 18: Refuse removal service delivery levels

3.12.3 EMPLOYEES: WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	0	1	100
5 – 7	0	0	0	0
8 – 11	2	2	0	0
12 – 15	12	8	4	0
16 – 19	67	61	6	8
Total	82	71	11	14

Table 103: Employees: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

3.12.4 CAPITAL EXPENDITURE – WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

The table below indicates the amount that was actually spent on waste management services projects for the 2013/14 financial year:

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Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Refuse bins	0	511 049	511 030	19	511 049
New 19m cub Refuse Compactor Truck	2 400 000	1 888 107	1 880 752	7 355	2 400 000
Total all	2 400 000	2 147 099	2 391 782	7 374	2 911 049
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 104: Capital expenditure 2013/14: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

3.13 HOUSING

The housing policy has been approved, making provision for people with disabilities. We have conducted housing consumer education in which we trained approximately 578 first time home owners.

Our waiting list is linked to the provincial housing demand list. The benefit is that we can trace applicants who are registered on other municipalities. It has also allowed us to eliminate duplicate names from the system.

Council has approved a 5 year Integrated Human Settlement Plan, which sets out housing delivery in the Breede Valley Municipality.

We have concluded 578 sales agreements for first time home owners which will culminate into title deeds.

3.13.1 SERVICE STATISTICS – HOUSING

Performance on housing projects for the year were as follows:

Projects	Revised delivery targets 2013/2014		Performance 2013/14	
	Sites	Units	Sites	Units
De Doorns (1482) UISP	158	0	158	0
De Doorns (1400) IRDP	0	578	0	578
Zwelethemba (242)	0	76	0	0
Rawsonville De Nova (71)	74	0	74	0
Total	232	654	232	578

Table 105: Performance on projects

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3.13.2 SERVICE DELIVERY INDICATORS: HOUSING

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL25	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Review the Human Settlement Plan and submit to Council by the end of December	Reviewed strategy submitted to Council by end December	All	1	1	1	
TL26	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Development of a beneficiary selection policy of new housing projects and submit to Council by June	Policy drafted and submitted to Council by end June	All	New performance indicator for 2013/14. No comparatives available	1	0	
TL27	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Alienate old housing stock by June (Number of units actually transferred/ Total planned)	Number of units transferred	All	New performance indicator for 2013/14. No comparatives available	200	200	
TL60	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Service 229 sites in terms of the housing implementation plan	Number of sites serviced	2; 3; 19	New performance indicator for 2013/14. No comparatives available	229	229	
TL61	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Construct 486 top structures in terms of the housing implementation plan	Number of top structures constructed	3; 16; 17; 18; 19	338	486	486	

Table 106: Service delivery indicators: Housing

3.13.3 HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2012/13	45 910*	36 682	79.8
2013/14	46 563*	39 464	84.6

*Based on Provincial Treasury Community Profile

Table 107: Households with access to basic housing

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The following table shows the number of people on the housing waiting list:

Housing waiting list	Nr of people on housing waiting list	% Housing waiting list increase
2012/13	22 489	9
2013/14	23 194	16.3

Table 108: Housing waiting list

3.13.4 EMPLOYEES: HOUSING

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	0	1	100
5 – 7	0	0	0	0
8 – 11	5	4	1	25
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	6	4	2	33

Table 109: Employees: Housing

3.14 FREE BASIC SERVICES AND INDIGENT SUPPORT

In accordance with the approved indigent policy of the municipality, all households earning less than R3 500 per month will receive the free basic services as prescribed by national policy. Indigent support includes water, electricity, rates, refuse, sewerage and rental.

3.14.1 ACCESS TO FREE BASIC SERVICES

The access to free basic services is summarised into the different services as specified in the following table:

Free basic services to low income households									
Year	Number of households								
	Total	Households earning less than R 3 500 per month							
		Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
		Access	(%)	Access	(%)	Access	(%)	Access	(%)
2012/13	24 576	7 061	100	7 061	100	8 800	100	7 061	100
2013/14	24 785	7 095	100	7 095	100	9 208	100	7 095	100

Table 110: Access to free basic services

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The tables below identify the number of indigent households with access to the different free basic services:

Electricity									
Financial year	Indigent households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2012/13	8 800	50	2 303	15 776	0	0	1739	50	591
2013/14	9 208	50	2 022	15 577	0	0	2 113	50	858

Table 111: Free basic electricity services to indigent households

Water						
Financial year	Indigent households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2012/13	7 061	10	3 269	10 652	6	4 884
2013/14	7 095	10	3 944	11 173	6	5 730

Table 112: Free basic water services to indigent households

Sanitation						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2012/13	7 061	206	7 829	15 786	0	0
2013/14	7 095	218.50	8 938	16 948	0	0

Table 113: Free basic sanitation services to indigent households

Refuse removal						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2012/13	7 061	131	5 089	15 973	0	0
2013/14	7 095	138	5 747	17 151	0	0

Table 114: Free basic refuse removal services to indigent households per type of service

COMPONENT B: ROAD TRANSPORT

This component includes: roads, transport and stormwater drainage.

The vision for South African transport given with the White Paper on National Transport Policy (1996) is to: “provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and

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passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.”

3.15 ROADS

A pavement management system (PMS) is carried out regularly (± 4 years) whereby pavement conditions, network status, backlogs, etc. are highlighted.

Funding restrictions/shortages to maintain the road network to satisfactory standards remains a major challenge to BVM (and most other local authorities). Resealing of the dilapidated roads in the network is of utmost importance to save these assets. During the financial year MIG funds to the value of R9 306 551 was made available to resurface roads in the 4 towns in the municipal area. This will certainly make a difference in the maintenance of roads.

SMME's are appointed to attend to the general maintenance of the network (pothole patching).

3.15.1 TARRED (ASPHALTED) ROADS

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km tar roads maintained
2012/13	323.1	0	0	323.1
2013/14	323.1	0.5312	6.354	323.1

Table 115: Tarred (Asphalted) roads

3.15.2 GRAVELLED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2012/13	40.3	6.5	0.5	40.3
2013/14	40.3	1.2	0.5	40.3

Table 116: Gravelled roads

3.15.3 SERVICE DELIVERY INDICATORS: ROADS

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL59	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Reseal roads in terms of the approved budget	Kilometres of road resealed	1; 3; 4; 9; 10; 11; 12; 14; 16; 17; 18; 20; 21	New performance indicator for 2013/14. No comparatives available	16	16	

Table 117: Service Delivery Indicators: Roads

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3.15.4 CAPITAL EXPENDITURE – ROAD SERVICES

The table below indicates the amount that was actually spent on road services projects for the 2013/14 financial year:

Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project Value
(R)					
De Doorns: Rehabilitation of Municipal Roads (MIG 210857)	1 768 924	1 768 924	1 768 924	0	1 768 924
Rawsonville: Rehabilitation of Municipal Roads (MIG 212168)	1 235 158	1 235 158	1 235 158	0	1 235 158
Touwsriver: Rehabilitation of Municipal Roads (MIG 212170)	3 116 824	3 116 824	3 116 824	0	3 116 824
Worcester: Rehabilitation of Municipal Roads (MIG 212170)	3 185 645	3 185 645	3 185 645	0	3 185 645
Speed Calming - Speed Humps	500 000	655 992	633 942	22 050	655 992
De Nova Roads	1 050 004	1 313 952	1 313 952	0	1 313 952
De Doorns South of N1) :Roads (135 sites)	590 693	756 491	756 491	0	756 491
De Doorns South of N1: Bus Route (MIG 201624)	5 187 416	5 187 416	5 187 416	0	5 187 416
Total all	16 634 664	17 220 402	17 198 352	22 050	17 220 402
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 118: Capital expenditure 2013/14: Road services

3.16 STORMWATER DRAINAGE

3.16.1 STORMWATER INFRASTRUCTURE

The table below shows the total kilometres of stormwater maintained and upgraded as well as the kilometres of new stormwater pipes installed:

Financial year	Total km stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2012/13	90	6.488	0	90

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Financial year	Total km stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2013/14	90	2.033	0	90

Table 119: Stormwater infrastructure

3.16.2 SERVICE DELIVERY INDICATORS: SANITATION SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL51	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Complete the stormwater assets plan on IMQS by the end of June 2014	Plan completed	All	New performance indicator for 2013/14. No comparatives available	1	1	

Table 120: Service delivery indicators: Stormwater Services

3.16.3 CAPITAL EXPENDITURE – STORMWATER SERVICES

The table below indicates the amount that was actually spent on Stormwater projects for the 2013/14 financial year:

Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project Value
(R)					
De Doorns South of N1 :Stormwater : New Retention Ponds (MIG 202347)	5 379 138	5 379 138	5 379 138	0	5 379 138
De Doorns South of N1 Stormwater: (135 sites)	787 590	1 008 654	1 008 654	0	1 008 654
De Nova: Stormwater	681 818	853 212	853 212	0	853 212
Total all	6 848 546	7 241 004	7 241 004	0	7 241 004
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 121: Capital expenditure 2013/14: Stormwater services

3.16.4 COST OF CONSTRUCTION/MAINTENANCE

The table below indicates the amount of money spent on stormwater projects:

Financial year	Stormwater measures	
	Capital R'000	Maintained R'000
2012/13	6 848	828

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Financial year	Stormwater measures	
	Capital R'000	Maintained R'000
2013/14	7 241	1 320

Table 122: Cost of construction/maintenance of stormwater systems

3.16.5 EMPLOYEES: ROADS AND STORMWATER

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	0	0	0	0
5 – 7	1	0	1	100
8 – 11	1	1	0	0
12 – 15	12	6	6	50
16 – 19	19	15	4	20
Total	33	22	11	33

Table 123: Employees: Roads and Stormwater

COMPONENT C: PLANNING AND DEVELOPMENT

3.17 PLANNING

3.17.1 PLANNING STRATEGIES

The table below sets out the main elements of Breede Valley Municipality planning strategies:

Strategy	Description
Spatial in-filling	The BVM: SDF identifies key vacant land for infill and housing development. Specific areas were identified for a mixture of gap housing as well as low cost housing. The Jubilee Professional Task Team of province is busy with the feasibility study for the Klipvlakte mixed use, low-cost housing project as well as other pocket of land identified for spatial infilling
Historical core preservation	Historical cores of urban centres must be clearly demarcated. Priority should be given to the conservation of heritage buildings and precincts in re-development projects. Any proposals for the re-development of existing buildings should consider their heritage value, elements of the vernacular architecture and, where possible, retain these important elements. Similarly, the historical characteristics of existing buildings should be considered to draw from their elements that could be integrated into the design and construction of new buildings close by. Advertisement signage in

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Strategy	Description
	these cores must be regulated through the bylaws, with input from the said heritage bodies
CBD revival/Urban renewal	Special focus must be placed on CBD revival. This will require increasing the attractiveness of the area to tourist traffic and providing sufficient and attractive signage, landscaping, urban design/building management, security, etc. This initiative must closely be aligned with the strategies of the LED section as CBD revival was identified as a key catalyser in the Genesis project
Land Use integration and interfaces/Spatial integration	Spatial integration should be the main underlying foundation for all spatial decision making and should be facilitated in the encouragement of the development of strategic mixed use nodes, intensification corridors and spatial in-filling with gap housing developments. The intensification areas/corridors are seen as the prime instruments for promoting integration between different areas and is intended to promote a mutually supportive increase in residential (mixed income) and economic (mixed use) activity straddling the major routes of a settlement

Table 124: Planning strategies

3.17.2 ACHIEVEMENTS OF THE PLANNING DEPARTMENT FOR 2013/14

The tables below give a brief description of all the achievements in the planning department during the 2013/14 financial year:

a) Town planning

Achievement/Highlight	Description
Planning Legislation reform: National Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA)	The SPLUMA was assented to and published on the 2 nd and 5 th of August 2013. SPLUMA aims to ensure a system of spatial planning and land use management that promotes social and economic inclusion and redresses the imbalances of the past in the application of spatial development planning and land use management systems. One of the most important purposes of SPLUMA is to align land use planning with the provision of the Constitution. Municipalities will now have full responsibility for land use and land development applications within their areas of jurisdiction. In addition, municipalities must, within five years of the commencement of the Act, adopt a single land-use scheme for its area of jurisdiction, which must be reviewed every five years
Departmental Land Use Guidelines for the processing of applications for Taverns/Shebeens	The Mayoral Committee approved the land use guidelines on the 27 th of January 2014
Planning Legislation Reform: Land Use Planning Act, Act 3 of 2014 (LUPA)	The Western Cape LUPA was signed by the Premier on the 31 st of March 2014 and was published in the Government Gazette No. 7250/2014 of the 7 th of April 2014. Although the Act was approved, Section 79 makes provision that it only comes into effect on such date that the Premier proclaims the Act to be implemented in the Government Gazette. The Act will bring planning legislation in the Western Cape in line with the Constitution of South Africa, as well as ensure the effective integration of planning activities across the provincial and municipal governments, ensuring better cooperation
The standard draft by-law on Municipal Land Use Planning	Both the SPLUMA and LUPA are framework legislation and do not provide specific details on dealing with planning applications.

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Achievement/Highlight	Description
	<p>The Provincial Minister of Local Government, Environmental Affairs and Development Planning on request of the South African Local Government Organisation proposes in terms of section 14(2) of the MSA, the standard draft by-law on Municipal Land Use Planning as an aid to municipalities. This by-law provides details on how the municipality executes their planning functions in terms of both SPLUMA and LUPA.</p> <p>On the 29th of May 2014, Council provided a mandate to the administration to advertise the by-law for comment in terms of section 12 of the MSA, after which said by-law will be resubmitted to Council for final approval.</p>

Table 125: Planning highlights

b) Building control

Achievement/Highlight	Description
Approvals of building	Approvals of building plans successful per time limit as prescribed by die National Building Regulations Act, Act No 103 of 1977
Plans approval of ± 1 005 per annum [including Housing projects]	Normal day to day activities
Three major buildings completed successfully [Total R81 600 000]	<p>Extension University of Stellenbosch – R57 000 000</p> <p>New Shop – Builders Express – R12 900 000</p> <p>Nissan Workshop and Showroom –R11 700 000</p>

Table 126: Building control highlights

c) GIS

Achievement/Highlight	Description
GIS has begun to be rolled out to other departments	For the benefit of GIS to be fully realised within the BVM, it will need to be rolled out to other departments. To this end, the roll out began with the Fire Department. Software and various GIS data sets were provided to the department along with training. The Fire Department is now capturing, maintaining and analysing their own GIS data
Creation of additional data sets/layers	In addition to the base data sets/spatial layers, a multitude of additional data sets were created. These included the mapping of municipal assets, traffic patrol sectors, crime analysis areas, etc. These additional data sets have been added to the existing library of spatial data and should aid in planning and decision making in the future
Online backup/storage of data and maps	The primary GIS data sets and maps were uploaded to a Dropbox account. This has three advantages. Firstly the data is backed up offsite. Second the data is accessible from anywhere but secure at the same time. Thirdly it makes it easy to share the data should someone from outside need it
GIS was used in specific projects	GIS was used extensively in two community based projects. The one project revolved around the delineation and development of a safe zone and green route for the visually impaired. The other project revolved around the application of funding for the Violence Prevention Through Urban Upgrading Project (VPUU)

Table 127: GIS highlights

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3.17.3 CHALLENGES OF THE PLANNING DEPARTMENT FOR THE 2013/14 FINANCIAL YEAR

The tables below give a brief description of all the challenges regards to the planning department during the 2013/14 financial year:

a) Town planning

Challenge	Corrective action
Severe capacity challenges with regard to the implementation of SPLUMA and LUPA are perceived and were expressed as such by DEADP	Appoint additional staff and reassign existing staff to share responsibilities and functions. Re-evaluate the job descriptions/responsibilities of the existing staff
LUPA adds additional functions and responsibilities upon the B-municipalities with regard to land use application processes and legislation	DEADP is in the process of developing a land use application tracking system which can be utilised by the municipality. We anticipate adopting the draft Municipal Planning By-law in order to minimize red tape
In terms of SPLUMA the municipality must have a Municipal Planning Tribunal to assist with planning decision making as well as a registered planner to consider and determine an application	Two or more municipalities may agree to establish a municipal tribunal to exercise the powers and perform the functions of a municipal planning tribunal. This would lessen the financial burden on the municipality to appoint private consultants. One planner is registered as a professional planner

Table 128: Town planning challenges

b) Building control

Challenge	Corrective action
Upgrade section for raising income to BVM through more inspectors and general inspections as well as unlawful building work	Appointment of more personnel
Keeping up with legislative requirements and increasing procedural demand in approvals of building plans	Capacity building of section managers was increased through the completion of specialised courses in changing NBRSA legislation and NRCS (such as the SANS 10400 Section XA – fenestration in buildings)
To deliver an approachable and meaningful service to the architectural and built environment	Formalising meetings with BASIL and the MBA facilitates a platform for discussions regarding legislation and provides an opportunity to educate clients with regard to our responsibilities
Major challenges were experienced with 9 cases of illegal building work handed over to legal services	Cases are now handled with newly appointed lawyer to the best of the building control ability

Table 129: Building control challenges

c) GIS

Challenge	Corrective action
Insufficient staff capacity (high volume of work as well as wide range of tasks) is increasing and additional tasks and responsibilities of GIS are being added as GIS is being increasingly adopted by the organisation	Work was prioritised, however, in order to meet the growing demands placed on GIS, staff capacity will have to be addressed (provision for additional staff has been made for on the proposed micro-organogram). One-on-one queries were reduced by implementing intranet access to base map information

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Challenge	Corrective action
Insufficient resources (e.g. Software updates, software packages and data sets)	<p>Budgetary options were explored and funds were acquired to fulfil certain work (e.g. online mapping). Additional funding was obtained from the ICT Department for software maintenance of certain software licences.</p> <p>Other workarounds were sought such as the use of open source software</p>

Table 130: *GIS challenges*

3.17.4 SERVICE DELIVERY PRIORITIES FOR 2013/14

The table below sets out the three top service delivery priorities and the progress made during the 2013/14 financial year:

Priorities	Progress
Spatial in-filling	<p>Land have been identified for GAP-Housing infilling</p> <p>A GIS land audit has been done to verify Council properties available for development.</p> <p>Land identified for institutional purposes have been identified and placed on tender.</p> <p>We are in the process of rolling out aspects of infill development initiatives identified in the SDF</p>
Historical core preservation	<p>The Worcester Heritage Committee is functioning well and we will be looking to increase its capacity to the other urban centres or create new structures</p>
CBD revival/Urban renewal	<p>A joint task team for urban upgrading of the Worcester CBD was formed with the Business Forum.</p> <p>We are providing technical input in the VPUU (Violence Prevention through Urban Upgrading) and RSEP initiative</p>
Land Use integration and interfaces/Spatial integration	<p>Various initiatives were identified in the SDF and should give direction to future development.</p> <p>We have adopted the “superblock” initiative for the future township of Klipvlakte and will promote a mixed use development with the aim of facilitating spatial integration.</p> <p>Strict urban edges have been enshrined in the SDF to promote spatial integration and maximisation of urban infrastructure</p>

Table 131: *Planning priorities*

3.17.5 SERVICE DELIVERY STATISTICS FOR LAND USE DEVELOPMENT

The table below displays the applications for land use development:

Detail	Formalisation of townships		Rezoning		Built environment	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Planning application received	15	18	47	20	17	17
Determination made in year of receipt	9	4	9	7	11	4
Determination made in following year	6	14	38	13	6	8
Applications withdrawn	0	0	1	1	0	5

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Detail	Formalisation of townships		Rezoning		Built environment	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Applications outstanding at year end	6	14	37	13	6	8

Table 132: Applications for land use development

The number of applications received decreased from 2012/13 to 2013/2014. The date of determination is slightly misleading as a lot of the applications were received in the last three months of the financial year. There are approximately 56 applications in process that cannot be finalised due to outstanding information, appeals that are in process with the DEADP and comments from external departments that is still required.

The departmental land use guidelines for the processing of applications for Taverns/Shebeens was approved by Council in January 2014 and all items were evaluated in line with these guidelines. Although the number of applications for liquor stores and taverns increased dramatically due to the change in legislation, most of these applications were sent back to the applicant due to incomplete information submitted.

A total number of 660 building plans were approved for the 2013/14 financial year.

Peaks were reached in November 2013 and February 2014. This does not, however, reflect the amount of plans circulated and returned due to non-compliance and the figure excludes the 242 plans for housing projects.

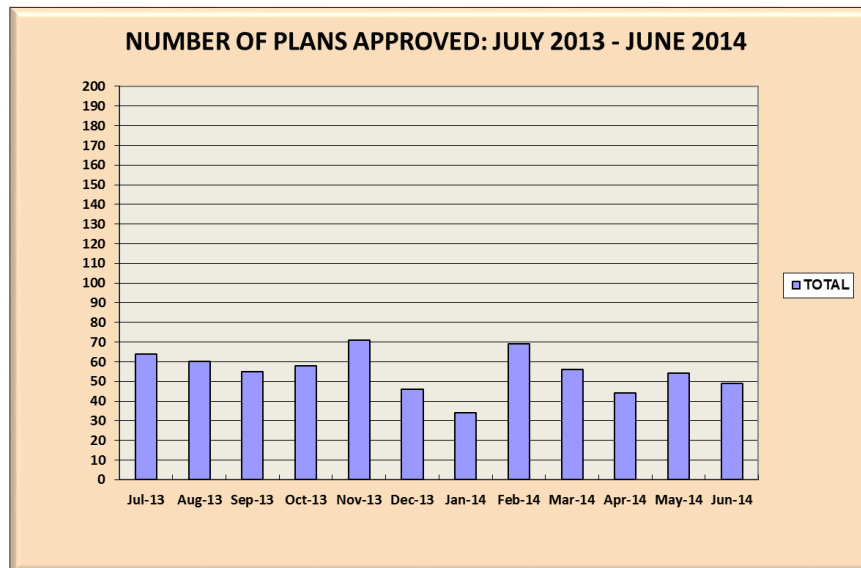


Table 133: Number of building plans approved for 2013/14

The section Building Control has a rigid system of circulating and processing plans and we are currently exploring Operational System Plans (OSP's) with the aim of increasing the flow of plans circulated even more.

The three major building projects in BVM were as follows:

Project Name	Owners	Area	Building Cost	Date
Lecture halls and hostels	Stellenbosch University	4 495 m ²	R57 000 000	31 July 2013

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Project Name	Owners	Area	Building Cost	Date
Retail shop	Builders Express	1 990m ²	R12 900 000	29 November 2013
Industrial/commercial	Worcester Nissan	1 815m ²	R11 700 000	30 August 2013

Table 134: Three major building projects

3.17.6 EMPLOYEES: TOWN PLANNING, BUILDING CONTROL AND GIS

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	3	3	0	0
5 – 7	4	4	0	0
8 – 11	6	6	0	0
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	13	13	0	0

Table 135: Employees: Town Planning, Building Control and GIS

3.18 LOCAL ECONOMIC DEVELOPMENT

The activities as detailed in the tables below indicate the key performance activities assigned to LED. Breede Valley Municipality to a large extent work in partnership with the private sector, as well as various community institutions to reach its economic development goals. We understand and embrace the different roles that both the private and public sector play. The role of the municipality is complimentary, whereas the role of the private sector is commercial of nature. The success in the implementation of LED depend on the collective leadership within the municipality and moreover across society, to ensure that projects and programmes that form part of our strategy, gets implemented and form part of the various reporting cycles. We have laid strong foundations in the past financial years with strategies and plans. We are busy utilising municipal resources, such as industrial land and infrastructure, to effect economic development.

3.18.1 SERVICE DELIVERY INDICATORS: LED

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL10	To create an enabling environment for employment and poverty eradication through proactive economic	Create job opportunities through the municipality's local economic development initiatives including	Number of employment contracts signed	All	New performance indicator for 2013/14. No comparatives available	10 800	13 611	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
	development and tourism	capital projects and the EPWP						
TL11	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism	Develop a marketing and advertising strategy and submit to Council by end December	Strategy completed and submitted to council by end December	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL12	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism	Develop a major events strategy and policy and submit draft to Council by end December	Strategy and policy completed and submitted to council by end December	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL13	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism	Draft a business case for the possible development of the Uitvlugt industrial park and submit to Council by end December	Business case submitted to council by end December	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL14	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism	Conduct a Business Retention and Expansion study in the existing industrial area and submit a report with recommendations to Council by end June	Report submitted to council by end June	All	New performance indicator for 2013/14. No comparatives available	1	1	

Table 136: Service delivery indicators:: LED

3.18.2 HIGHLIGHTS: LED

The table below gives a brief description of all the highlights for LED during the 2013/14 financial year:

Achievement/Highlight	Description
Long term partnership agreement with a Spanish City, Vittoria Gasteiz, on how to implement long term plans that a city can develop green economy as a source of economic development	As we are implementing in partnership with our local business forum an official visit to Vittoria Gasteiz has informed our approach to position our municipality to develop sustainable strategies with regards to water sources, river cleansing and city improvement

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Achievement/Highlight	Description
Successful completion of a business retention and expansion survey and action plan with our captains of industry in our industrial zone to develop interventions to retain the confidence of local interventions	The survey is an LED tool which assists in interviewing big industries to develop action plans to synergise activities of the private sector and transfer confidence to the local industries that absorb local labour
The majority of retail businesses in our central business district has voted in favour of establishing a special ratings area which will establish a company comprised of property owners to develop the CBD in Worcester	The City Improvement Project, if lawfully established, can create another institution that is located in the private sector to upgrade the retail business areas and thus ensure comparative advantage
The Provincial led LED maturity have indicated that we have advanced to one of the five leading municipalities with regards to our insight in how to implement LED, as well as our ability to implement LED activities	The maturity assessment is an external assessment that assess and compare the improvement of Western Cape based municipalities with regards to the implementation of LED linked programmes
We have successfully hosted the Lights By Linea Cycle Race and the organiser has decided to host the cycling event annually in Worcester	BVM tourism is always supporting key events that have the capability to improve our marketing appeal in tourism

Table 137: LED Highlights

3.18.3 CHALLENGES: LED

The table below gives a brief description of all the challenges for LED during the 2013/14 financial year:

Challenge	Corrective action
Staff capacity	Continue to fill the vacant positions on our organisational structure
Vacancies in tourism due to resignations	Fill the positions with competent staff

Table 138: LED challenges

BVM' LED is still implementing programs and initiatives of our long term LED strategy as the implementation of strategy is for the long term and the consistent implementation and working towards our vision will achieve our intended results. The core focus of BVM's Local Economic Development Strategy is to retain existing businesses and to attract new companies that can settle for the purposes of industrial activity. Our aim is to build regional competitive advantage as this is a critical challenge, because all regions and cities compete to attract investment. The long term result is dependent on the kind of leadership demonstrated in LED by decision makers. Another important aspect to achieve LED in BVM rest on our insight around LED and our ability to execute projects and programmes aimed to improve our region's competitive advantage. These are possible if we achieve the following:

- Collective buy-in to a future vision and the development of a set of organisational values
- Strong pro-active leadership
- Efficient institutional and organisational know-how in how to access opportunities to implement strategies and projects
- Entrepreneurship (which is the ability of a particular breed of people within the public and private sector which can utilise our natural resource endowments to exploit market conditions and produce products and services at low cost) and thus effect beneficiation

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- We have advanced further by developing new institutions that can manage retail areas and we are moving towards the feasibility assessment of projects where there is potential to implement Public Private Partnerships along commercial principles

3.18.4 LED STRATEGY

The LED strategy identifies various issues and strategic areas for intervention such as:

Strategic areas	Description
Building and strengthening institutional and social capital	<ul style="list-style-type: none"> • We have reached a threshold where various role players are united and we have established key partnership institutions that can assist BVM to consistently develop the LED system • We have achieved and increased budget allocation towards LED, the Manager LED position has been filled and there is a gradual filling of vacant positions with competent staff in the LED division • A coordinator on City Improvement Districts which were financed partly by BVM, as well the private sector, have achieved the result where the majority of land owners have voted in favour of establishing a Special Ratings area which provide the funding base and institutional arrangement for city improvement • Our EPWP job creation efforts enjoy the active support of the executive leadership of the BVM and have demonstrated innovation in employment creation projects in the field of traffic wardens, fire fighters and covering major areas in municipal service delivery like cleansing, road maintenance, as well as water works. • Developing strong partnership and affinities with FET colleges as these students are placed in the municipality to gain practical exposure to their field of study • We have sent an international delegation to Aalst in Belgium as part of our twinning agreement on tourism and city improvement and development of a long term plan with measurable targets to advance our work in city improvement immediately and upgrade of our industrial area from medium to long term. On the same visit we have also learned tremendously on the conceptualisation and implementation of green economy in municipalities. • BVM have established working relationships with the key business leaders in our industrial zone through our Business Retention and Expansion Survey and action planning. As this assignment could not influence the current budget cycle, we hope to influence the adjustment budget cycle to finance short term activities and we are fundraising with external institutions to fund key activities that we ought to deliver. • The launch of a community savings cooperative was finalised and the organisation are operating under the mentorship of Isbaya which is an accredited mentor as per the Community Finance Institutions criteria responsible for managing these institutions. An array of development institutions will ensure that economic development will be achieved in the long term.
Enabling infrastructure	<ul style="list-style-type: none"> • Most of the infrastructure is implemented on a continuous basis as per the Genesis LED Strategy and the 5 year IDP and will be selected on a continuous basis for implementation.

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Strategic areas	Description
	<ul style="list-style-type: none"> SDF is articulating new roads and corridors for tourism. The challenge, however, is to select these initiatives for the SDBIP in the financial years to come. Fast-track N1 eastern bypass project is now finally on the cards and there is a concern that the ring road will divert business opportunities away from the area Phased augmentation of Stettynskloof Dam pipe line is on course as part of passed programmes and implemented over multi financial years. The business case is completed and we have now completed our legal consultations and are on the verge of tabling the disposal of industrial land as per the MFMA Asset Transfer Regulations, as well as section 14 of the MFMA. The construction of the Solar energy projects are nearing its end and we hope that deserving organisations and institutions can benefit from the grant that are prescribed by the beneficiation policies of the Department of Mineral and Energy
Sector competitiveness	<ul style="list-style-type: none"> Successful sector based facilitation sessions were conducted with senior officials of the DTI and local industries. From our information sources it is reported that there is a positive uptake of the schemes by the private sector. We are planning new incentive workshops with the private sector as these uptakes must be communicated at regular intervals

Table 139: LED strategic areas

The BVM Council is now anxious and expects detailed proposals on how the administration can present lawful proposals in the context of the MFMA to transfer land from the municipality for the purposes of economic and industrial development. The BVM Council and administration is still focussed on implementing projects as contained in the LED strategy. This strategy is important for the IDP, as it is from this document where projects are selected for the SDBIP and assigned to senior managers in charge of vote numbers for implementation and reporting. What is remarkable of our LED strategy is that a range of strategic and realistic projects across municipal departments were selected for implementation. There have been improvement in the delivering of LED activities as the division is now part of the Directorate Strategic Support Services and receive much needed leadership and support with reference to developing legal based documents such as contracts, service level agreements, development of policies and by-laws, etc. This change in situational arrangement has further improved our ability to execute LED linked programmes. There is continuous monitoring that project Hast are on the SDBIP, implemented as planned and that different staff members are kept accountable.

3.18.5 SERVICE DELIVERY PRIORITIES: LED

In working towards the achievement of the long term LED goals the following progress:

Objectives	Strategies
Building strengthening institutional and social capital	<ul style="list-style-type: none"> Give further support to the Community Finance Institution Communisave which aim to save and lend money to informal traders in a very co-operative way

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

Objectives	Strategies
Enabling infrastructure and inclusive integrated development	<ul style="list-style-type: none"> BVM will institute a bid specification committee to decide on the proposals on the envisaged Uitvlugt Industrial Park should a full Council agree to dispose public lands for industrial activity Conduct a feasibility study on either the Aerodrome or the Kleinplasie tourism linked development Learn from twinning city Aalst on the management of industrial areas and central business area management
Sector competitiveness and development strategies	<ul style="list-style-type: none"> Link local industry role players with DTI incentive to promote agricultural value addition and specialization of agricultural activities to improve labour absorption Above-mentioned session were held and there is a positive uptake of these grants by our local private sector

Table 140: LED objectives and strategies

3.18.6 ECONOMIC ACTIVITY

The table below identifies the economic activity within the different sectors:

Economic outlook for 2013/14*		
Sector	Sectorial composition	Growth rate
Agriculture	26.9%	Growth in RGDP = 0.9%
Mining	0.2%	
Manufacturing	9.9%	
Electricity	1.8%	
Trade	11.1%	
Transport	6.9%	
Finance	14.1%	
Community Service	25.5%	
Total	100.00	

Source IHS Global Insight Regional Explorer

Table 141: Economic activity by sector

Our data analysis from IHS Global Insight Regional Explorer have confirmed that the economic situation is unchanged and that we are still in the arena of contraction as a result of the following aspects:

- The global economic situation is negative as there is potential war looming that can impact on Northern Industrialism Countries which can impact on demand and supply figures on the pricing of oil and gas prices internationally
- The uncertainty in the mining sector is influencing to a large degree how investors view South Africa as a country from an investment point of view or to consider partnership along value chains
- We have achieved more clarity after we have consulted certain legislation and consulted with a range of specialists on how the municipality can ignite economic development by alienating industrial land as prescribed by Section 14 of the MFMA and the Asset Transfer Regulations.

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- The Western Cape municipal economic review and outlook for 2012 is still relevant and has the following to say: "The Breede Valley accounts for only 15 percent of the CWD GDP and grew at a relatively pedestrian rate of 2.5 per annum, 2000 to 2010, whilst suffering heavy job losses (15 500) in its agriculture sector which contracted over the last period. Only marginal jobs growth occurred in other sectors with the result that no less than 13 900 overall job losses occurred in the municipality i.e. its workforce contracted at a rate of 2.8% per annum. Agriculture (15% of GDP) and agro-processing (close to half of the manufacturing activity) are the main economic activities in the sub-region. Regarding services, each of the finances, real estate & business services sector, retail and wholesale grew at 3% per annum. Important to note is that the transport and communication sector grew at a robust rate of 6% per annum (Western Cape Economic Review and Outlook, 2012:40)".

This year we can report that we are slowly advancing as we are consulting the legislation, and various experts in how to make land available at market related values, whilst adhering to competitive and transparent bidding processes.

- Leadership comprehend and are steering the organisation towards our economic development goal
- Organisation is aligned according to strategy
- Large scale buy in by local business
- Political and executive leadership for economic development
- IDP is aligned to economic development deficiencies
- Establish international support with twinning municipalities on projects
- We have formed solid partnership with national and provincial, as well as national departments on provision of industrial infrastructure and how to work creatively with the Bulk Infrastructure Levy Contribution Policy to effect investment in the municipal economy
- Strong emphasis on automated performance management that compared planned versus actual
- Strong affinities with provincial authorities to mentor us in cases where we lack insight with special reference in conceptualising Public Private Partnerships

3.18.7 LED INITIATIVES

With a limited budget for LED projects, the following has been initiated for the 2014/15 financial year as set out below and identifies the various LED initiatives in the municipal area:

Description of project	Performance highlights
Feasibility study of at least one project earmarked for a potential Public Private Partnership	There is more synergy and the Provincial Treasury have pledge their assistance towards our PPP investigations
Present application for Special Rates Area (SRA), project plans and business support for Council to consider to vote in favour of an SRA in the CBD of Worcester	The majority of landowners gave their support in writing to present a request to the BVM Council to declare a SRA in the CBD of Worcester
Complete a business retention and expansion survey in the industrial zone of Worcester	Excitement and willingness from the private sector to work with the BVM to position our municipal area for investment whilst retaining the current investors

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Description of project	Performance highlights
Facilitate monthly meetings where the municipal leadership engaged with the organised business with a view of addressing their concerns	We have achieved numerous success stories on cleansing, as well as the erection of the Nelson Mandela Statue as a result of this engagements
We have successfully launched a Local Tourism Association in Touwsriver	Businesses in the outside towns have learnt of the success stories on partnerships and co-operatives in Worcester and are now copying the idea of cooperation and partnership in their respective towns in BVM
An increased uptake of DTI schemes after the BVM paid and arranged that local economic sectors are linked up with the DTI to access incentives for business	The Institutes for the Blind and Deaf, who operate mechanical workshops, have benefited from the DTI schemes
The traffic warden in EPWP is evident of innovation of selecting projects for EPWP	By training young people you give them a skill and entry into a career as a traffic officer
The training of fire hydrants is also an example of innovation on how to creatively apply EPWP funding	Learners gain a stipend, access to training, as well potential to enter a professional career

Table 142: LED initiatives

The table below shows the number of jobs created through grant projects for the 2013/14 financial year:

Jobs created through grant projects		
Project	Detail	Total wages paid
EPWP	Training and job creation projects	R2 156 704

Table 143: Job creation through grant projects

Full time employment equivalent (Person days/230 working days) = 67

Jobs created through EPWP projects	
Project details	Number of EPWP appointments
<p>The EPWP Unit is also responsible for the oversight work on the Community Works Programmes and various other programmes which aim to create jobs, as well as employment opportunities such as:</p> <ul style="list-style-type: none"> • EPWP • Chrysalis • CWP Where we just play 	Total = 6 873 EPWP job opportunities

Table 144: Job creation through EPWP projects

3.18.8 EMPLOYEES: LED, TOURISM AND MARKETING

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	0	1	100
5 – 7	1	1	0	0

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SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
8 – 11	2	2	0	0
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	4	3	1	33.33

Table 145: Employees: LED, Tourism and Marketing

3.19 TOURISM

3.19.1 AIM AND FUNCTION OF TOURISM SECTION

We have advanced with our institutional building efforts to establish one LTA per local town and we are in service level agreements with the LTA'S. This will multiply our outcomes in consistently positioning our destination with a diverse range of exciting tourism offerings. The function of the BVM local tourism organization is to serve as the tourism information office for the BVM municipal area and to serve as an umbrella organisation which plays an oversight role in the work of LTA's. This is a local association where tourism businesses take out membership. We enter into service level agreements and transfer an amount of R50 000 to each LTA as a contribution to their running cost.

We have implemented the following activities in the Breede Valley tourism section during 2013/14:

- We have targeted provincial based newspapers, specialist tourism magazines and appointed a public relations company to provide technical support with regards to our marketing material
- More focussed on red tape reduction efforts in the provision of tourism road signage that was identified in a district sponsored business retention and expansion research targeting our local tourism industry
- We have acquired valuable experience in hosting or supporting a key event like for instance the Lights for Linea Cycle Race over 2 days in the CBD of Worcester
- After years of trial and error we have managed to successfully establish the fourth Local Tourism Association which is in Touwsriver. The members of this LTA have tourism interest in a range of outdoor tourism activities in game farms like Aquila Game Reserve, 4x4 routes, Karoo based outdoor destinations and there are plans to do railway based tours by rehabilitating the old Touwsriver station

3.19.2 OVERVIEW OF THE BREEDE VALLEY TOURISM PRODUCT PORTFOLIO

The product portfolio of the Breede Valley area consists of nine product types, identified in the table below together with a brief descriptive phrase for each category.

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Tourism product	Definition of product
Eco-tourism	Scenic beauty, natural environment and wildlife
Agri-tourism/trade and investment	Leisure experience on working farms combined with commercial farming activity
Cultural/heritage tourism	History, social and tradition
Leisure	Significant water bodies
Adventure tourism	Wilderness and challenging environment
Shopping and entertainment	Retail and/or entertainment facilities/centres
Sports and events	Sport facilities and hosting of sport events of provincial, national or international importance
Meetings, incentives, conferences and exhibitions (MICE)	Conference and exhibition facilities and hosting of related events
Health and well-being	Spa water, springs or conducive environment

The tourism portfolio of Breede Valley is diverse and largely undiscovered. Not surprisingly, eco-tourism takes prime position, supplemented by strengths in adventure, leisure tourism and cultural attractions. Serenity, tranquillity and hospitality are constant themes throughout the region and it is the combination of these characteristics and the unspoilt and unpolluted environment, which should be maximised to entice tourists to the Breede Valley region. We have put lots of effort to finalise the marketing strategy to inform our plans in how we will market all the events and key propositions of our destination.

3.19.3 TRAINING/DEVELOPMENT

Our Tourism section organised the following training:

- 11 to 13 February 2014: Creativity workshop with the CCDI, Worcester
- 23 to 25 June 2014: First Aid Training, Levels 1 & 2, Nekkie's

3.19.4 TOURISM AWARENESS/EVENTS

Annual events in the Breede Valley region:

Annual event	Date
Breede Kloof Soetes & Sop	July 2013
Tussen ones fees	September 2013
Breede Kloof Outdoor festival	October 2013
Christmas light festival	December 2013
Welcome campaign NI Worcester	December 2013
Annual Worcester Agricultural Show	January 2014
Kuier at Kleinplasia	April 2014
Easter Welcome Campaign, R60 Worcester	April 2014
Nuy Valley festival	May 2014
Autumn Splendour	May 2014

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Annual event	Date
MTB and Half Marathon	May 2014
Lights by Linea Hero Cycle challenge	May 2014

Table 146: Tourism awareness/events

Numerous smaller events were also hosted and attended.

3.19.5 EXPO'S

For the 2013/14 financial year we have continued with our marketing efforts at tourism expo's and we gave the Namibian travel expo priority as the industries in Namibia have a demand for wines and foods from our destination. Tourism marketing is organised at major events where the whole industry from the bottom to the top convene. BVM did marketing at these expos and arranged creative innovative opportunities for the private sector. We attended the following expos with a national footprint:

- 14 to 16 February 2014: The Beeld Holidaymaker's Expo at Gallegher Estate, Midrand
- 6 to 8 March 2014: The Cape Argus Cycle Expo, Cape Town
- 14 to 16 March 2014: The Cape Getaway Show, Lourensford, Somerset West
- 8 to 12 May 2014: The Annual Tourism Indaba, Durban
- 4 to 7 June 2014: The Namibian Tourism Expo, Windhoek

Breede Valley Municipality deliver tourism marketing and development services in partnership with Cape Winelands District Municipality.

3.20 INTEGRATED DEVELOPMENT PLAN (IDP)

The IDP section focussed on the following functions being:

- Community participation:

The focus on community participation relates mainly to the participation of the local community in the planning activities of the municipality which informs the IDP and budget processes.

A schedule of community participation engagements were approved by Council, based on the municipal IDP/budget process plan. These engagements were published in the local press for community inputs and information.

Lack of adequate budget to support community participation remains a challenge.

- Ward committees:

The launch of the ward committee election project for the new term proved successful.

Ward committees were established in all 21 wards. The municipality pays out-of-pocket expenses to ward committee members at a rate of R400/member for attending and participating in official ward committee meetings. The allocated budget allowed for 4 such meetings per ward committee per year. Payments are made on presentation of the minutes and attendance register to the

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Office of the Speaker. These minutes and attendance registers allows the municipality to gauge the functionality of ward committees.

All ward committees were invited and participated in a 5 day training session on ward-based planning. The training was paid for by the Western Cape Provincial Government.

Functionality of ward committees

Ward committees currently meet on a regular basis based on a formal meeting schedule adopted and communicated with the Office of the Speaker. Functionality remains a challenge with 4 ward committees where no meetings were held. A complete ward committee administrative support structure is needed to address some of the functionality challenges.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.21 LIBRARIES

The library service ensures the provision of library and information services to communities in a sustainable manner.

Libraries and community library projects maintain and develop information resources and develop staff members with in-service training and other skills programs.

Libraries also develop organised systems with other relevant government departments to enhance service delivery to our communities.

Libraries managed to perform very well with regards to outreach programs in the respective communities and many people, especially young children and learners, were educated with regards the usage of library facilities and library orientation/information literacy skills. The usage of computers with internet access has shown considerable increase.

Five Wheelie Wagon projects (community libraries) were established during the past few years and deliver a service to rural areas. One project – the Overhex Wheelie Wagon - was established in the 2013/14 financial year.

Total circulation statistics: 421 893 (Library material used during the financial year)

In-house usage: 317 479 (People using libraries during the financial year)

Outreach programs/promotional activities/group visits/displays: 530

New members: 2 376

3.21.1 HIGHLIGHTS: LIBRARIES

The table below gives a brief description of all the highlights for libraries during the 2013/14 financial year:

Highlight	Description
Mandela Day	All libraries were involved in special programs in their respective communities celebrating Mandela Day on 18 July 2013

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Highlight	Description
Democracy celebrations	Worcester Library organised a special 20 Years of Democracy Program in co-operation with the IEC and other role players. Born frees were especially invited and educated in the democracy and the election process
Overhex Wheelie Wagon	The Overhex Wheelie Wagon was planned in co-operation with the Provincial Library Service. The Library Assistant was appointed and trained and the project started delivering a service to the public within the Overhex/Nuy areas during May 2014

Table 147: Libraries highlights

3.21.2 CHALLENGES: LIBRARIES

The table below gives a brief description of the libraries challenges during the 2013/14 financial year:

Challenge	Corrective action
Difficulty with the implementation of the upgrade of toilet facilities at Touwsriver Library	The funds will be rolled over to the 2014/15 financial year and more funding was made available during the 2014/15 financial year. The project will thus be advertised via the tender process again and will be concluded during the 2014/15 financial year
Problems with the installation of computers with internet facilities at Wheelie Wagon Projects	The Library Service is dependent on the Provincial Library Service to provide internet access at Wheelie Wagon Projects. Due to problems with the appointment of a service provider for the Provincial Broadband Program, the internet access could not be installed. The Provincial Library Service, however, indicated that the internet access will be made available during the 2014/15 financial year
Slow arrival of new library books and decrease in circulation	The Provincial Library Service is challenged to solve this problem and the situation was once again highlighted at the Forum meeting held in June 2014

Table 148: Libraries challenges

3.21.3 SERVICE STATISTICS - LIBRARIES

Type of service	2012/13	2013/14
Libraries		
Number of libraries	7 plus 4 community libraries	7 plus 5 community libraries
Library members	34 211	36 631
Books circulated	433 152	421 893
Exhibitions held	314	304
Internet users	33 952	45 443
New library service points or Wheelie Wagons	0	1
Children programmes	46 plus 2 899 toy library participants	60 plus 1 423 toy library participants

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Type of service	2012/13	2013/14
Visits by school groups and crèches	184	167
Book group meetings for adults	12	14
Primary and secondary book education sessions	86	60

Table 149: Service statistics –Libraries

3.21.4 SERVICE DELIVERY INDICATORS: LIBRARIES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL37	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Establish a new wheelie wagon project	Number of projects	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL40	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Upgrade libraries	Number of libraries upgraded	All	New performance indicator for 2013/14. No comparatives available	2	1	

Table 150: Service delivery indicators: Libraries

3.21.5 EMPLOYEES: LIBRARIES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	0	0	0	0
8 – 11	8	8	0	0
12 – 15	23	23	0	0
16 – 19	10	10	0	0
Total	42	42	0	0

Table 151: Employees: Libraries

3.21.6 CAPITAL EXPENDITURE – LIBRARIES

The table below indicates the amount that was actually spent on library service projects for the 2013/14 financial year:

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Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Esselen Park Library – 4503:					
Electrical Fencing	44 907	44 907	44 778	129	44 907
Touwsriver Library - 4512					
New workroom and toilet facilities	168 000	168 000	4 800	163 200	268 000
Total all	212 907	212 907	49 578	163 329	312 907
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 152: Capital expenditure 2013/14: Libraries

3.22 CEMETERIES

There are 10 cemeteries in the Breede Valley area that resort under the jurisdiction of the municipality. The older cemeteries are almost all full and the newly developed Worcester cemetery is growing in demand as the cemetery of choice. Total burials for 2013/14 came to 392 (375 adults and 17 children).

3.22.1 EMPLOYEES: SPORT GROUNDS, PARKS AND CEMETERIES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	0	1	100
5 – 7	0	0	0	0
8 – 11	5	4	1	20
12 – 15	13	11	2	15
16 – 19	47	42	5	11
Total	66	57	9	14

Table 153: Employees: Sport Grounds, Parks and Cemeteries

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control, biodiversity and landscape

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According to section 156(2) of the Constitution, a municipality may make and administer by-laws for the effective administration of matters that it has the right to administer. Air pollution is listed as a matter in which local government has authority and national and provincial government may not compromise or impede a municipality's right to exercise its powers or perform its functions.

3.23 POLLUTION CONTROL

Currently an air quality monitoring station within the Meirings Park residential area is maintained by SGS Environmental Services on behalf of the Provincial Government of the Western Cape.

Breede Valley Municipality has drawn up an Incident Management Response Protocol to address any spills resulting from industrial or sewer spills.

3.24 BIO-DIVERSITY, LANDSCAPE AND OPEN SPACES

The relevant department is responsible for a large number of functions, including the management and maintenance of trees, the removal of unwanted and alien trees, the planting of new indigenous trees, the irrigation of trees and open spaces, as well as entrances to the towns, weeding and cleaning of sidewalks and open spaces, beautification of certain focus areas, landscaping and the moving of parks, open spaces and buffer zones.

COMPONENT F: SECURITY AND SAFETY

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

3.25 TRAFFIC AND LICENSING

The main priorities are:

- The testing of applicants for driving licenses, learner's licenses and the application and renewal of professional driving licenses.
- The registration and licensing of motor vehicles.
- The promotion of road safety and law enforcement.

3.25.1 HIGHLIGHTS: TRAFFIC AND LICENSING

The table below gives a brief description of all the highlights for Traffic and Licensing during the 2013/14 financial year:

Highlight	Description
Alterations to main buildings	The Traffic Department made interior alterations to their reception area to convey a customer friendly environment to the public. The Vehicle Testing Centre building was expanded, adding a new Traffic Law Enforcement office building for Law Enforcement

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Highlight	Description
	Officers. This resulted in creating more office space are beneficial to the Court Section who required more office space
Speed calming projects (speed humps)	55 Speed hump were erected within the jurisdictional area of the municipality. These sites of concern were identified by members of the public and councillors
Non-motorized Transport Project (pedestrian fence)	A pedestrian fence was erected in the CBD to address jaywalking and to manage the traffic flow
Robot for the intersection in Zweletemba, Worcester	History was made with the erection of a four way robot at the intersection of Mtwazi and Mayinjana road, in Zweletemba Worcester
EPWP	The municipality was one of a few privileged municipalities to whom the EPWP program was awarded. The EPWP intake project was extended and another 13 new appointments were made, bringing the total to 53 students
Training	Traffic officers were sent to Gene Louw College to enable themselves to perform driver's licence tests for the different driver's licences codes. For example Motorbike, Light Motor Vehicle and Heavy Motor Vehicle

Table 154: *Traffic and Licensing Highlights*

3.25.2 CHALLENGES: TRAFFIC AND LICENSING

The table below gives a brief description of the Traffic and Licensing challenges during the 2013/14 financial year:

Challenge	Corrective action
Human resource	To appoint trained staff in the relevant departments
Shortage of fleet	To enter into a vehicle rental agreement
Finance	To explore options engaging the Provincial Administration of the Western Cape and other government funding options
Safeguarding of assets	Upgrade the current Security Service Agreement. Currently there are only guards on night shift patrol. The ideal would be to have armed guards with patrol dogs on site on a 24 hour basis

Table 155: *Traffic and Licensing challenges*

3.25.3 SERVICE STATISTICS – TRAFFIC SERVICES

Details	2012/13	2013/14
	Actual no.	Actual no.
Number of road traffic accidents during the year	1 301	1 575
Number of infringements attended	75 950	92 707
Number of traffic officers in the field on an average day	18	12
Number of traffic officers on duty on an average day	20	20
Number of driver's licenses issued	1 049	1 030
Number of learner's licenses issued	2 737	2 879

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Details	2012/13	2013/14
	Actual no.	Actual no.
Number of motor vehicle license transactions	110 280	113 578
Number of road signage erected	2 351	2 661

Table 156: Service data for traffic services

3.25.4 SERVICE DELIVERY INDICATORS: TRAFFIC AND LAW ENFORCEMENT

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL31	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	Report quarterly to Director Community Services on the activities implemented into the law enforcement strategy	Number of reports submitted	All	New performance indicator for 2013/14. No comparatives available	4	4	
TL32	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	Compile a feasibility study on the establishment of a municipal court and submit a report with recommendations to the MM by the end of December	Study compiled and submitted to Municipal Manager by end December	All	1	1	1	

Table 157: Service delivery indicators: Traffic and Law Enforcement

The department have appointed another 13 EPWP employees who were trained as peace officers and will be used as law enforcement officers and point duty officers at schools and other crossings. The training was conducted internally by the Training Officer of the Traffic Department.

3.25.5 EMPLOYEES: TRAFFIC SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	9	8	1	12.5
8 – 11	59	44	15	25
12 – 15	22	14	8	36
16 – 19	17	16	1	0.05
Total	108	83	25	23

Table 158: Employees: Traffic Services

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3.25.6 CAPITAL EXPENDITURE – TRAFFIC SERVICES

The table below indicates the amount that was actually spent on traffic services projects for the 2013/14 financial year:

Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Alterations to reception Area	0	91 800	94 799	-2 999	94 799
Shadow centre Phase 2	0	146 223	146 163	60	749 940
Non-motorised project: High Street	0	1 000 000	575 182	424 818	1 000 000
Truck for Technical section	0	432 000	423 785	8 215	432 000
Total all	0	1 670 023	1 239 929	430 094	2 276 739
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 159: Capital expenditure 2013/14: Traffic services

3.26 FIRE, RESCUE AND DISASTER MANAGEMENT SERVICES

Vision statement: *Making Life Safer*

Mission statement: *Protecting our community and the environment from fires and other emergencies*

Our Motto: *making a difference....everyday*

Key strategies




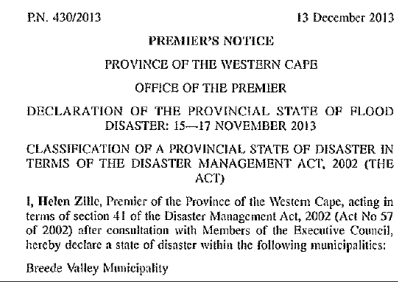


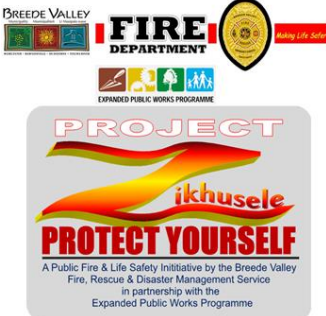
- Developing our staff and succession planning
- Enhancing our community safety focus
- Building partnerships
- Building emergency response capacity
- Building disaster management capacity
- Planning for the future

3.26.1 HIGHLIGHTS: FIRE SERVICES AND DISASTER MANAGEMENT

The table below gives a brief description of all the highlights for Fire Services and Disaster Management during the 2013/14 financial year:

Highlight	Description
bvmConnect	The bvmConnect Project got funding through the approval of the adjustment budget in February 2014 Phase 1 of this project has kicked off with distinct focuses on:

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Highlight	Description
  	<ul style="list-style-type: none"> • Modernising and streamlining into a single Contact Centre • Harmonising of Operational Intelligence • Integration and Interconnection • Intelligence Based and Knowledge Database
<p>Emergency Management – Wash away of Stettynskloof Pipeline</p> 	<p>The department showed its emergency and disaster management competencies by ensuring that through proper emergency incident management and disaster coordination between municipal, provincial and national agencies that the incident that affected the entire Worcester area was properly managed towards successful outcomes with minimal impacts on households in a short period of time.</p> <p>The resultant pipeline infrastructure damage as a result of the heavy rains was declared as a Provincial Disaster.</p>
<p>Fire Safety Activities</p> 	<ul style="list-style-type: none"> • 716 Regulatory fire inspections conducted • 121 business Fire Clearances issued • 55 Public Events cleared • 62 Dangerous Goods classified activities registered • 536 fire hydrants tested • 1 268 building plans scrutinised • 566 operational risk visits conducted
	<p>The Learn Not To Burn Programme [LNTB] is conducted on a regular basis at the Main Fire Station and at different educational institutions. The focus is schools, early childhood development centres, crèches and other types of child-care facilities.</p> <ul style="list-style-type: none"> • 131 schools visited or reached • 15 306 children educated
<p>Project Zikhusele</p> 	<p>The department registered four Community Safety Programmes with the Department of Public Works EPWP. These programmes are considered as innovative in that it focuses on 4 crucial aspects of fire services delivery. A total of 50 beneficiaries were approved to participate in these projects.</p> <p>Programme 1: Hydrant Maintenance Workers</p> <p>Programme 2: Emergency Communications Operators</p> <p>Programme 3: Data Capturers</p> <p>Programme 4: Level 1 Urban Interface Fire Brigade Reservists</p>

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Highlight	Description
	<p>With a targeted focus on high risk informal settlements, the Door2Door fire safety campaign spread the message of home fire safety and safe use of open fires. The programme commenced in December 2013.</p> <ul style="list-style-type: none"> • 1 930 adults reached • 1 534 children reached

Table 160: Fire Services and Disaster Management highlights

3.26.2 CHALLENGES: FIRE SERVICES AND DISASTER MANAGEMENT

The table below gives a brief description of the Fire Services and Disaster Management challenges during the 2013/14 financial year:

Challenge	Corrective action
Ridership availability: Filling of key operational posts	New organizational structure approved, but funding required to fill posts
Weight and speed of response (Extension of Fire Services- currently only Worcester and Zwelethemba are serviced by fire stations)	Council set aside land for the De Doorns Fire Station; but funding required for infrastructure
Fleet availability and 3 rd party dependency	From 2014/15 Fire Department will be 100% in charge of its specialist fleet and new PPM regime will improve availability
Emergency communications infrastructure	bvmConnect project to modernize and improve infrastructure
Business Continuity Planning and Disaster Recovery Planning	2014/15 KPIs now includes BCP and DRP for all departments

Table 161: Fire Services and Disaster Management challenges

3.26.3 SERVICE STATISTICS – FIRE SERVICES AND DISASTER MANAGEMENT

Details	2012/13	2013/14
	Actual no.	Actual no.
Total fires attended in the year	628	541
Total of other incidents attended in the year	115	142
Average turnout time - urban areas (minutes) [includes ALL towns]	16:51	14:78
Average turnout time - rural areas (minutes) [includes ALL towns]	11:61	10:55
Fire-fighters in post at year end	43	43
Total fire appliances at year end	13	16
Average fleet availability at year end	72%	62.92%

Table 162: Service data for Fire Services

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3.26.4 SERVICE DELIVERY INDICATORS: FIRE SERVICES AND DISASTER MANAGEMENT

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL28	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	Review the Disaster Risk Management plan and submit to Council by end March	Plan reviewed and submitted to Council by end March	All	1	1	1	
TL29	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	Review the Fire and Rescue Services Plan and submit to Council by March	Reviewed plan submitted to Council by end March	All	New performance indicator for 2013/14. No comparatives available	1	1	

Table 163: Service delivery indicators: Fire Services and Disaster Management

3.26.5 EMPLOYEES: FIRE SERVICES AND DISASTER MANAGEMENT

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	2	2	0	0
5 – 7	8	7	1	12.5
8 – 11	30	26	4	13.33
12 – 15	17	16	1	0.05
16 – 19	1	1	0	0
Total	58	52	6	10

Table 164: Employees: Fire Services and Disaster Management

3.26.6 CAPITAL EXPENDITURE – FIRE SERVICES

The table below indicates the amount that was actually spent on fire services projects for the 2013/14 financial year:

Capital Projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Upgrade Fire Station	0	306 400	306 207	193	306 400

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Capital Projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
Fire S: Off Road Pump :4 x 4:(Replace WM138)	0	427 328	423 200	4 128	427328
BVM Connect project	0	330 000	331 836	-1 836	331 836
Total all	0	1 063 728	1 061 243	2 485	1 065 564
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 165: Capital expenditure 2013/14: Fire services

COMPONENT G: SPORT AND RECREATION

The municipality have 8 sport grounds, of which Boland Park and Esselen Park are the biggest. There are also 3 swimming pools, 2 in Worcester and 1 in Touwsriver. Many sport clubs have been established in the Breede Valley area with resultant very high demands on facilities.

The following highlights were achieved by the municipality with regards to sport and recreation:

Highlight	Description
Better Together Games – Provincial Sport Day	Better Together Games was held in October 2013 in conjunction with the Provincial Department of Sport and Recreation
BVM Wellness Day	BVM Wellness day was held in October 2013 to interact with colleagues and promote healthy lifestyles
Upgrade of the De Doorns West sport ground	Upgrade started from October 2013 and is completed
Upgrade of the De Doorns East sport ground	Upgrade started from October 2013 and is completed
Upgrade of the flood lights at Esselenpark sport ground	Upgrade started from May 2014 and the B and C field are completed
Vlakkie Cricket Tournament	The Vlakkie Cricket Tournament was held in December 2013 – February 2014 for all the Vlakkie Cricket Teams in the Breede Valley Area
Nassua Cape Cobra Tournament at Bolandpark sport ground	Nassua Cape Cobra tournament was held in September 2013
Navigator Films shoot at De la Bat swimming pool	The film company, Navigator Films used De la Bat swimming pool for an advertisement in January 2014
Boland Primary School Cricket Tournament	Boland Primary School cricket tournament was held in December 2013 at Esselenpark- and Bolandpark sport grounds
Western Province vs Boland Cricket 50 over game	Match was held at Bolandpark sport ground in September 2013
Madhya Pradesh Cricket Association (India) vs Boland Cricket 3 day cricket game	Game was held at Bolandpark sport ground in September 2013

Table 166: Sport and recreation highlights

The following general challenges are experienced by the municipality with regards to sport and recreation:

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Challenge	Actions to address
New Swimming pool Zwelethemba - no capital budget for 2014/15	Apply for external funding/National Lotto Board and MIG funding 2016/17
Steenfliet sport ground (Touwsriver), upgrade of clubhouse and surface – no capital budget for 2014/15	Apply for MIG funding 2015/16
Upgrade of the swimming pool pumps and filters, Greystreet – no capital budget for 2014/15	Apply for MIG funding 2015/16
New cricket pitch, De Doorns West – no capital budget for 2014/15	Apply for MIG funding 2015/16
Upgrade of the fencing at De la Bat and Greystreet swimming pool – no capital budget for 2014/15	Apply for MIG funding 2015/16
Upgrade of the flood lights at Esselenpark sport ground main field – no capital budget for 2014/15	Apply for MIG funding 2015/16

Table 167: *Sport and recreation challenges*

3.27 HOLIDAY RESORTS AND CAMPSITES

Nekkies Holiday Resort is an hour outside Cape Town near the town of Worcester. The meer chalets consist of 17 self-catering log chalets built on stilts overlooking the lake (Brandvlei Dam) with 2 bedrooms and 2 bathrooms, fully equipped kitchen, balcony and fireplace. The campsite consists of 20 power points for caravans and tents and 80 sites without power. All sites are on grass.

3.27.1 SERVICE DELIVERY INDICATORS: HOLIDAY RESORTS AND CAMPSITES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL39	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Complete a feasibility study regarding the viability and management of Nekkies Resort and submit a report with findings to the MM by the end of March	Study and findings submitted to Municipal Manager	All	1 Study completed	1	1	
TL35	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Research and compile a proposal to submit to Council by end March for the hosting of Breede Valley Sport Awards during 2014/15	Proposal compiled and submitted to Council by end March	All	New performance indicator for 2013/14. No comparatives available	1	0	

Table 168: *Service delivery indicators: Holiday Resorts and Campsites*

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

3.27.2 EMPLOYEES: HOLIDAY RESORTS AND CAMPSITES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	0	0	0	0
5 – 7	0	0	0	0
8 – 11	1	1	0	0
12 – 15	10	10	0	0
16 – 19	2	2	0	0
Total	13	13	0	0

Table 169: Employees: Holiday Resorts and Campsites

3.28 SWIMMING POOLS AND SPORT GROUNDS

Breede Valley Municipality has a total of three public swimming pools. Two of these are situated in Worcester and the third in Tounsvier. The pools are available for public use during season, which starts on 1 October and ends on the 30th of April the following year.

3.28.1 SERVICE STATISTICS - SWIMMING POOLS AND SPORT GROUNDS

Type of service	2012/13	2013/14
Swimming pools, stadiums and sport grounds		
Number of sport grounds/fields	8	8
Number of swimming pools	3	3
Number of stadiums	8	8
Number of complaints addressed – swimming pools	0	1

Table 170: Statistics: Swimming pools and sport grounds

3.28.2 SERVICE DELIVERY INDICATORS: SWIMMING POOLS AND SPORT GROUNDS

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL38	To provide and maintain basic services and ensure social upliftment of	Develop a management and maintenance plan for municipal owned office buildings and	Plan developed by end June	All	0	1	1	

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

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
	the Breede Valley community	halls and submit to Council by the end of June						

Table 171: Service delivery indicators: Swimming Pools and Sport Grounds

3.28.3 EMPLOYEES: SWIMMING POOLS AND COMMUNITY HALLS

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	0	0	0	0
5 – 7	2	2	0	0
8 – 11	4	4	0	0
12 – 15	2	2	0	0
16 – 19	13	12	1	0
Total	21	20	1	4

Table 172: Employees: Swimming Pools and Community Halls

3.28.4 CAPITAL EXPENDITURE – SWIMMING POOLS AND SPORT GROUNDS

The table below indicates the amount that was actually spent on swimming pools and sport ground projects for the 2013/14 financial year:

Capital Projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Sport: Boland Park					
Security fencing	0	263 271	0	263 271	263 271
Parks other:					
Irrigation system	0	238 376	238 000	376	238 376
De Doorns sport field development	0	1 007 249	878 000	129 249	1 007 249
Purchase Touwspark sport grounds	0	320 000	320 000	0	320 000
Zweletemba sport grounds : upgrading - NTDTF	0	335 739	0	335 739	500 000
De Doorns East Sports ground upgrading	0	30 634	0	30 634	78 924

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

Capital Projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
Fence : lovers lane	80 000	110 000	84 685	25 315	110 000
Total all	80 000	2 305 269	1 520 685	784 584	2 353 559
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 173: Capital expenditure 2013/14: Swimming pools and sport grounds

COMPONENT H: CORPORATE POLICY, OFFICES AND OTHER SERVICES

3.29 EXECUTIVE AND COUNCIL

3.29.1 SERVICE DELIVERY INDICATORS: EXECUTIVE AND COUNCIL

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL41	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	Section 57 performance agreements signed by the end of July 2013	Number of performance agreements signed	All	5	5	5	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL3	To actively participate in determining the future of our country	Review the Standing Rules of Order and submit to Council by end September	Reviewed Rules of order submitted to council by end September	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL8	To actively participate in determining the future of our country	Draft a communication strategy and submit to Council by end March	Strategy drafted and submitted to council by end March	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL36	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Develop a client service charter with service standards acceptable to all customers and submit to Council by the end June	Charter submitted to Council by end June	All	1 Charter completed	1	0	

Table 174: Service Delivery Indicators: Executive and Council

3.29.2 EMPLOYEES: EXECUTIVE AND COUNCIL

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	0	0	0	0
8 – 11	10	10	0	0
12 – 15	2	2	0	0
16 – 19	1	1	0	0
Total	14	14	0	0

Table 175: Employees: Executive and Council

3.29.3 EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	0	0	0	0

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SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
8 – 11	1	1	0	0
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	2	2	0	0

Table 176: Employees: Executive and Council

3.30 FINANCIAL SERVICES

3.30.1 SERVICE DELIVERY INDICATORS: FINANCIAL SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL15	Assure financial viability and sustainable growth	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	2.79	1.5	2.69	
TL16	Assure financial viability and sustainable growth	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue- operating grants received)/debt service payments due within the year) (%)	Ratio achieved	All	13.49	10	14.01	
TL17	Assure financial viability and sustainable growth	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	13.41%	15.50%	11.66%	

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

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL18	Assure financial viability and sustainable growth	Develop an action plan to implement the long term financial sustainability and viability and submit to the MM for approval by end June	Action plan submitted to MM by end June	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL19	Assure financial viability and sustainable growth	Upgrade the electronic SCM system by end December	Updated electronic SCM system	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL20	Assure financial viability and sustainable growth	Provide free basic services to indigent consumers	Number of indigent consumers receiving free basic services	All	New performance indicator for 2013/14. No comparatives available	6 800	7 095	
TL21	Assure financial viability and sustainable growth	Submit the approved financial statements to the Auditor General by 31 August	Approved financial statements submitted to the AG by 31 August	All	1	1	1	
TL22	Assure financial viability and sustainable growth	Achieve a payment percentage of above 96%	Payment % achieved	All	New performance indicator for 2013/14. No comparatives available	96%	97.21%	
TL23	Assure financial viability and sustainable growth	Review the MGRO Clean Audit Plan and submit to MM by end January	Plan completed and submitted to the MM by end January	All	1	1	1	
TL24	Assure financial viability and sustainable growth	Review the revenue enhancement plan by the end of December and submit to MM for approval	Strategy completed and submitted to the MM by end December	All	1	1	1	
TL66	Assure financial viability and sustainable growth	The percentage of the municipal capital budget actually spent on capital projects identified in terms of the IDP (Actual amount spent on projects as identified for the	% of the municipal budget spent (Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100	All	New performance indicator for 2013/14. No comparatives available	75%	87.80%	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
		year in the IDP/Total amount spent on capital projects)X100						

Table 177: Service delivery indicators: Financial Services

Debt recovery						
Details of the types of account raised and recovered	2012/13			2013/14		
	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
	R		%	R		%
Property rates	89 019 800	84 869 620	95.3	93 167 122	91 350 442	98.1
Electricity	237 425 437	233 654 210	98.4	250 827 741	249 509 448	99.5
Water	63 463 286	60 372 239	95.1	60 678 008	59 138 953	97.5
Sanitation	52 739 091	49 163 299	93.2	56 892 559	52 819 229	92.8
Refuse	30 708 530	29 202 577	95.1	32 718 746	30 655 377	93.7
Other	19 370 543	19 649 051	101.4	21 445 294	17 590 873	82.0

Table 178: Service standards for Financial Services

3.30.2 EMPLOYEES: FINANCIAL SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	7	6	1	14
5 – 7	15	7	8	53
8 – 11	83	74	9	11
12 – 15	19	18	1	5
16 – 19	6	4	2	33
Total	130	109	21	16

Table 179: Employees: Financial Services

3.30.3 CAPITAL EXPENDITURE – FINANCIAL SERVICES

The table below indicates the amount that was actually spent on financial services projects for the 2013/14 financial year:

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

Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Computer software	890 000	193 000	69 038	123 962	193 000
Safeguarding of Assets	300 000	300 000	277 251	22 749	300 000
Caseware Software	0	80 400	79 579	821	80 400
Total all	1 190 000	581 400	290 630	147 532	573 400
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 180: Capital expenditure 2013/14: Financial Services

3.31 HUMAN RESOURCE SERVICES

The human resources department contributes to managing the gap between expectations and capacity of the Breede Valley Municipality.

The need for a human resources strategy was identified to align our human resource policies and practices to support the accomplishment of the Breede Valley Municipality's mission, vision, goals and strategies. The focus is to invest in our human capital to contribute effectively, efficiently and economically to the achievement of short, medium and long term objectives of our municipality.

The purpose of the human resources strategy is to maximise the potential of the employees at Breede Valley Municipality through:

- The acquisition of knowledge, skills and values;
- Increased work productivity to achieve a rising quality of life for all;
- Implementing an operational plan, together with the necessary institutional arrangements.
- Measuring Breede Valley Municipality's progress towards desired outcomes & performances aligned to the IDP.

Achieving the following human resources strategies over a five year period to address the critical issues:

- Improve the foundations for human development and optimise personnel utilization
- Improve the supply of high quality skills, especially scarce skills which are more responsive to societal and economic needs
- Increase employer participation in lifelong learning by promoting learning opportunities
- Support employment growth through the EPWP projects, innovation & development
- Improve professionalism and ethical work practices

The human resources department established ten key objectives for the human resource support services:

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

- Review the institutional structure (restructuring to accommodate new critical needs for effective, efficient and economical service delivery)
- TASK grading and job evaluation (job descriptions with profiles, competencies and performance standards)
- Recruitment and selection (competitiveness, scarcity allowances, succession planning and retention policy in order to keep right people in right jobs)
- Implement employment equity targets to address the under representation of black people, women and disabled people in the demographic profile of Breede Valley Municipality
- Training and development of staff capacity (management skills on lower, middle and senior levels)
- Compiling standard operating procedures as guidelines for performance standards and identification of skills gaps. Implement succession planning and multi-skilling.
- Compile critical HR policies, related procedures and control mechanisms (e.g. succession planning, scarce skills, coaching of staff, etc.)
- Discipline improvement (increase in productivity, support to area managers with the management of people, motivation of staff, addressing incapacity due to illness or poor performance)
- Industrial relations (improve relationship with Unions – optimise staff potential, full utilization of staff, improve motivation and productivity and address incapacity cases)
- Health and safety (maintain a safe and healthy work environment, safety audit completed, critical safety hazards addressed, decrease in job injuries)

3.31.1 SERVICE DELIVERY INDICATORS: HUMAN RESOURCE SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL1	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	Spent 1% of operational budget on training (Actual total training expenditure divided by total operational budget)	% of personnel budget spent	All	1%	1%	1%	
TL5	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	Limit vacancy rate to less than 15% of budgeted post (Number of funded posts vacant divided by budgeted funded posts)	% Vacancy rate of budgeted posts	All	15%	15%	15%	

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

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL6	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	Implement individual performance management in senior management levels 14, 15 and 16 (Number of post level 14, 15 and 16 personnel with signed performance agreements/ Total Number of post level 14, 15 and 16 personnel in the municipality)	% of identified personnel with signed performance agreements	All	New performance indicator for 2013/14. No comparatives available	100%	100%	
TL7	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	Draft the Employment Equity Plan and submit to the Executive Mayor for approval by end September	Plan drafted and submitted to the Executive Mayor by end September	All	New performance indicator for 2013/14. No comparatives available	1	1	
TL67	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed in the three highest levels of management	All	New performance indicator for 2013/14. No comparatives available	0	0	

Table 181: Service delivery indicators: Human Resources

3.31.2 EMPLOYEES: HUMAN RESOURCE SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	0	1	100
5 – 7	5	5	0	0
8 – 11	6	4	2	33.33
12 – 15	0	0	0	0
16 – 19	0	0	0	0

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

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
Total	12	9	3	25

Table 182: Employees: Human Resource Services

The focus of human resources was to determine a status quo report in June 2012 regarding the identification of achievements and challenges that were experienced. The most important challenge was to finalise the process of compiling a new organisational structure for Breede Valley Municipality with new job descriptions and performance standards linked to each position in the structure

Achievements included: In 2013 both the organisational structure and Placement Policy were approved by Council. Placement process is now being finalised. Improved monitoring and evaluation controls over overtime, absence without permission, disciplinary actions, misuse of sick leave and dealing with incapacity due to illness cases. The importance of people management was emphasized with all line managers and continuous feedback reports were provided to the management team.

The local labour forum and training committee meetings were scheduled on a regular basis which resulted in overall improved relationships with the unions and therefore labour force.

Critical needs identified for the future budgeting process were:

- the filling of vacant positions in the human resources department
- obtain an integrated human resources data management system
- obtain an electronic time and attendance register system
- implementation of the TASK job evaluation system with a related financial impact regarding higher evaluated positions in the new organisational structure
- Staff training needs as identified in the Skills Development Plan

3.32 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Our world has become totally dependent on information and communication technology (ICT) to the extent that a national power outage for even one day can be classified as a disaster, the effect of which cannot realistically and accurately be determined. Should such an outage go beyond one day into days or even weeks the results cannot even be imagined. Our world in Breede Valley Municipality is similarly as dependant on ICT.

The ICT department has therefore endeavoured to provide, within our means, reliable systems, reliable and easily accessible data and support to the users.

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During the 2013/14 financial year we have implemented what we set out to do in the previous financial year and in most cases we've met our targets.

We have placed all the equipment leased from RentWorks, we've started on the process of safeguarding our systems by duplicating, syncing and will move them to an offsite disaster recovery site soon.

As with most well thought out plans, you can never plan for the unforeseen. Delays due to the appointment of contractors and the cancelling of agreements and the reappointment of service providers, have greatly affected our ability to deliver on our set targets, but I'm pleased to say that most of our goals will be met in the 2014/15 financial year.

3.32.1 SERVICE STATISTICS – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Details	2013/14	2014/15	
	Estimate No.	Actual No.	Estimate No.
	%		
Disaster recovery Plan	50	33	100
Disaster recovery Site	100	<10	100
Fibre Optic	20	<10	40
All leased equipment placed (RentWorks)	100	100	100

Table 183: Service data for information and communication technology (ICT) services

3.32.2 SERVICE DELIVERY INDICATORS: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL4	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team	Review the ICT Master Systems Plan and submit to Council by end March	Plan completed and submitted to council by end March	All	1	1	1	

Table 184: Service delivery indicators: Information and Communication Technology (ICT)

3.32.3 EMPLOYEES: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	1	1	0	0

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SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
8 – 11	4	4	0	0
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	6	6	0	0

Table 185: Employees: Information and Communication Technology (ICT) Services

3.32.4 CAPITAL EXPENDITURE – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The table below indicates the amount that was actually spent on information and communication technology services projects for the 2013/14 financial year:

Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Water flooding alarm	0	21 550	21 550	0	81 565
Software: Backups	0	341 084	302 027	39 057	341 084
Total all	0	362 634	323 577	39 057	422 649
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 186: Capital expenditure 2013/14: Information and communication technology (ICT) services

3.33 RISK MANAGEMENT AND INTERNAL AUDIT

The Accounting Officer is responsible in terms of the MFMA to ensure that the municipality has and maintains effective, efficient and transparent systems of risk management, and internal audit operating in accordance with any prescribed norms and standards.

Risk management:

The internal audit activity was tasked with the following responsibilities as per the Public Sector Risk Management Framework under section 29(5):

- (a) assisting management to develop the risk management policy, strategy and implementation plan;
- (b) co-ordinating risk management activities;
- (c) facilitating identification and assessment of risks;

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- (d) recommending risk responses to management; and
- (e) developing and disseminating risk reports.

Although the internal audit activity was held responsible for the above, management took ownership of risks and the mitigation thereof. The internal audit activity's main focus in terms of risk management was the facilitation of the identification and assessment of risks, and the reporting thereof to council and relevant stakeholders. The risk assessment report was used to create a register of risks within the municipality, and which internal audit utilised to create its risk based internal audit plan.

3.33.1 SERVICE DELIVERY INDICATORS: INTERNAL AUDIT AND RISK MANAGEMENT

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual Performance 2012/13	Overall Performance		
						Target	Actual	R
TL42	To actively participate in determining the future of our country	Risk based audit plan approved by June 2014	Plan approved	All	100%	1	1	
TL43	To actively participate in determining the future of our country	Compile an action plan to address the top 10 municipal risks by the end of June 2014	Action plan completed	All	New performance indicator for 2013/14. No comparatives available	1	1	

Table 187: Service delivery indicators:: Internal Audit and Risk Management

3.33.2 EMPLOYEES: INTERNAL AUDIT

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	2	2	0	0
8 – 11	2	1	1	50
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	5	4	1	25

Table 188: Employees: Internal Audit

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3.34 LEGAL SERVICES

3.34.1 SERVICE STATISTICS –LEGAL SERVICES

The table below indicates the service data for legal services:

Details	2012/13	2013/14	
	Description	Estimate No.	Actual No.
All new legislation and proclamations distributed to all departments	Electronic distribution directly accessible from Lexis Nexis and Butterworths	35 pieces of national legislation 3 pieces of provincial legislation 19 by-laws. All sent to administration for publication on website	57
Promulgate by-laws	Rules of Order for Internal Arrangement	1	Promulgated in provincial gazette on the 21 st of April 2014
Provide legal opinions and input on policies, contracts, agreements, legislation, by-laws and authorities	Done on request, difficult to list all, because received some verbally and not always in writing	117 legal opinions	117 legal opinions

Table 189: Service data for legal services

3.34.2 EMPLOYEES: LEGAL SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	0	0	0	0
8 – 11	0	0	0	0
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	1	1	0	0

Table 190: Employees: Legal Services

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3.35 EMPLOYEES: OTHER SERVICES

3.35.1 EMPLOYEES: TECHNICAL SERVICES: ADMINISTRATION

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	0	0	0	0
8 – 11	0	0	0	0
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	1	1	0	0

Table 191: Employees: Technical Services: Administration

3.35.2 EMPLOYEES: TECHNICAL SERVICES: BUILDING MAINTENANCE SERVICES

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	0	0	0	0
8 – 11	0	0	0	0
12 – 15	0	0	0	0
16 – 19	0	0	0	0
Total	1	1	0	0

Table 192: Employees: Technical Services: Building Maintenance Services

3.35.3 EMPLOYEES: MECHANICAL WORKSHOP

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	1	1	0	0
5 – 7	0	0	0	0
8 – 11	0	0	0	0
12 – 15	0	0	0	0

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SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
16 – 19	0	0	0	0
Total	1	1	0	0

Table 193: Employees: Mechanical Workshop

3.35.4 EMPLOYEES: ADMINISTRATION AND PROPERTY MANAGEMENT

SALGBC SCALES	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			
0 – 4	2	2	0	0
5 – 7	7	6	1	5
8 – 11	11	11	0	0
12 – 15	5	5	0	0
16 – 19	10	10	0	0
Total	35	34	1	2.85

Table 194: Employees: Administration and Property Management

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

3.36 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2014/15

The main development and service delivery priorities for 2014/15 forms part of the municipality's top layer SDBIP for 2014/15 and are indicated in the tables below:

3.36.1 ASSURE A SUSTAINABLE FUTURE THROUGH SOUND FINANCIAL MANAGEMENT, CONTINUOUS REVENUE GROWTH CORPORATE GOVERNANCE AND RISK MANAGEMENT PRACTICES

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	1.5
TL10	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-	Ratio achieved	All	10

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	operating grants received)/debt service payments due within the year) (%)			
TL11	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	10%
TL12	Develop an action plan to implement long term financial sustainability and viability and submit to the MM for approval by end September	Action plan submitted to MM by end September	All	1
TL13	Upgrade the electronic SCM system by end June	Upgraded electronic SCM system	All	1
TL14	Provide free basic electricity to indigent households earning less than R3500	Number of households receiving free basic electricity	All	7 000
TL15	Provide free basic water to indigent households earning less than R3500	Number of households receiving free basic water	All	7 000
TL16	Provide free basic sanitation to indigent households earning less than R3500	Number of households receiving free basic sanitation	All	7 000
TL17	Provide free basic refuse removal to indigent households earning less than R3500	Number of households receiving free basic refuse removal	All	7 000
TL18	Submit the approved financial statements to the Auditor-General by 31 August	Approved financial statements submitted to the AG by 31 August	All	1
TL19	Achieve a payment percentage of above 95% as per new NT norm $\{(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) \div Billed Revenue\} \times 100\}$	Payment % achieved	All	95%
TL20	Review the MGRO Clean Audit Plan and submit to MM by end January	MGRO Clean Audit Plan submitted to the MM by end January	All	1
TL21	Review the revenue enhancement plan by the end of December and submit to the MM	Revenue enhancement plan submitted to the MM by end December	All	1
TL22	The percentage of the municipal capital budget actually spent on capital projects identified in terms of the IDP $\{(Actual amount spent on projects as identified for the year in the IDP / Total amount spent on capital projects) \times 100\}$	% of the municipal budget spent $\{(Actual amount spent on projects as identified for the year in the IDP / Total amount spent on capital projects) \times 100\}$	All	95%
TL27	Compile a Risk Based Audit Plan and submit to the Audit Committee by end June	RBAP submitted to the audit committee by end June	All	1
TL28	Compile a risk register and submit to council by end May	Risk register submitted to council by end May	All	1

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL51	Spend 95% of all grant funding during the financial year in accordance with the transfer payment agreement	% of grant funding spent	All	95%
TL52	Achieve a 90% progress relative to the Procurement Plan on a monthly basis	% progress achieved	All	90%
TL54	90% of the approved capital budget spent (Actual expenditure divided by the total approved capital budget)	% of capital budget spent	All	90%

Table 195: *Service delivery priorities for 2014/15: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices*

3.36.2 ENSURE A HEALTHY AND PRODUCTIVE WORKFORCE AND AN EFFECTIVE AND EFFICIENT WORK ENVIRONMENT

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL30	The percentage of the municipality's operational budget actually spent on implementing its workplace skills plan (Actual amount spent on training/total operational budget)x100	(Actual amount spent on training/total operational budget)x100	All	1%
TL31	Limit vacancy rate to 15% of budgeted post (Number of funded posts vacant divided by budgeted funded posts)	(Number of funded posts vacant divided by budgeted funded posts)x100	All	15%
TL34	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed in the three highest levels of management	All	1
TL35	Compile and publish a list of all the By-Laws in the municipality and publish for public information by end June (CODEX)	List compiled and published by end June	All	1
TL36	Compile a new system of delegations and submit to council by end December	New system of delegations submitted to council by end June	All	1
TL37	Develop a policy on disposal of immovable properties and submit to council by end June	Policy submitted to council by end June	All	1
TL38	Submit bi-annual progress reports to council on the transfer of low cost housing	Number of reports submitted to council	All	2
TL39	Complete a Customer Survey and submit a report with findings and recommendations to council by end June	Customer Survey completed and report submitted to council by end June	All	1
TL53	90% of management (T12) posts filled in the Directorate {(actual positions filled divided by budgeted positions)x100}	% of filled posts	All	90%

Table 196: *Service delivery priorities for 2014/15: Ensure a healthy and productive workforce and an effective and efficient work environment*

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3.36.3 PROVIDE DEMOCRATIC, ACCOUNTABLE GOVERNMENT FOR LOCAL COMMUNITIES AND ENCOURAGE INVOLVEMENT OF COMMUNITIES AND COMMUNITY ORGANIZATIONS IN THE MATTERS OF LOCAL GOVERNMENT

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL6	Review, amend and/or Develop new Ward Participation Policy by the end of March 2015	New approved Ward Participation Policy by the end of March 2015	All	1

Table 197: Service delivery priorities for 2014/15: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

3.36.4 TO CREATE A UNIQUE AND CARING VALLEY OF SERVICE EXCELLENCE, OPPORTUNITY AND GROWTH

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL29	Compile a prioritised project list for the Regional Socio Economic Project and submit to council by end December	Prioritised project list submitted to council by end December	All	1

Table 198: Service delivery priorities for 2014/15: To create a unique and caring valley of service excellence, opportunity and growth

3.36.5 TO CREATE AN ENABLING ENVIRONMENT FOR EMPLOYMENT AND POVERTY AND POVERTY ERADICATION THROUGH PROACTIVE ECONOMIC DEVELOPMENT AND TOURISM

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL32	The number of FTE's created through the EPWP programme	Number of FTE's created	All	116
TL33	The number of job opportunities created through the municipality's CWP programme	Number of job opportunities created	All	800
TL40	Make SCM award for the alienation of the Uitvlugt Industrial Park by the end of June 2015	SCM award made by end of June 2015	All	1
TL41	Conduct a feasibility study of the future of the Worcester Aerodrome airfield facility by the end of December 2014	Feasibility study completed by the end of December 2014	All	1

Table 199: Service delivery priorities for 2014/15: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

3.36.6 TO ENSURE A SAFE, HEALTHY, CLEAN AND SUSTAINABLE EXTERNAL ENVIRONMENT FOR ALL BREEDE VALLEY'S PEOPLE

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL5	500 screenings conducted at the Shadow Centre by the end of June 2015	Number of screenings	All	500

Table 200: Service delivery priorities for 2014/15: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

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3.36.7 TO PROVIDE AND MAINTAIN BASIC SERVICES AND ENSURE SOCIAL UPLIFTMENT OF THE BREEDE VALLEY COMMUNITY

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Complete the construction of the modular library in Slanghoek by the end of June 2015	Library construction completed	All	1
TL2	Complete the first phase of the Avian Park Library by end of June 2015	First phase of the Avian park library completed by the end of June	All	1
TL3	Develop a by-law for the management control of rental units by the end of December 2014	By-law developed by the end of December	All	1
TL4	Appoint a service provider to implement the approved Human Settlement Plan by the end of October 2014	Service Provider appointed by the end of October 2014	All	1
TL7	Limit unaccounted for electricity to less than 14% $\{(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of Electricity Units Sold}) / \text{Number of Electricity Units Purchased and/or Generated} \} \times 100\}$	$(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of Electricity Units Sold}) / \text{Number of Electricity Units Purchased and/or Generated} \times 100$	All	14%
TL8	Limit unaccounted for water to less than 25% $\{(\text{Number of Kilolitres Water Purchased or Purified} - \text{Number of Kilolitres Water Sold}) / \text{Number of Kilolitres Water Purchased or Purified} \} \times 100\}$	$\{(\text{Number of Kilolitres Water Purchased or Purified} - \text{Number of Kilolitres Water Sold}) / \text{Number of Kilolitres Water Purchased or Purified} \} \times 100$	All	21%
TL23	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network	Number of residential properties which are billed for water or have pre-paid meters	All	38 733
TL24	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas)	All	24 312
TL25	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets)	Number of residential properties which are billed for sewerage	All	38 340
TL26	Number of formal residential properties for which refuse is removed once per week	Number of residential properties which are billed for refuse removal	All	34 416
TL42	Complete the new 11/66kV electricity substation at Worcester by the end of December 2014	Project completed	9; 10; 11; 12; 13; 14	1
TL43	Achieve a 90% waste water discharge compliance with regard to licence at Worcester and De Doorns WWTW	% waste water discharge that comply with microbial content	All	90%

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL44	Complete Phase 2 of the upgrade of Stettynskloof supply pipe line by September 2014	Phase 2 completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	1
TL45	Complete the upgrade of the Stettynskloof Booster Pump Station by the end of March 2015	Upgrade completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	1
TL46	Replace 250 water meters by the end of June 2015	Number of meters replaced	All	250
TL47	Square meters of roads resealed in Touwsriver and Worcester in terms of the approved MIG budget by the end of June 2015	Square meters of road resealed	1; 3; 4; 9; 10; 11; 12; 14; 16; 17; 18; 20; 21	200 000
TL48	Complete the construction of new retention ponds in De Doorns by the end of November 2014	Construction completed	2; 3; 4	1
TL49	Complete the bus route in De Doorns by the end of November 2014	Bus route completed	2; 3; 4	1
TL50	Achieve 95% average water quality level as measured per SANS 241 criteria	% water quality level	All	95%
TL55	Improve blue/green drop compliance to 80%	% compliance achieved	All	80%

Table 201: *Service delivery priorities for 2014/15: To provide and maintain basic services and ensure social upliftment of the Breede Valley community*



Chapter 4

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART I)

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a) National Key Performance Indicators – Municipal Transformation and Organisational Development

The following table indicates the municipality's performance in terms of the national key performance indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the national key performance area – municipal transformation and organisational development.

KPA & Indicators	Municipal achievement	Municipal achievement
	2012/13	2013/14
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	3 Coloured Males	4
The percentage of a municipality's training budget actually spent on implementing its workplace skills plan	1.1	1.09

Table 202: National KPIs: Municipal transformation and organisational development

b) Highlights – Municipal Transformation and Organisational Development

Highlight	Description
A new Organisational Structure was approved	The municipality embarked on an organisational restructuring process in 2012. As part of this process, a new organisational structure was approved after proper consultation with all the relevant stakeholders, including organised labour. A comprehensive workshop with organised labour was held on 17 April 2013 who concurred with the new structure with certain limited reservations. The new Organisational Structure was approved on 20 August 2013.
Staff placement process	In fully executing the newly approved Organisational Structure, current staff had to be placed in positions. To facilitate the placement process, a Placement Policy was approved on 15 October 2013. The Placement Committee commenced on the 1st of November 2013 and concluded its preliminary work on the 28th of February 2014. With the exception of a few staff members, nearly all the staff were placed in positions on the approved staff structure. Following the official placement notification, staff also had the right to object to their placement and such objections are in the process of being finalised.
A new Recruitment and Selection Policy was approved	A new Recruitment and Selection Policy was approved on 19 November 2013 that facilitates a better framework for the recruitment of staff.
Tuned Assessment of Skills and Knowledge (TASK) and job description writing process	Local Government nationally through SALGA has accepted the TASK process as the official system for determining post grades and job descriptions at municipalities. In line with this, Breede Valley municipality embarked on a process to have all approved posts on the newly established organisational structure evaluated in terms of TASK. All newly filled posts were evaluated on TASK. A process was

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Highlight	Description
	also undertaken to have job descriptions drawn up in terms of TASK for the entire organisation

Table 203: Highlights: Municipal Transformation and Organisational Development

c) Challenges – Municipal Transformation and Organisational Development

Challenge	Actions to address
Occupational Health and Safety	The municipality had, for the most part of the year, its Occupational Health and Safety post vacant. This presented several challenges for compliance with Health and Safety related norms and standards. In the early part of 2014 this position was filled and various corrective measures has immediately been undertaken
Vacancies and recruitment of staff	Due to the placement process, vacancies could not be readily filled. During the placement process the pause and play principle was adopted. This entailed that the advertisement and recruitment for posts that were not considered as critical or specialist, would be paused and the post would be considered for filling through the possible placement process. This had a direct negative result on the vacancy targets of the municipality in the performance system. However, a very important and necessary step to take during the placement process.
Continuous review and development of the Organisational Structure	The new regulations for senior managers place an obligation on municipalities to annually review its organisational structure. This presents an opportunity for the structure to always be relevant and timely, but it creates an additional administrative burden of a cumbersome process to be completed

Table 204: Challenges: Municipal Transformation and Organisational Development

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Breede Valley Municipality as at 30 June 2014 employs 836, including permanent officials as well as employees appointed on long term fixed contracts, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of human resource management is to render an innovative HR service that addresses both skills development and an administrative function.

4.1.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the: "number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

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a) Employment Equity Targets/Actual

The draft Employment Equity Plan for the 2012-2017 period was submitted to the Local Labour Forum for consultation. Furthermore, the EEA2 and EEA4 reports were submitted to the Department of Labour on 15 January 2014.

b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	41 706	105 099	1 669	18 351	166 825
% population	25%	63%	1%	11%	100 %

Table 205: EE population 2013/14

c) Occupational Levels - Race

The table below categories the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	4	0	1	0	0	0	0	5
Senior management	2	6	1	8	0	2	0	2	21
Professionally qualified and experienced specialists and mid- management	4	28	0	17	3	12	0	4	68
Technicians	8	60	0	14	2	1	0	1	86
Community and Clerical workers	23	70	0	12	33	68	0	17	223
Machinery and driver operators	10	26	0	0	0	0	0	0	36
General workers	113	181	0	0	34	70	0	0	398
Grand total	160	375	1	52	72	153	0	24	836

Table 206: Occupational levels (totals on draft EE Plan: adjusted 1 July 2014)

4.1.2 VACANCY RATE

The approved organogram (2006) for the municipality had 1 036 posts for the 2013/14 financial year. The actual positions filled **836** are indicated in the tables below by post level and by functional level. The number of funded vacant positions at the end of 2013/14 was 144. The funded vacancy rate is 17%.

We have a high vacancy rate due to the fact that the new structure has not been approved. The placement of current staff first need to take place and provision was not made in the budget for the filling of new positions.

Below is a table that indicates the vacancies within the municipality:

Per occupational level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	5	0

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Per occupational level		
Post level	Filled	Vacant
Middle management	21	6
Professionals	68	15
Community and Clerical workers	308	86
Machinery and driver operators	36	15
General workers	398	22
Total	836	144
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	7	2
Strategic Support Services	71	17
Financial Services	98	12
Community Services	214	27
Technical Services	446	86
Total	836	144

Table 207: Vacancy rate per post (salary) and functional level (June 2014)

The table below indicates the number of staff per senior level expressed as total positions and current vacancies expressed as full time staff equivalents:

Salary level	Number of current critical vacancies	Number total posts as per organogram	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	0
Chief Financial Officer	0	1	0
Other Section 57	0	3	0
Senior Management	6	20	30%
Total	6	25	30%

Table 208: Vacancy rate per senior salary level

4.1.3 STAFF TURNOVER RATE

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the staff turnover rate within the municipality. The staff turnover rate shows an increase from 6.14% in 2012/13 to **6.48%** in 2013/14.

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The table below indicates the staff turnover rate over the last three years:

Financial year	Total no appointments at the end of each financial year	New appointments	No terminations during the year	Turn-over rate
2011/12	930	79	42	4.5%
2012/13	862	39	55	6.14%
2013/14	836	22	54	6.48%

Table 209: Staff turnover rate as at 30 June 2014

The table below shows a breakdown of the different categories of the terminations:

Month	Appoint-ments	Promo-tions	Total	Retire-ments	Dismissals	Resigna-tions	Disabled	Death	Total
July 2013	6	9	15	2	3	1	0	0	6
August 2013	1	0	1	2	2	0	0	1	5
September 2013	0	1	1	2	0	0	0	0	2
October 2013	3	1	4	1	0	1	0	0	2
November 2013	1	0	1	0	1	2	0	0	3
December 2013	3	1	4	4	0	6	0	0	10
January 2014	3	1	4	1	1	1	1	0	4
February 2014	1	0	1	0	1	2	0	0	3
March 2014	0	0	0	1	0	2	1	0	4
April 2014	1	0	1	2	0	3	0	0	5
May 2014	1	4	5	2	3	1	1	0	7
June 2014	2	1	3	0	0	2	0	1	3
Total	22	18	40	17	11	21	3	2	54

Table 210: Termination Categories

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART I)

4.2 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.1 INJURIES

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

Injuries show a decrease of 121 employees for the 2013/14 financial year from 125 employees in the 2012/13 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

The table below indicates the total number of injuries within the different directorates:

Directorates	2012/13	2013/14
Municipal Manager	0	1
Strategic Support Services	2	21
Financial Services	5	5
Community Services	10	9
Technical Services	108	85
Total	125	121

Table 211: Injuries

Injuries in Technical Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.2.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave taken during the 2013/14 financial year (**9 787**) shows a **decrease** when compared with the 2012/13 financial year (10 394).

The table below indicates the total number sick leave days taken within the different directorates:

Department	2012/13	2013/14
Municipal Manager	20	60
Strategi Support Services	766	777
Financial Services	1 357	1 359
Community Services	2 365	1 595
Technical Services	5 886	5 996

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART I)

Department	2012/13	2013/14
Total	10 394	9 787

Table 212: Sick leave

It is an important task for management together with Human Resources, to monitor any suspicious behaviour related to possible sick leave abuse. While every case should be treated on its own merits, typical indicators of possible abuse could be:

- Regular single day sick leave, especially on a Friday or Monday
- Regular sick leave (day or two days) during each month and/or sick leave before or after a public holiday
- Sick leave before or after annual leave
- Regular sick leave on pay-day or the Monday after pay-day

Before any conclusions are made, a proper consultation with the staff member must be held to ensure all the facts are known. Sometimes alerting the staff member to your concerns may be sufficient to stop any potential abuse or problematic behaviour.

Human Resources provide printouts of employees who, in terms of their records are possible sick leave abusers, to the managers for further investigation. Counselling sessions are recorded and documentation placed on the personnel files.

The cost of sick leave days delay production at work and it is the main cause for service delivery to fall behind schedule. It also creates stress for other employees who must make up for the loss of productivity. The remaining staff in a team are also required to work overtime to make up for the time lost and it adds to overtime costs.

4.2.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/revised
Recruitment and selection policy	February 2011
OHSACT policy	February 2011

Table 213: Approved HR Policies

Policies Developed	
Name of policy	2013/14 Financial Year
HIV and AIDS Policy	All policies being work shopped with all stakeholders and will be taken to Council after review process have been finalized
Smoking Policy	
Bursary Policy	
Essential Users Scheme Policy	
Review of Recruitment and Selection Policy	
Disciplinary Policy and Procedure	

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Policies Developed	
Name of policy	2013/14 Financial Year
Employee Assistance Programme	
Employee Study Aid and Leave Policy	
Incapacity: Managing Poor Performance Policy	
Incapacity: Chronic Illness Policy	
Private Work	
Nepotism Policy	
Employment Imprisonment Policy	
Substance Abuse Policy	
Sexual Harassment Policy	
Overtime Policy	
Annual Closing of Municipal Offices Policy	
Private Protective Equipment Policy	
Rewards and Incentives Policy	
Individual Performance Management Policy	

Table 214: HR policies developed

All the above mentioned policies were compiled and submitted to the Local Labour Forum for consultation purposes. It was decided to arrange a workshop where all the Local Labour Forum Committee Members and Councillors can participate in the finalisation of the policies. The policies also need to include the procedures and processes to be followed with the implementation thereof. Previous dates were scheduled for the two day workshop, but had to be postponed due to unforeseen circumstances. The finalisation of these policies remains a priority and will be addressed as soon as possible.

4.2.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) The annual report for the financial year under review has been tabled and adopted by the municipal council,
- (2) An evaluation of performance in accordance with the provisions of regulation 23, and
- (3) Approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of Section 57 managers that received performance rewards during the 2013/14 financial year:

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART I)

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female	0	0	0
	Male	0	0	0
Asian	Female	0	0	0
	Male	0	0	0
Coloured	Female	0	0	0
	Male	2	2	40%
White	Female	0	0	0
	Male	1	1	20%
Disability	Female	0	0	0
	Male	0	0	0
Total		3	3	60%

Table 215: Performance rewards

4.3 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.3.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	5	5
Legislators, senior officials and managers	Female	3	3
	Male	17	17
Associate professionals and technicians	Female	6	6
	Male	12	12
Professionals	Female	1	1
	Male	12	12
Clerks	Female	24	2
	Male	37	10
Service and sales workers	Female	3	2

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Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
	Male	15	10
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	1	0
	Male	10	5
Elementary occupations	Female	50	21
	Male	80	26
Sub total	Female	88	35
	Male	188	97
Total		276	113

Table 216: Skills matrix

The supply chain process is a lengthy process and it is difficult to get accredited training providers in the different training needs that were prioritised in the Skills Development Plan for the 2013/14 financial year.

The following training was implemented:

Type of training	Details
K 53 – Examiners of Licenses	Traffic officers
Managing for Excellence	Library staff
Water and Waste water	Staff at Water Sewerage Works
Cherry picker	Staff at Electricity and Parks departments
Chainsaw operator	Parks departments
Advance driver training	Traffic officers
Transporting of Hazardous materials	Process controllers
Electrical modular	Staff at Electrical Department
Initiators and Chairperson	Management training
NASTRAC	Occupational safety reps
Prov. Treasury – SCM Workshop	Staff at Supply Chain
Protocol and Etiquette	Staff in offices at Mayoral Committee and PA's
Asterisk	IT staff
General metering course	Electrical staff

Table 217: Details of training implemented

4.3.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART I)

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

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
MM and Senior Managers	Female	13	0	0	4	13	4	13	-69
	Male	28	0	0	17	28	17	28	-39
Professionals	Female	5	0	0	5	5	5	5	0
	Male	32	0	0	13	20	13	20	-35
Community and Safety workers	Female	4	0	0	1	4	1	4	-75
	Male	82	0	0	12	27	12	27	-56
Technicians and Trade workers	Female	19	0	0	0	14	0	14	-100
	Male	47	0	0	0	30	0	30	-100
Clerks	Female	96	2	4	10	28	12	28	-57
	Male	50	2	6	12	41	12	41	-71
Service and sales workers	Female	34	0	0	2	24	2	24	-92
	Male	69	0	0	10	55	10	55	-82
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	0
	Male	36	0	0	0	28	0	28	-100
Elementary occupations	Female	104	0	0	21	37	21	37	-43
	Male	294	0	0	26	106	26	106	-75
Sub total	Female	275	2	4	43	125	45	125	-64
	Male	638	2	6	90	335	90	335	-73
Total		913	4	10	133	460	133	460	-71

Table 218: Skills Development

4.3.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R1 717 730** was allocated to the workplace skills plan and that **99.95%** of the total amount was spent in the 2013/14 financial year:

Total personnel budget	Total allocated	Total spent	% Spent
213 282 415	1 717 730	1 716 932.03	99.95

Table 219: Budget allocated and spent for skills development

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LGSETA requires all municipalities to submit quarterly training reports with evidence of attendance in order to ensure that actual training is taking place in terms of the skills development plan submitted for the 2013/14 financial year.

4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.4.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well beneath the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		%
2012/13	201 432	656 332	30.69
2013/14	212 535	682 297	31.14

Table 220: Personnel expenditure

Below is a summary of councillor and staff benefits for the year under review:

Financial year	2012/13	2013/14		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Councillors (Political office bearers plus other)				
Salary	9 084	9 748	9 870	9 863
Pension contributions	791	851	758	757
Medical aid contributions	100	107	102	101
Motor vehicle allowance	2 046	2 155	1 920	1 917
Cell phone allowance	597	639	856	854
Housing allowance	60	64	53	53
Other benefits or allowances	146	158	148	147
In-kind benefits	0	0	0	0
Subtotal - Councillors	12 823	13 723	13 707	13 693
% increase/(decrease)		7.0	6.9	6.8
Senior Managers				

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Financial year	2012/13	2013/14		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Salary	4 198	4 294	4 396	4 374
Pension contributions	143	222	414	412
Medical aid contributions	44	36	37	37
Motor vehicle allowance	489	556	570	568
Cell phone allowance	110	123	121	121
Housing allowance	0	0	0	0
Performance bonus	0	160	0	0
Other benefits or allowances	90	112	115	122
In-kind benefits	0	0	0	0
Subtotal - Senior managers	5 074	5 502	5 653	5 634
% increase/(decrease)		8.4	11.4	11.0
Other municipal staff				
Basic salaries and wages	112 221	133 662	117 480	117 046
Pension contributions	20 234	24 596	21 148	21 134
Medical aid contributions	10 017	13 373	10 652	10 640
Motor vehicle allowance	4 730	5 964	4 610	4 601
Cell phone allowance	549	650	735	732
Housing allowance	938	983	863	863
Overtime	11 226	6 852	12 574	12 571
Other benefits or allowances	19 847	22 239	21 594	21 443
Post-retirement benefit obligations	3 773	4 184	4 267	4 177
Subtotal - Other municipal staff	183 535	212 504	193 923	193 207
% increase/ (decrease)		15.8	5.7	5.3
Total municipality	201 432	231 729	213 282	212 535
% increase/(decrease)		15.0	5.9	5.5

Table 221: Personnel expenditure

**Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*



Chapter 5

CHAPTER 5: FINANCIAL PERFORMANCE

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2013/14 financial year:

Description	2012/13	2013/14			2013/14 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Financial performance						
Property rates	84 678	87 235	87 477	88 604	1.54	1.27
Service charges	386 018	413 378	413 429	403 769	-2.38	-2.39
Investment revenue	5 697	4 725	7 000	9 428	49.88	25.75
Transfers recognised - operational	104 194	126 963	138 910	117 722	-7.85	-18.00
Other own revenue	52 474	41 205	42 811	103 860	60.33	58.78
Total revenue (excluding capital transfers and contributions)	633 060	673 506	689 626	723 383	6.89	4.67
Employee costs	188 609	218 006	199 499	198 842	-9.64	-0.33
Remuneration of councillors	12 823	13 723	13 707	13 693	-0.22	-0.10
Depreciation & asset impairment	68 963	65 835	65 835	68 660	4.11	4.11
Finance charges	25 261	29 314	29 314	28 638	-2.36	-2.36
Materials and bulk purchases	242 314	254 353	259 879	254 292	-0.02	-2.20
Transfers and grants	28	200	200	132	-51.98	-51.98
Other expenditure	116 638	130 798	142 959	182 559	28.35	21.69
Total expenditure	654 635	712 229	711 393	746 816	4.63	4.74
Surplus/(Deficit)	(21 575)	(38 723)	(21 767)	(23 432)	-65.25	7.11
Transfers recognised - capital	66 491	82 433	83 159	76 127	-8.28	-9.24
Contributions recognised capital & contributed assets	0	0	13 859	13 859	100.00	0.00
Surplus/(Deficit) after capital transfers & contributions	44 915	43 710	75 251	66 553	34.32	-13.07
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	66 491	87 973	83 159	76 127	-15.56	-9.24
Public contributions & donations	0	0	13 859	13 859	100.00	0.00

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Description	2012/13	2013/14			2013/14 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Borrowing	24 975	19 645	27 992	24 422	19.56	-14.62
Internally generated funds	16 153	10 614	17 002	13 417	20.90	-26.72
Total sources of capital funds	107 618	118 231	142 011	127 825	7.51	-11.10
Financial position						
Total current assets	272 700	180 656	225 553	294 723	38.70	23.47
Total non-current assets	1 860 355	1 913 734	1 919 216	1 930 499	0.87	0.58
Total current liabilities	159 743	110 137	123 937	192 358	42.74	35.57
Total non-current liabilities	415 244	404 466	411 906	407 772	0.81	-1.01
Community wealth/Equity	1 558 068	1 579 787	1 608 926	1 625 092	2.79	0.99
Cash flows						
Net cash from (used) operating	122 488	91 174	129 992	161 627	44.01	20.17
Net cash from (used) investing	-91 657	-117 481	-141 531	-173 152	32.34	18.73
Net cash from (used) financing	25 498	-28 638	-28 504	-28 290	-0.47	0
Cash/cash equivalents at the beginning of the year	65 660	120 027	151 989	121 989	1.61	-24.59
Cash/cash equivalents at the year end	121 989	65 082	111 946	82 174	20.80	-36.23
Cash backing/surplus reconciliation						
Cash and investments available	151 989	95 082	111 946	167 174	43.12	33.04
Application of cash and investments	159 743	110 137	123 937	192 358	42.74	35.57
Balance - surplus (shortfall)	-7 754	-15 055	-11 911	-25 184	69.21	52.70
Asset management						
Asset register summary (WDV)	1 822 951	1 901 206	1 900 750	1 900 750	-0.02	0.00
Depreciation & asset impairment	65 939	65 835	65 835	65 835	0.00	0.00
Renewal of existing assets	1 210	0	2 808	2 808	100.00	0.00
Repairs and maintenance	45 473	42 351	48 332	48 332	12.37	0.00
Households below minimum service level						
Water	924	924	924	0	0	0
Sanitation/sewerage	1 233	818	558	0	0	0
Energy	0	0	0	0	0	0
Refuse	0	0	0	0	0	0
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 222: Financial performance 2013/14

CHAPTER 5: FINANCIAL PERFORMANCE

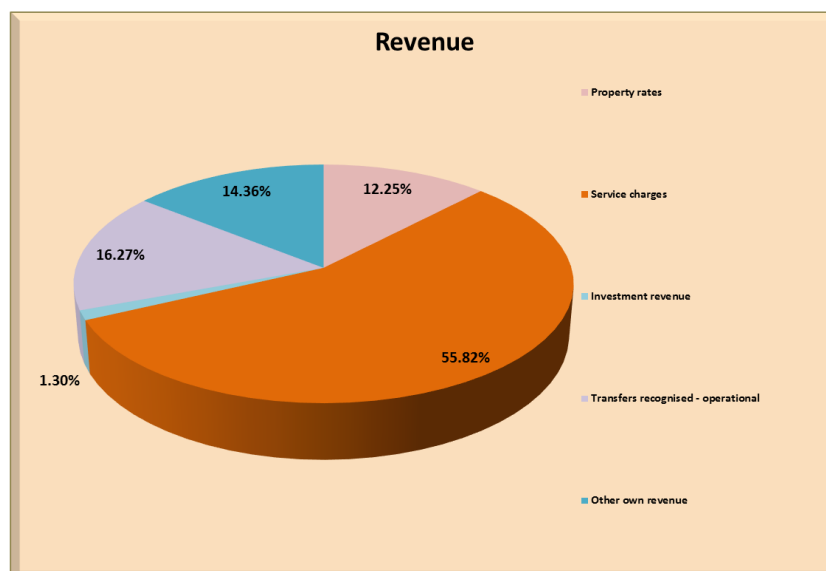
The table below shows a summary of performance against budgets

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2012/13	694 053	699 550	5 498	1	662 402	654 635	7 767	1
2013/14	786 643	813 369	26 725	3	711 393	746 816	(35 423)	-5

Table 223: Performance against budgets

The municipality budgeted **R711 393 million** to be spent in the 2013/14 financial year, but **R746 816 million** was actually spend for operating expenditure. Employee related costs and expenditure with regards to bulk services make up most of the total operating expenditure of the municipality. Municipal services and government grants account for most of the revenue for the year under review. Budget variances for 2012/13 and 2013/14 are less than 5%, which is acceptable.

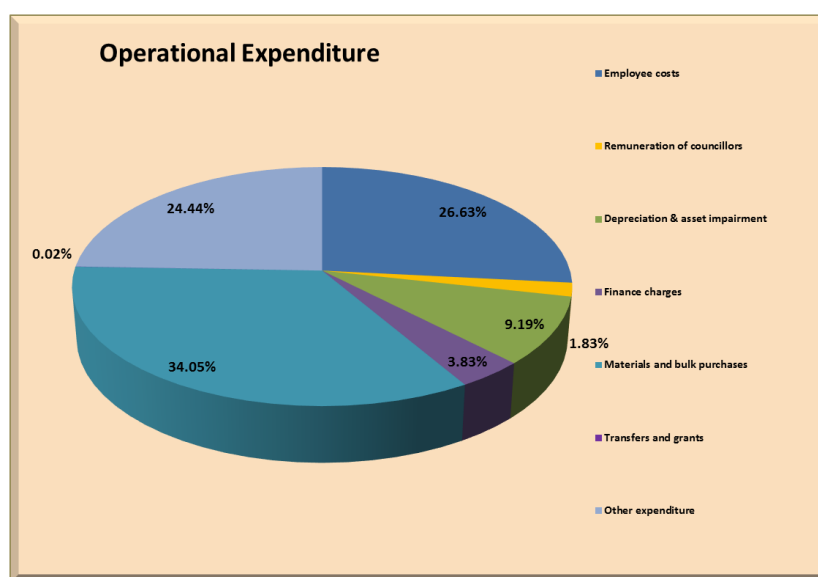
The following graph indicates the various types of revenue items in the municipal budget for 2013/14:



Graph 19: Revenue

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The following graph indicates the various types of expenditure items in the municipal budget for 2013/14:



Graph 20: Operating expenditure

5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote:

Vote description	2012/13	2013/14			2013/14 Variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000			%		
Vote 1 - Council General	700	104	327	394	73.71	17.13
Vote 2 - Municipal Manager	0	0	0	0	0.00	0.00
Vote 3 - Strategic Support Services	(243)	(234)	10 268	9 101	102.57	-12.82
Vote 4 - Financial Services	126 328	119 435	122 032	151 936	21.39	19.68
Vote 5 - Community Services	64 374	74 987	87 179	106 550	29.62	18.18
Vote 6 - Technical Services	508 391	561 648	566 838	545 386	-2.98	-3.93
Total revenue by vote	699 550	755 939	786 643	813 369	7.06	3.29
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						

Table 224: Revenue by vote

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5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the revenue collection performance by source for the 2013/14 financial year:

Vote description	2012/13	2013/14			2013/14 Variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Property rates	84 116	86 815	86 747	87 825	1.15	1.23
Property rates - penalties & collection charges	562	420	730	779	46.09	6.30
Service charges - electricity revenue	278 792	312 235	312 235	298 775	-4.51	-4.51
Service charges - water revenue	51 528	45 424	45 424	49 363	7.98	7.98
Service charges - sanitation revenue	49 138	49 058	49 058	49 628	1.15	1.15
Service charges - refuse revenue	27 455	27 861	27 861	29 161	4.46	4.46
Service charges - other	(20 895)	(21 200)	(21 150)	(23 157)	8.45	8.67
Rentals of facilities and equipment	11 431	12 373	12 373	11 540	-7.22	-7.22
Interest earned - external investments	5 697	4 725	7 000	9 428	49.88	25.75
Interest earned - outstanding debtors	2 309	2 379	2 379	2 737	13.07	13.07
Dividends received	0	0	0	0	0.00	0.00
Fines	19 597	12 909	12 909	52 035	75.19	75.19
Licences and permits	2 823	3 256	3 256	2 760	-17.99	-17.99
Agency services	4 395	3 806	5 000	5 225	27.15	4.31
Transfers recognised - operational	104 194	126 963	138 910	117 722	-7.85	-18.00
Other revenue	10 074	6 481	6 481	28 294	77.09	77.09
Gains on disposal of PPE	1 845	0	413	1 269	100.00	67.48
Total revenue (excluding capital transfers and contributions)	633 060	673 506	689 626	723 383	6.89	4.67
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 225: Revenue by source

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5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2013/14 financial year:

Vote description	2012/13	2013/14			2013/14 Variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjust-ments budget
	R'000				%	
Operating cost						
Governance and administration	4 435	(13 231)	(6 485)	25 549	151.79	125.38
Executive and council	(36 397)	(37 211)	(37 388)	(40 314)	7.70	7.26
Budget and treasury office	82 313	63 884	68 289	106 056	39.76	35.61
Corporate services	(41 481)	(39 904)	(37 386)	(40 194)	0.72	6.99
Community and Public Safety	(46 513)	(69 494)	(53 149)	(53 628)	-29.59	0.89
Community and social services	(14 787)	(15 642)	(5 716)	(5 759)	-171.60	0.75
Sport and recreation	(15 320)	(17 692)	(15 499)	(19 364)	8.63	19.96
Public safety	(20 555)	(29 300)	(27 197)	(19 366)	-51.29	-40.44
Housing	4 543	(6 437)	(4 323)	(9 023)	28.66	52.09
Health	(394)	(423)	(413)	(115)	-267.79	-259.57
Economic and environmental services	(35 748)	(28 900)	(24 291)	(23 488)	-23.04	-3.42
Planning and development	(6 954)	(8 251)	(7 179)	(7 759)	-6.33	7.48
Road transport	(23 274)	(14 768)	(11 738)	(10 818)	-36.51	-8.50
Environmental protection	(5 520)	(5 882)	(5 374)	(4 911)	-19.78	-9.45
Trading services	123 885	157 214	160 720	119 394	-31.68	-34.61
Electricity	39 894	82 039	66 300	49 031	-67.32	-35.22
Water	60 431	35 563	53 299	54 855	35.17	2.84
Waste water management	21 546	27 768	29 355	12 939	-114.60	-126.87
Waste management	2 014	11 844	11 766	2 569	-361.03	-357.98
Other	(1 144)	(1 878)	(1 544)	(1 274)	-47.45	-21.23
Total expenditure	44 915	43 710	75 251	66 553	34.32	-13.07
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 226: Operational services performance

CHAPTER 5: FINANCIAL PERFORMANCE

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

5.2.1 EXECUTIVE AND COUNCIL

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	735	142	365	425	66.60
Expenditure:					
Employees	28 022	31 299	30 299	30 076	-4.07
Repairs and maintenance	34	57	67	21	-165.15
Other	9 075	5 998	7 388	10 641	43.64
Total operational expenditure	37 132	37 353	37 753	40 739	8.31
Net operational (service) expenditure	(36 397)	(37 211)	(37 388)	(40 314)	7.70

Table 227: Financial performance: Executive and council

5.2.2 BUDGET AND TREASURY OFFICE

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	123 455	116 555	119 083	148 888	21.72
Expenditure:					
Employees	23 295	28 253	24 737	24 697	-14.40
Repairs and maintenance	350	440	1 031	948	53.58
Other	17 497	23 977	25 025	17 186	-39.52
Total operational expenditure	41 142	52 670	50 794	42 832	-22.97
Net operational (service) expenditure	82 313	63 884	68 289	106 056	39.76

Table 228: Financial performance: Budget and treasury office

CHAPTER 5: FINANCIAL PERFORMANCE

5.2.3 CORPORATE SERVICES

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	1 951	2 412	7 393	6 998	65.53
Expenditure:					
Employees	25 023	29 125	25 222	25 557	-13.96
Repairs and maintenance	5 010	4 116	4 609	4 182	1.56
Other	13 399	9 075	14 948	17 453	48.00
Total operational expenditure	43 433	42 316	44 779	47 191	10.33
Net operational (service) expenditure	(41 481)	(39 904)	(37 386)	(40 194)	0.72

Table 229: Financial performance: Corporate services

5.2.4 COMMUNITY AND SOCIAL SERVICES

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	511	771	10 382	10 310	92.52
Expenditure:					
Employees	10 897	11 894	11 395	11 376	-4.56
Repairs and maintenance	673	730	907	765	4.53
Other	3 728	3 788	3 797	3 929	3.57
Total operational expenditure	15 298	16 413	16 098	16 069	-2.14
Net operational (service) expenditure	(14 787)	(15 642)	(5 716)	(5 759)	-171.60

Table 230: Financial performance: Community and social services

5.2.5 SPORT AND RECREATION

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	970	904	2 710	(1 463)	161.82
Expenditure:					
Employees	11 286	12 088	11 778	11 776	-2.65
Repairs and maintenance	2 102	2 580	2 513	2 360	-9.35
Other	2 902	3 928	3 918	3 766	-4.31
Total operational expenditure	16 290	18 596	18 209	17 902	-3.88

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Net operational (service) expenditure	(15 320)	(17 692)	(15 499)	(19 364)	8.63

Table 231: Financial performance: Sport and recreation

5.2.6 PUBLIC SAFETY

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	20 069	13 710	16 877	55 497	75.30
Expenditure:					
Employees	29 343	32 492	33 088	32 717	0.69
Repairs and maintenance	1 596	2 036	2 390	2 316	12.09
Other	9 685	8 483	8 597	39 831	78.70
Total operational expenditure	40 623	43 010	44 074	74 864	42.55
Net operational (service) expenditure	(20 555)	(29 300)	(27 197)	(19 366)	-51.29

Table 232: Financial performance: Public safety

5.2.7 HOUSING

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	35 691	54 448	60 170	42 206	-29.01
Expenditure:					
Employees	1 886	2 685	1 896	1 895	-41.66
Repairs and maintenance	1 575	1 812	1 812	1 992	9.01
Other	27 688	56 388	60 786	47 342	-19.11
Total operational expenditure	31 148	60 885	64 494	51 229	-18.85
Net operational (service) expenditure	4 543	(6 437)	(4 323)	(9 023)	28.66

Table 233: Financial performance: Housing

CHAPTER 5: FINANCIAL PERFORMANCE

5.2.8 HEALTH

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	–	–	–	286	100.00
Expenditure:					
Employees	225	243	239	239	-1.79
Repairs and maintenance	–	–	–	–	#DIV/0!
Other	169	179	174	162	-10.67
Total operational expenditure	394	423	413	401	-5.38
Net operational (service) expenditure	(394)	(423)	(413)	(115)	-267.79

Table 234: Financial performance: Health

5.2.9 PLANNING AND DEVELOPMENT

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	1 187	1 073	1 640	1 062	-1.06
Expenditure:					
Employees	6 750	7 792	6 735	6 734	-15.71
Repairs and maintenance	1	5	5	0	-1462.13
Other	1 390	1 527	2 079	2 087	26.85
Total operational expenditure	8 141	9 324	8 819	8 821	-5.70
Net operational (service) expenditure	(6 954)	(8 251)	(7 179)	(7 759)	-6.33

Table 235: Financial performance: Planning and development

5.2.10 ROAD TRANSPORT

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	13 641	23 303	24 626	24 418	4.57
Expenditure:					
Employees	11 000	13 416	10 706	10 704	-25.33
Repairs and maintenance	4 405	3 469	4 115	3 860	10.14
Other	21 509	21 186	21 543	20 672	-2.49
Total operational expenditure	36 914	38 070	36 364	35 236	-8.04

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Net operational (service) expenditure	(23 274)	(14 768)	(11 738)	(10 818)	-36.51

Table 236: Financial performance: Road transport

5.2.11 ENVIRONMENTAL PROTECTION

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	3 475	2 746	2 889	1 863	-47.41
Expenditure:					
Employees	3 236	4 004	3 639	3 294	-21.54
Repairs and maintenance	4 412	3 300	3 303	2 587	-27.55
Other	1 348	1 324	1 321	892	-48.48
Total operational expenditure	8 995	8 628	8 263	6 773	-27.38
Net operational (service) expenditure	(5 520)	(5 882)	(5 374)	(4 911)	-19.78

Table 237: Financial performance: Environmental protection

5.2.12 ELECTRICITY

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	285 650	345 652	327 544	307 721	-12.33
Expenditure:					
Employees	15 601	17 997	15 760	15 759	-14.21
Repairs and Maintenance	11 295	10 425	10 425	12 328	15.44
Other	218 859	235 191	235 060	230 604	-1.99
Total operational expenditure	245 756	263 613	261 244	258 691	-1.90
Net operational (service) expenditure	39 894	82 039	66 300	49 031	-67.32

Table 238: Financial performance: Electricity

CHAPTER 5: FINANCIAL PERFORMANCE

5.2.13 WATER

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	96 703	80 185	97 680	102 177	21.52
Expenditure:					
Employees	12 175	14 850	13 469	13 468	-10.26
Repairs and Maintenance	4 055	3 367	6 553	6 261	46.22
Other	20 042	26 405	24 358	27 593	4.31
Total operational expenditure	36 272	44 622	44 380	47 322	5.71
Net operational (service) expenditure	60 431	35 563	53 299	54 855	35.17

Table 239: Financial performance: Water

5.2.14 WASTE WATER MANAGEMENT

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	79 668	76 367	77 377	73 915	-3.32
Expenditure:					
Employees	11 349	12 846	12 407	12 406	-3.55
Repairs and maintenance	6 084	6 088	6 728	6 502	6.37
Other	40 690	29 665	28 887	42 068	29.48
Total operational expenditure	58 122	48 599	48 022	60 976	20.30
Net operational (service) expenditure	21 546	27 768	29 355	12 939	-114.60

Table 240: Financial performance: Waste water management

5.2.15 WASTE MANAGEMENT

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	35 905	37 736	37 961	39 108	3.51
Expenditure:					
Employees	10 916	12 015	11 443	11 442	-5.00
Repairs and maintenance	3 752	3 577	3 172	2 750	-30.05
Other	19 223	10 300	11 580	22 347	53.91
Total operational expenditure	33 891	25 892	26 195	36 539	29.14

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Net operational (service) expenditure	2 014	11 844	11 766	2 569	-361.03

Table 241: Financial performance: Waste management

5.2.16 OTHER

Description	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	(60)	(65)	(53)	(43)	-50.78
Expenditure:					
Employees	428	729	393	392	-85.71
Repairs and maintenance	129	349	321	178	-95.66
Other	528	736	778	660	-11.48
Total operational expenditure	1 085	1 813	1 491	1 231	-47.33
Net operational (service) expenditure	(1 144)	(1 878)	(1 544)	(1 274)	-47.45

Table 242: Financial performance: Other

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The table below indicates the grant performance for the 2013/14 financial year:

Description	2012/13	2013/14			2013/14 Variance	
	Actual	Budget	Adjust- ments budget	Actual	Original budget	Adjust- ments budget
	R'000				%	
Operating and capital transfers and grants						
National Government:	66 190	146 814	145 315	139 135	-5.52	-4.44
Equitable share	62 986	67 964	67 964	67 964	0.00	0.00
Municipal Systems Improvement	800	890	890	693	-28.50	-28.50
Integrated National Electricity Program	0	26 000	8 167	2 558	-916.45	-219.28
Expanded Public Works Programme	956	1 000	1 000	1 000	0.00	0.00
EPWP: Social	198	0	1 648	1 275	100.00	-29.25
MIG - Project Management Unit	0	30 960	30 960	30 960	0.00	0.00
Regional Bulk Infrastructure	0	18 700	33 385	33 385	43.99	0.00

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2012/13	2013/14			2013/14 Variance	
	Actual	Budget	Adjust-ments budget	Actual	Original budget	Adjust-ments budget
	R'000				%	
Finance Management Grant	1 250	1 300	1 300	1 300	0.00	0.00
Provincial Government:	31 993	57 125	67 597	48 703	-17.29	-38.80
Housing	29 330	55 730	55 730	42 734	-30.41	-30.41
Avian Park Scheme	57	0	2 040	0	0.00	0.00
Access to Basic services	1 196	0	4 804	2 470	0.00	0.00
Proclaimed roads	114	87	87	87	-0.38	-0.38
Project Preparation ground	0	0	58	44	-9752.32	-31.41
Community Development Workers Operating Grant	338	0	140	140	100.00	0.58
Library Grant	957	1 308	1 308	1 130	-15.79	-15.79
Transport - Highstreet	0	0	1 000	667	100.00	-49.93
Upgrading land ownership	0	0	81	0	0.00	0.00
Medicinal Plants Project	0	0	67	67	100.00	0.00
Financial Caseware	0	0	250	160	100.00	-56.26
Long Term Financial Strategy	0	0	400	0	0.00	0.00
Shadow Centre traffic	0	0	446	146	100.00	-205.17
Improve Capacity of services	0	0	100	100	100.00	0.00
Fire Department Equipment service	0	0	79	79	100.00	0.00
Dept Sport and Culture	0	0	1 007	878	100.00	-14.72
Other grant providers:	6 010	5 457	23 004	19 870	72.54	-15.77
Seta	777	500	1 069	863	42.04	-23.91
Seta Learnership	0	600	600	196	-206.12	-206.12
Working for Water - DWAF	5 188	4 357	4 357	3 134	100.00	-39.04
Housing consumer Education	0	0	6	3	100.00	-100.27
Capacity building wards	32	0	2	2	100.00	0.00
Clean up Campaign of Sandhills Village	9	0	0	0	0.00	0.00
Waste removal in Sandhills Village	4	0	0	0	0.00	0.00
Registration of immovable property	0	0	1	1	100.00	0.02
Tourism	0	0	12	12	100.00	0.00
National Lottery grant	0	0	599	0	0.00	0.00
Donated assets	0	0	13 859	13 859	100.00	0.00
Disaster Relief grant	0	0	2 500	1 801	100.00	-38.78
Total Operating Transfers And Grants	104 194	209 396	235 916	207 708	-0.81	-13.58

Table 243: Grant performance for 2013/14

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5.3.2 CONDITIONAL GRANTS: EXCLUDING MIG

The performance in the spending of conditional grants is summarised as follows:

Details	Budget	Adjust- ments budget	Actual	Variance	
				Budget	Adjustments budget
	R'000			%	
Financial Management Grant (FMG)	1 250	1 300	1 300	1 300	0.00
Municipal Systems Improvement Grant	800	890	890	693	-28.50
Regional Bulk Infrastructure	19 335	18 700	33 385	33 385	43.99
Integrated National Electrification Programme	1 173	26 000	8 167	2 558	-916.45
Expanded Public Works Program(EPWP)	956	1 000	1 000	1 000	0.00
EPWP: Social sector	198	0	1 648	1 275	100.00
Lotto Money: Lawaai kamp sports ground	0	0	599	0	0.00
Transport - Highstreet	0	0	1 000	667	100.00
Upgrading land ownership	0	0	81	0	0.00!
Medicinal Plants Project	0	0	67	67	100.00
Financial Caseware	0	0	250	160	100.00
Long Term Financial Strategy	0	0	400	0	0.00
Shadow Centre traffic	654	0	446	146	100.00
Improve Capacity of services	0	0	100	100	100.00
Fire Deparment Equipment service	0	0	79	79	100.00
Dept Sport and Culture	337	0	1 007	878	100.00
Library Grant	1 021	1 308	1 308	1 130	-15.79
Projec Peperation ground	0	0	58	44	100.00
Community Development Workers Operating Grant	338	0	140	140	100.00
Proclaimed Roads	114	87	87	87	-0.38
Housing Grant	29 330	55 730	55 730	42 734	-30.41
Avian Park Scheme	57	0	2 040	0	0.00
Access ti Basic services	1 196	0	4 804	2 470	100.00
Seta	777	500	1 069	863	42.04
Seta Learnership	0	600	600	196	-206.12
Working for Water - DWAF	5 340	4 357	4 357	3 134	-39.04
Equitable share	62 986	67 964	67 964	67 964	0.00
Housing consumer Education	0	0	6	3	100.00
Capacity building wards	32	0	2	2	100.00
Clean up Campaign of Sandhills Village	9	0	0	0	0.00
Waste removal in Sandhills Village	4	0	0	0	0.00
Registration of immovable property	0	0	1	1	100.00

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Details	Budget	Adjust- ments budget	Actual	Variance	
				Budget	Adjustments budget
	R'000			%	
Tourism	0	0	12	12	100.00
Donated assets	0	0	13 859	13 859	100.00
De Doorns Taxi Shelter	37	0	0	0	0.00
Speedcalming Springveld	110	0	0	0	0.00
Upgrading Zwel taxi rank	65	0	0	0	0.00
UISP DeDoorns -577 New erven	13 559	0	0	0	0.00
Donation National lottery - Zwel sports	94	0	0	0	0.00
Disaster Relief grant	0	0	2 500	1 801	100.00
Total	139 773	178 436	204 956	176 748	-0.96
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report.					
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

Table 244: Conditional grant (excl. MIG)

No grants been held back over the financial year. All unspent grants after roll over approval will be included in programs for the 2014/15 financial year.

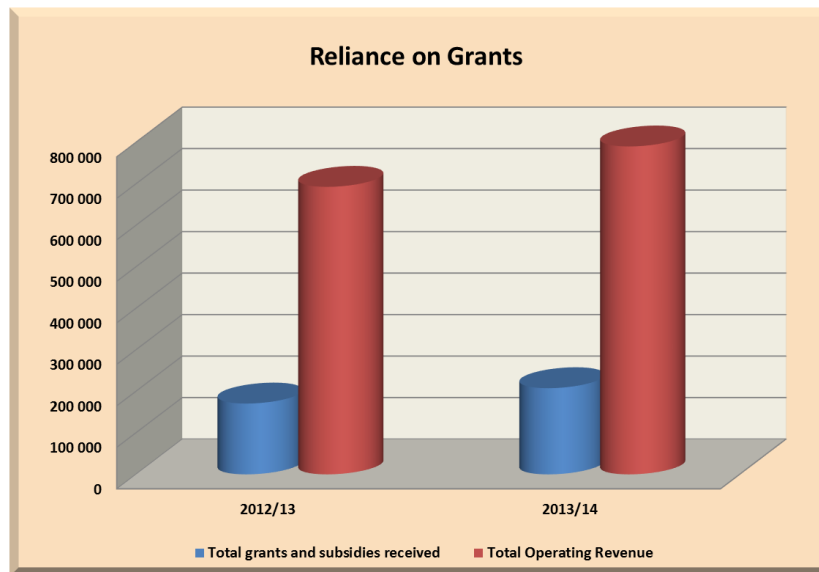
5.3.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2012/13	170 684	692 962	24.63
2013/14	207 708	790 282	26.28

Table 245: Reliance on grants

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The following graph indicates the municipality's reliance on grants for the last two financial years:



Graph 21: Reliance on grants

5.4 ASSET MANAGEMENT

The assets of the Breede Valley municipality (BVM) are managed in accordance with the asset management policy of BVM (the policy).

The policy is drawn up in line with the relevant statutory and regulatory frameworks and the relevant GRAP standards as set out by The Accounting Standards Board.

The key elements are:

Responsibilities of:

1. The Accounting Officer (Municipal Manager) - overall responsible for the assets of BVM
2. The Chief Financial Officer (Director: Finance) - delegated to ensure safeguarding of assets
3. The Asset Manager - accountable for asset under his/her directorate
4. The asset champions - senior officials responsible per department
5. The Asset Management Division - maintenance of the asset register, review & verifications
6. The Budgetary Division - providing detail on capital expenditure & funding

Financial management:

1. Planning
2. Funding
3. Acquisition

Accounting:

1. Capitalisation

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2. Classification of the assets
3. Costing process
4. Depreciation method; impairment
5. Disclosure

Internal control:

1. Asset register
2. Transfer
3. Safeguarding – Lost, theft, destruction
4. Verification and review

Disposal

Key issues under development

The constant development in GRAP and the addition of GRAP 21 & 26 on impairment request reviews in the policy.

5.4.1 TREATMENT OF THE THREE LARGEST ASSETS

Asset 1		
Name	Worcester West Water Treatment Plant	
Description	WWTW	
Asset type	Infrastructure	
Key staff involved	Manager Bulk services, Superintendent Waste water, Senior Chemist	
Staff responsibilities	Managing and maintaining the daily operations of the plant	
Asset value	2012/13	2013/14
	0	181 701
Capital implications	Provision in the Capital Replacement Reserve	
Future purpose of asset	Ensure continuous treatment of waste water for the Worcester area	
Describe key issues	Scheduled & Routine Maintenance, Skills level of Staff and Licence Compliance.	
Policies in place to manage asset	Council Asset Management Policy. Asset Maintenance plans	

Table 246: Summary of largest asset

Asset 2		
Name	Stettynskloof	
Description	Stettynskloof Water Purification	
Asset type	Infrastructure	
Key staff involved	Manager Bulk services, Superintendent Bulk water, Supervisor Waterplant	
Staff responsibilities	Managing and maintaining the daily operations of the plant	
Asset value	2012/13	2013/14
	0	128 719

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Asset 2	
Capital implications	Provision in the Capital Replacement Reserve
Future purpose of asset	To provide clean drinking water to the residents of Worcester
Describe key issues	Scheduled & Routine Maintenance, Skills level of Staff and Licence Compliance.
Policies in place to manage asset	Council Asset Management Policy. Asset Maintenance plans

Table 247: Summary of 2nd largest asset

Asset 3		
Name	Prepaid Meter	
Description	Residential Consumer Electric Prepaid Meters	
Asset type	Infrastructure	
Key staff involved	Senior Manger Electrical service,Liaison Officer	
Staff responsibilities	Installation, Commission, Decommissioning, Replacement	
Asset value: At cost	2012/13	2013/14
	0	47 253
Capital implications	Provision in the Capital Replacement Reserve	
Future purpose of asset	To provide prepaid Electricity to the residents of Worcester	
Describe key issues	Skills level of staff, Nersa Compliance, Electricity theft	
Policies in place to manage asset	Nersa regulations, Replacement plans, BVM Tariff policies	

Table 248: Summary of 3rd largest asset

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

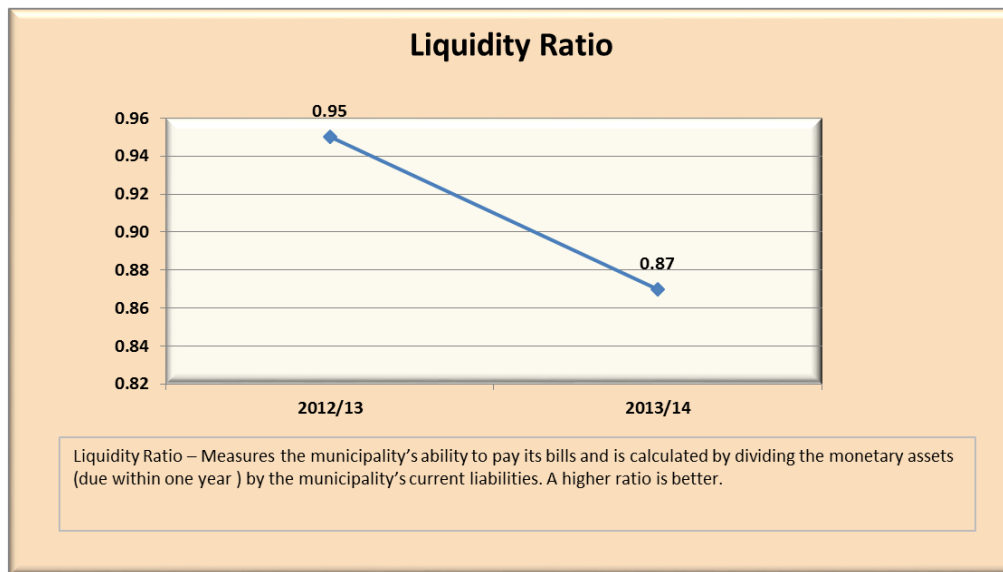
Description	Basis of calculation	2012/13	2013/14
		Pre-audit outcome	Audited outcome
Current ratio	Current assets/current liabilities	1.71	1.53
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.44	1.30
Liquidity ratio	Monetary assets/current liabilities	0.95	0.87

Table 249: Liquidity financial ratio

The current ratio indicates a Council's ability to meet its financial obligations such as payment for goods and services supplied. A ratio of 1:1 indicates that unrestricted current assets are available on hand to meet unrestricted current liabilities. It is furthermore an indication of a Council's solvency. Breede Valley's current ratio is 1.53 : 1 in 2013/14 which is above the norm and indicates that Council has sufficient cash on hand to meets its short term liabilities.

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The following graph indicates the liquidity financial ratio for 2013/14:



Graph 22: Liquidity ratio

5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2012/13	2013/14
		Pre-audit outcome	Audited outcome
Cost coverage	(Available cash + investments)/monthly fixed operational expenditure	2.79	2.69
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	13.41	11.66
Debt coverage	(Total operating revenue - operating grants)/debt service payments due within financial year)	11.44	11.66

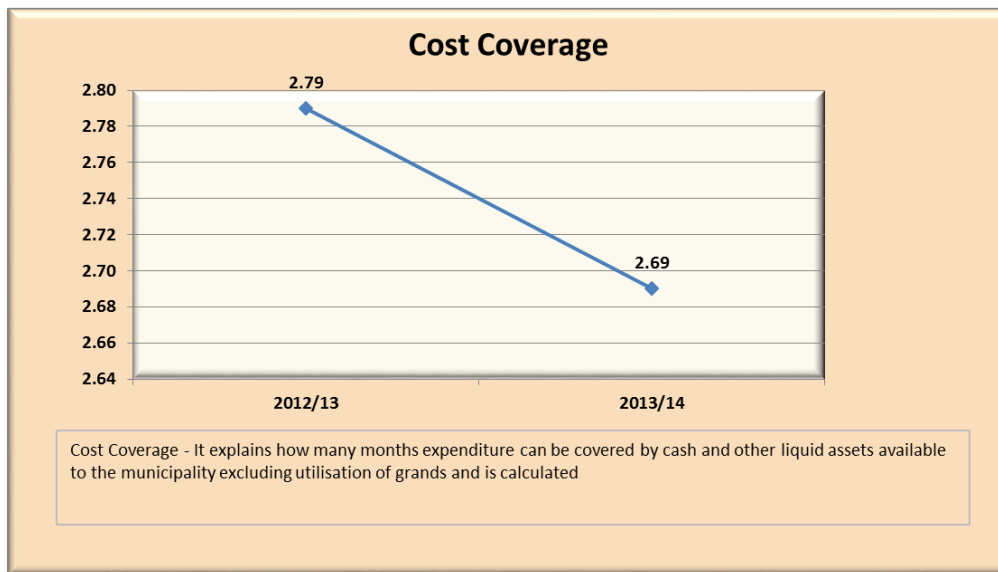
Table 250: Financial viability national KPAs

a) Cost Coverage

This ratio indicates the municipality's ability to meet its short-term (monthly) expenditures. It takes into consideration all available cash at a particular time including income from investments. The ratio has to be in excess of 1:1 with 2.69:1 being an acceptable ratio, because the ratio is even more than 2.0:1. The municipality might even considers reducing its cash levels to pay back its debt. However this ratio should be read in conjunction to other ratios

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The following graph indicates the cost coverage financial viability indicator:

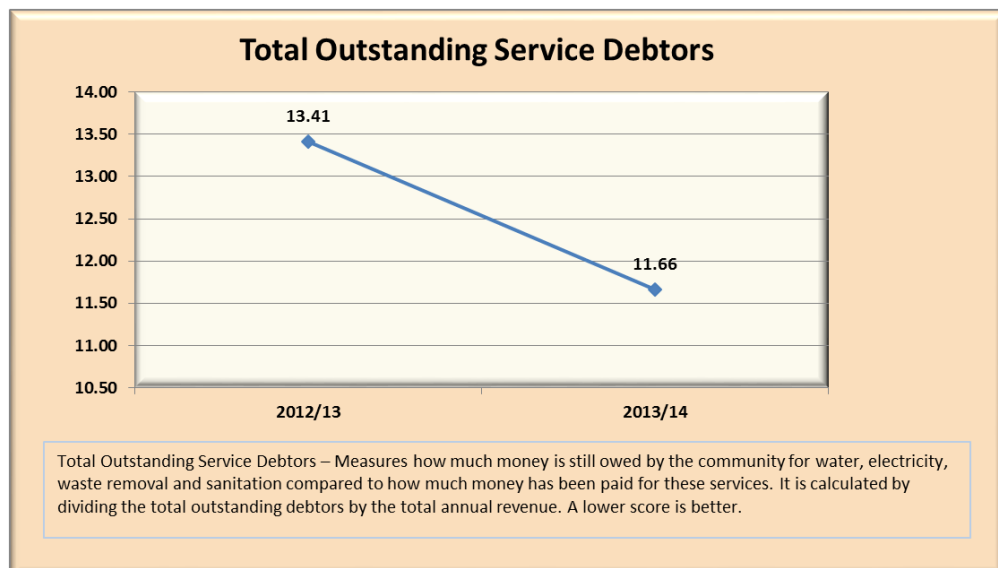


Graph 23: Cost coverage

b) Outstanding Service Debtors to Revenue

This ratio indicates how effective revenue collection is being executed by the municipality. The current outstanding debt is 11.66% of revenue. The municipality should continuously enhance revenue collection mechanism and enforce debt collection policies.

The following graph indicates the outstanding service to revenue financial viability indicator:



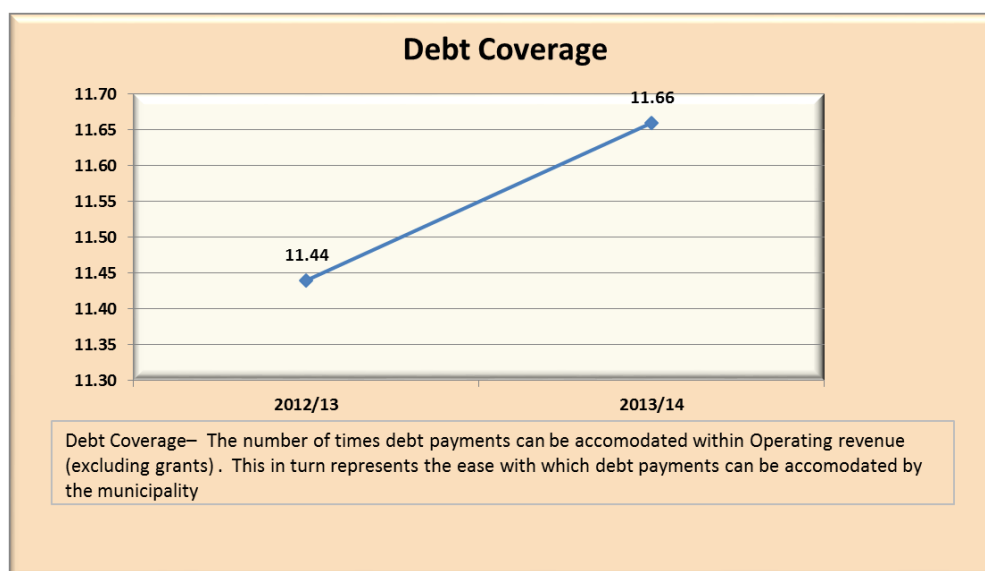
Graph 24: Total outstanding service debtors

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c) Debt Coverage

The debt coverage ratio shows the municipality's ability to service its debt payments. A debt coverage ratio of two is generally considered acceptable assuming the other tests of safety have been met. The higher the debt service ratio, the lower the risk. The municipality's ratio improved from 11.44 in 2012/13 to 11.66 in 2013/14.

The following graph indicates the debt coverage financial viability indicator:



Graph 25: Debt coverage

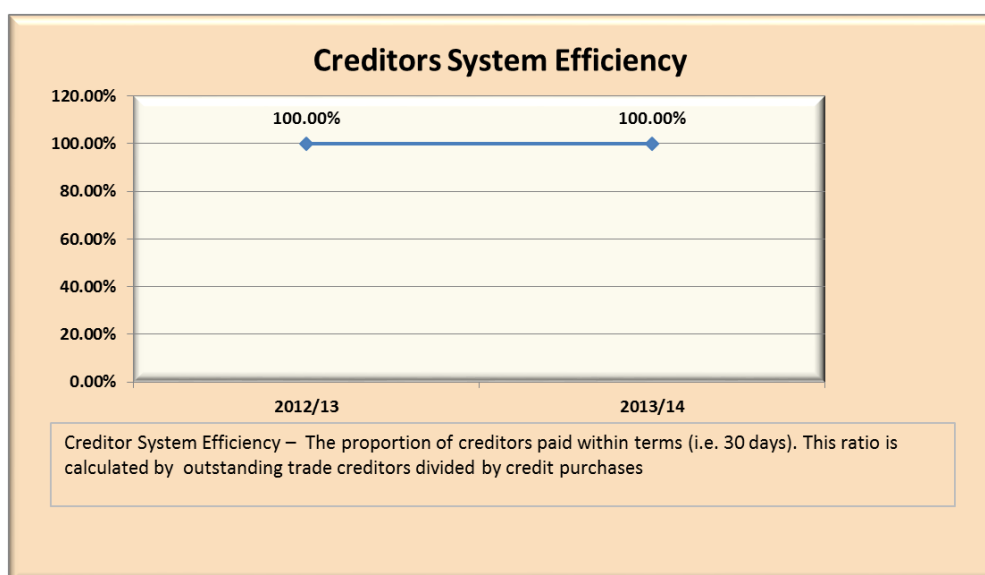
5.5.3 CREDITORS MANAGEMENT

Description	Basis of calculation	2012/13	2013/14
		Pre-audit outcome	Audited outcome
Creditors system efficiency	% of creditors paid within terms (within 'MFMA's 65(e))	100	100

Table 251: Creditors management

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The following graph indicates the percentage of all creditors paid within terms:



Graph 26: Creditors ratio

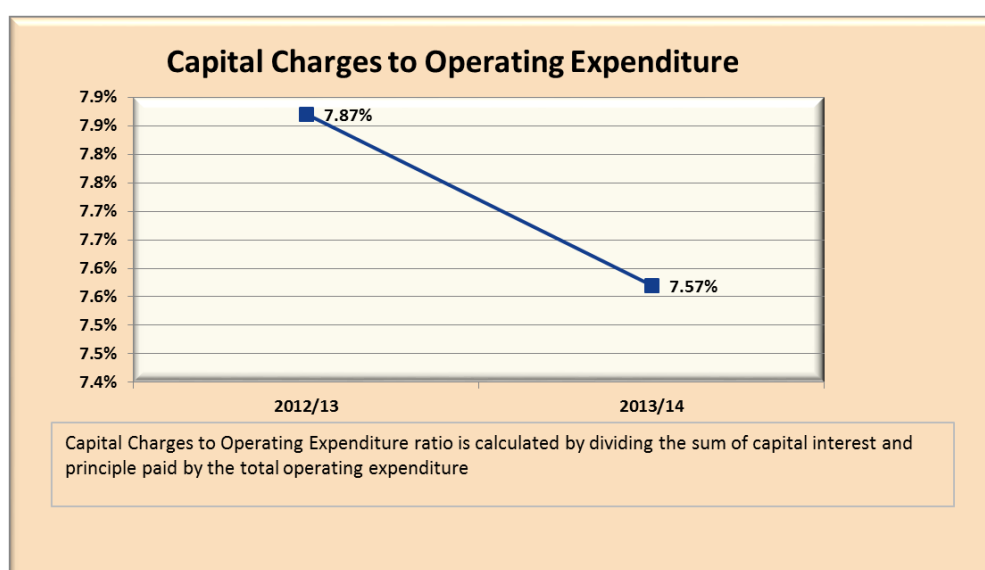
5.5.4 BORROWING MANAGEMENT

Description	Basis of calculation	2012/13	2013/14
		Pre-audit outcome	Audited outcome
Capital charges to operating expenditure	Interest & principal paid /operating expenditure	7.87	7.57

Table 252: Borrowing management

The ratio gives an indication of the total percentage paid on external loans. The ratio decreased from 7.87% in 2012/13 to 7.57% in 2013/14 which is within the norm of 18%.

The following graph indicates the ratio of capital charges to operating expenditure:



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Graph 27: Capital charges to operating expenditure ratio

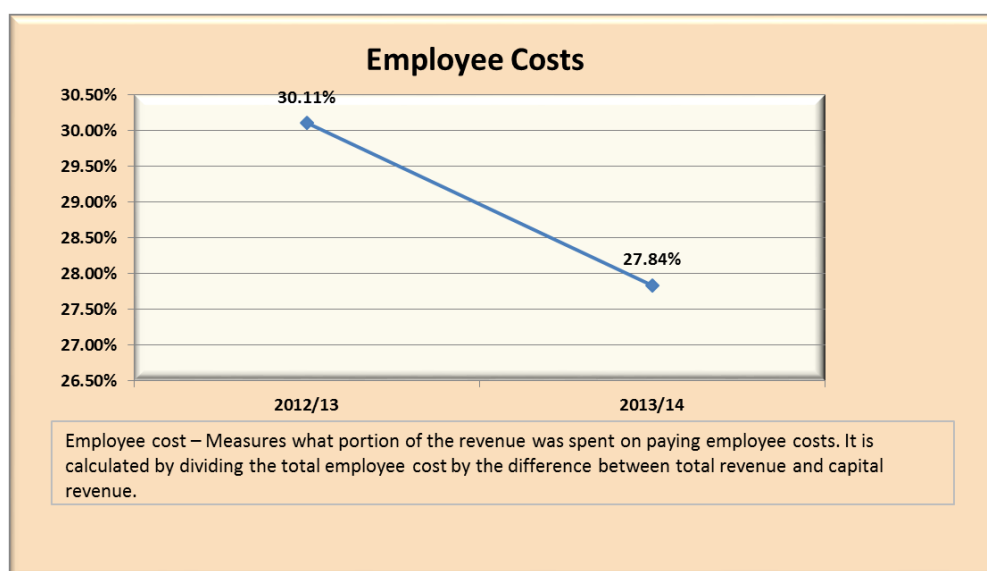
5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2012/13	2013/14
		Pre-audit outcome	Audited outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.11	27.84

Table 253: *Employee costs*

The ratio gives an indication of the total percentage paid on employee cost. The ratio decreased from a 30.11% in 2012/13 to 27.84% in 2013/14 which is within the norm of 35%.

The following graph indicates the employee costs ratio:



Graph 28: *Employee costs ratio*

5.5.6 REPAIRS & MAINTENANCE

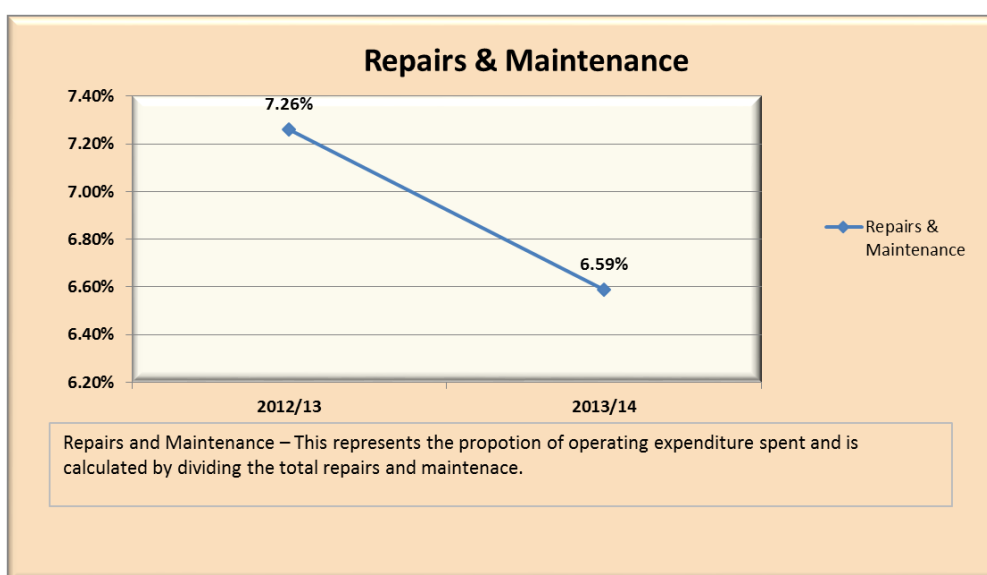
Description	Basis of calculation	2012/13	2013/14
		Pre-audit outcome	Audited outcome
Repairs & maintenance	R&M/(Total revenue excluding capital revenue)	7.26	6.59

Table 254: *Repairs and maintenance*

The ratio gives an indication of the total percentage paid on repairs and maintenance. The ratio decreased from a 7.26% in 2012/13 to a 6.59% in 2013/14 which is less than the norm of 8-12%. The municipality should consider maintaining their assets as impairments of these assets might have an effect on service delivery.

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The following graph indicates the ratio of repairs and maintenance:



Graph 29: Repairs and maintenance ratio

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend.

5.6 CAPITAL EXPENDITURE

5.6.1 CAPITAL EXPENDITURE BY NEW ASSETS PROGRAMME

Description	2012/13	2013/14			Planned capital expenditure		
	Actual	Original budget	Adjustment budget	Actual expenditure	2014/15	2015/16	2016/17
Capital expenditure by asset class							
R'000							
Infrastructure - Total	97 205	113 045	115 552	115 552	52 210	78 452	76 203
Infrastructure: Road transport -Total	12 146	23 483	25 461	25 461	18 629	13 476	4 909
Roads, pavements & bridges	12 146	23 483	25 461	25 461	18 629	10 331	4 909
Storm water	0	0	0	0	0	3 144	0
Infrastructure: Electricity - Total	26 709	40 661	25 586	25 586	2 336	23 544	44 145
Generation	0	0	0	0	0	0	0

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Description	2012/13	2013/14			Planned capital expenditure		
	Actual	Original budget	Adjustment budget	Actual expenditure	2014/15	2015/16	2016/17
Capital expenditure by asset class							
R'000							
Transmission & reticulation	22 720	32 700	17 626	17 626	2 330	22 537	35 550
Street lighting	3 989	7 961	7 961	7 961	6	1 007	8 595
Infrastructure: Water - Total	40 201	46 594	59 103	59 103	28 723	21 915	17 207
Dams & reservoirs	0	0	0	0	0	0	0
Water purification	0	0	0	0	0	0	0
Reticulation	40 201	46 594	59 103	59 103	28 723	21 915	17 207
Infrastructure: Sanitation - Total	17 138	2 307	4 890	4 890	1 021	19 517	9 942
Reticulation	84 097	2 307	4 631	4 631	1 021	19 517	9 942
Sewerage purification	(66 958)	0	259	259	0	0	0
Infrastructure: Other - Total	1 010	0	511	511	1 500	0	0
Waste management	1 010	0	511	511	1 500	0	0
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Community	3 663	2 780	2 912	2 911	400	–	–
Parks & gardens	0	0	0	0	0	0	0
Sports fields & stadia	0	0	0	0	0	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	0	0	0	0	0	0	0
Libraries	0	0	0	0	0	0	0
Recreational facilities	0	0	0	0	0	0	0
Fire, safety & emergency	59	0	1	0	0	0	0
Security and policing	3 591				400	0	
Busses	0	0	0	0	0	0	0
Clinics	0	0	0	0	0	0	0
Museums & art galleries	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0
Social rental housing	0	0	0	0	0	0	0
Other	3 604	2 780	2 911	2 911	400	0	0
Capital expenditure by asset class							
Heritage assets	5 541	2 406	20 739	20 740	12 035	5 767	8 868

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Description	2012/13	2013/14			Planned capital expenditure		
	Actual	Original budget	Adjustment budget	Actual expenditure	2014/15	2015/16	2016/17
Capital expenditure by asset class							
R'000							
Buildings	0	0	0	0	10	0	0
Other	0	0	0	0	0	0	0
Investment properties	0	0	0	0	0	0	0
Housing development	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Other assets	5 018	1 516	19 928	19 929	11 805	4 800	7 850
General vehicles	545	1 348	6 008	6 008	2 265	0	0
Specialised vehicles	0	0	0	0	0	0	0
Plant & equipment	2 152	0	1 233	1 233	2 553	500	500
Computers - hardware/equipment	281	0	550	550	80	0	0
Furniture and other office equipment	433	0	116	116	407	0	0
Abattoirs	0	0	0	0	0	0	0
Markets	0	0	0	0	0	0	0
Civic land and buildings	0	0	0	0	0	0	0
Other buildings	828	0	3 830	3 830	250	0	0
Other land	0	0	0	0	0	0	0
Surplus assets - (Investment or inventory)	0	0	0	0	0	0	0
Other	780	168	8 190	8 191	6 250	4 300	7 350
Intangibles	523	890	811	811	220	967	1 018
Computers - software & programming	523	890	811	811	220	967	1 018
Other	0	0	0	0	0	0	0
Total capital expenditure on renewal of existing assets	106 408	118 231	139 203	139 203	64 645	84 219	85 072
Specialised vehicles	0	0	0	0	0	0	0
Refuse	0	0	0	0	0	0	0
Fire	0	0	0	0	0	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0

Table 255: Capital expenditure: New assets programme

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5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2013/14 financial year:

Details	2012/13	2013/14			2013/14 Variance	
	Actual	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R"000				%	
Source of finance						
External loans	24 975	19 645	27 992	24 422	42.49	-18.17
Public contributions and donations	0	0	13 859	13 859	0.00	0.00
Grants and subsidies	66 491	87 973	83 159	76 127	-5.47	-7.99
Other	16 153	10 614	17 002	13 417	60.19	-33.78
Total	107 618	118 231	142 011	127 825	20.11	-12.00
Percentage of finance						
External loans	23	17	20	19	18.63	-3.64
Public contributions and donations	0	0	10	11	0.00	0.00
Grants and subsidies	62	74	59	60	-21.30	1.34
Own funding	15	9	12	10	33.37	-16.44
Capital expenditure						
Water and sanitation	57 339	48 901	66 793	62 663	36.59	-8.45
Electricity	27 919	40 616	25 541	16 377	-37.12	-22.56
Housing	897	897	897	897	0.00	0.00
Roads and storm water	12 146	23 483	25 461	24 773	8.42	-2.93
Other	9 317	4 334	23 319	23 115	438.02	-4.70
Total	107 618	118 231	142 011	127 825	20.11	-12.00
Percentage of expenditure						
Water and sanitation	53	41	47	49	13.72	4.81
Electricity	26	34	18	13	-47.65	-15.06
Housing	1	1	1	1	-16.75	9.24
Roads and storm water	11	20	18	19	-9.73	7.31
Other	9	4	16	18	347.93	45.37

Table 256: Capital expenditure by funding source

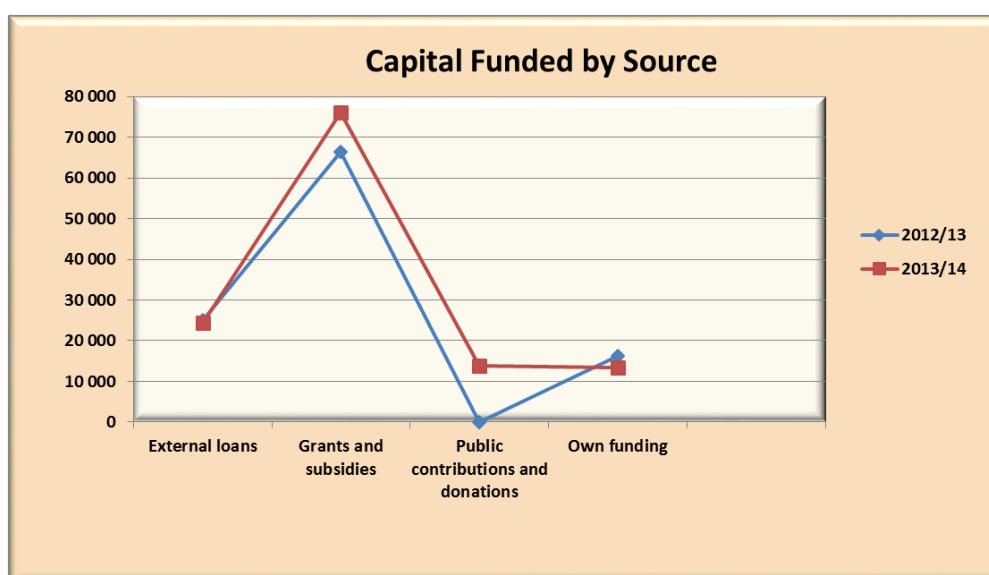
CHAPTER 5: FINANCIAL PERFORMANCE

5.7.1 CAPITAL FUNDED BY SOURCE

Description source	2012/13	2013/14
	R'000	
External loans	24 975	24 422
Grants and subsidies	66 491	76 127
Public contributions and donations	0	13 859
Own funding	16 153	13 417
Total capital expenditure	107 618	127 825

Table 257: Capital funded by source

The following graph indicates capital expenditure funded by the various sources:



Graph 30: Capital funded by source

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2013/14

Name of project	2013/14			Variance current year: 2013/14	
	Original budget	Adjustment budget	Actual expenditure	Original variance	Adjustment variance
	R'000			%	
Upgrading of Stettynskloof Supply Pipe Line - Worc	33 716	38 066	37 434	11.02	-1.66
Upgrading of Stettynskloof Supply Pipe Line -Rawsonville	6 369	13 197	12 863	101.96	-2.54
De Doorns South N1 - Storm water : New Retention Ponds	5 379	5 379	5 379	0.00	0.00
De Doorns South N1 - Bus Route	5 187	5 187	5 187	0.00	0.00

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Name of project	2013/14			Variance current year: 2013/14	
	Original budget	Adjustment budget	Actual expenditure	Original variance	Adjustment variance
	R'000			%	
Rehabilitation Bok River pipeline	4 384	4 384	4 384	0.00	0.00

Table 258: Capital expenditure on the 5 largest projects

Name of project - A	Upgrading of Stettynskloof Supply Pipe Line - Worcester
Objective of project	Increase the water supply to Worcester and Rawsonville
Delays	<p>a) Importing of pipes: The suppliers that met the specifications for the supply of the pipelines were not locally available and the pipes had to be ordered overseas.</p> <p>b) Stakeholder consents: Dealing with stakeholders as the pipeline passes through their properties and the haulage of the material to the site passes through their premises and storage.</p> <p>c) Access to site to lay pipes: The provision of a road for the bringing in the pipes where they will be installed as the topography was mountainous where the contractor was installing the pipeline.</p> <p>d) National labour strikes during September 2013.</p> <p>e) Adverse weather conditions.</p>
Future challenges	None
Anticipated citizen benefits	111 522

Table 259: Summary of project A – Upgrading of Stettynskloof Supply Pipe Line - Worcester

Name of project - B	Upgrading of Stettynskloof Supply Pipe Line -Rawsonville
Objective of project	Sustainable water supply to Rawsonville
Delays	<p>a) Importing of pipes: The suppliers that met the specifications for the supply of the pipelines were not locally available and the pipes had to be ordered overseas.</p> <p>b) Stakeholder consents: Dealing with stakeholders as the pipeline passes through their properties and the haulage of the material to the site passes through their premises and storage. Some of the pipeline will be passing through the informal settlement and the councillor will have to negotiate with the informal settlement dwellers.</p> <p>c) External approval processes: The Record of Decision was obtained on time for the project but there was a change in the position of the reservoir which required amendment to the Environmental Impact Assessment to Environmental Affairs.</p> <p>d) National labour strikes during September 2013.</p> <p>e) Adverse weather conditions.</p>
Future challenges	None
Anticipated citizen benefits	7 627

Table 260: Summary of project B – Upgrading of Stettynskloof Supply Pipe Line -Rawsonville

Name of project - C	De Doorns South N1 - Storm water : New Retention Ponds
Objective of project	Protection of lower laying residential areas
Delays	National labour strike September 2013 and adverse weather conditions.
Future challenges	None
Anticipated citizen benefits	9 592

Table 261: Summary of project C – De Doorns South N1 - Storm water : New Retention Ponds

Name of project - D	De Doorns South N1 - Bus Route
Objective of project	Increase the mobility of traffic and pedestrians

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Delays	National labour strike September 2013 and adverse weather conditions.
Future challenges	Funding for the completion of all bus routes within the development.
Anticipated citizen benefits	9 413

Table 262: Summary of project D - De Doorns South N1 - Bus Route

Name of project - E	Rehabilitation Bok River pipeline
Objective of project	Sustainable water supply to Touws River
Delays	a) Importing of pipes: The suppliers that met the specifications for the supply of the pipelines were not locally available and the pipes had to be ordered overseas. b) Adverse weather conditions.
Future challenges	Funding for the completion of phases 6 and 7
Anticipated citizen benefits	8 751

Table 263: Summary of project E – Rehabilitation Bok River pipeline

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.9.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Details	Budget	Adjustments budget	Actual	Variance	
				Budget	Adjust-ments budget
	R			%	
Infrastructure - Road transport	19 873 105	19 873 106	19 873 107	0.00	0.00
Roads, pavements & bridges	19 873 105	19 873 106	19 873 107	0.00	0.00
Storm water	0	0	0	0.00	0.00
Infrastructure – Electricity	5 790 836	5 790 837	5 790 838	0.00	0.00
Transmission & reticulation	0	0	0	0.00	0.00
Street lighting	5 790 836	5 790 837	5 790 838	0.00	0.00
Infrastructure - Water	4 726 059	4 726 060	4 726 061	0.00	0.00
Reticulation	4 726 059	4 726 060	4 726 061	0.00	0.00
Water purification	0	0	0	0.00	0.00
Infrastructure - Sanitation	570 000	570 001	570 002	0.00	0.00
Reticulation	570 000	570 001	570 002	0.00	0.00
Sewerage purification	0	0	0	0.00	0.00
Infrastructure - Other	0	0	0	0.00	0.00
Outdoor Sport facilities	0	0	0	0.00	0.00
Other:	0	0	0	0.00	0.00
Total	30 960 000	30 960 004	30 960 008	0.00	0.00
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: water, sanitation, roads, and electricity. Note the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

Table 264: Municipal Infrastructure Grant (MIG)

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COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

- BVM ensure the availability at all times of adequate liquid resources for operational purpose and investment in assets.
- Obtain an optimal balance between available cash and cash investments.
- Attain the highest possible return at the lowest risk on investments
- Ensure the safety of public funds by proper stewardship and accountability of cash resources.
- Collect all monies as soon as possible after they become payable and deposit it into a bank account.
- Ensure effective control over expenditure and proper planning of payments.
- Cash receipts are balanced daily.
- All monies are banked promptly.
- Adequate internal control systems exist.
- Assets are safeguarded to prevent theft and fraud.
- Audit checks are carried out regularly.
- Bank reconciliations are prepared and certified regularly.
- Payment of creditors and salaries are controlled.

5.10 CASH FLOW

Description	2012/13	2013/14		
	Audited outcome	Original budget	Adjusted budget	Actual
R'000				
Cash flow from operating activities				
Receipts				
Ratepayers and other	494 634	540 635	542 462	521 112
Government – operating	104 692	126 963	131 229	144 937
Government – capital	64 905	82 433	76 951	90 545
Interest	5 697	7 032	9 379	9 428
Dividends	0	0	0	0
Payments				
Suppliers and employees	(522 152)	(636 677)	(601 854)	(574 407)
Finance charges	(25 261)	(29 011)	(27 973)	(28 638)
Transfers and Grants	(28)	(200)	(200)	(132)
Net cash from/(used) operating activities	122 488	91 174	129 992	162 845
Cash flow from investing activities				
Receipts				
Proceeds on disposal of PPE	3 709	0	0	4 455
Decrease (Increase) in non-current debtors	0	0	0	0

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Description	2012/13	2013/14		
	Audited outcome	Original budget	Adjusted budget	Actual
R'000				
Decrease (increase) in other non-current receivables	7 481	750	480	780
Decrease (increase) in non-current investments	5 000	0	0	(55 000)
Payments				
Capital assets	(107 619)	(118 231)	(142 011)	(124 391)
Net cash from/(used) investing activities	(91 429)	(117 481)	(141 531)	(174 156)
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase (decrease) in consumer deposits	0	0	0	0
Payments				
Repayment of borrowing	25 269	(28 638)	(28 504)	(28 504)
Net cash from/(used) financing activities	25 269	(28 638)	(28 504)	(28 504)
Net increase/(decrease) in cash held	56 329	(54 945)	(40 043)	(39 815)
Cash/cash equivalents at the year begin	65 660	120 027	151 989	121 989
Net increase on cash/cash equivalents at the year-end	121 989	65 082	111 946	82 174
<i>Source: MBRR SA7</i>				

Table 265: Cash flow

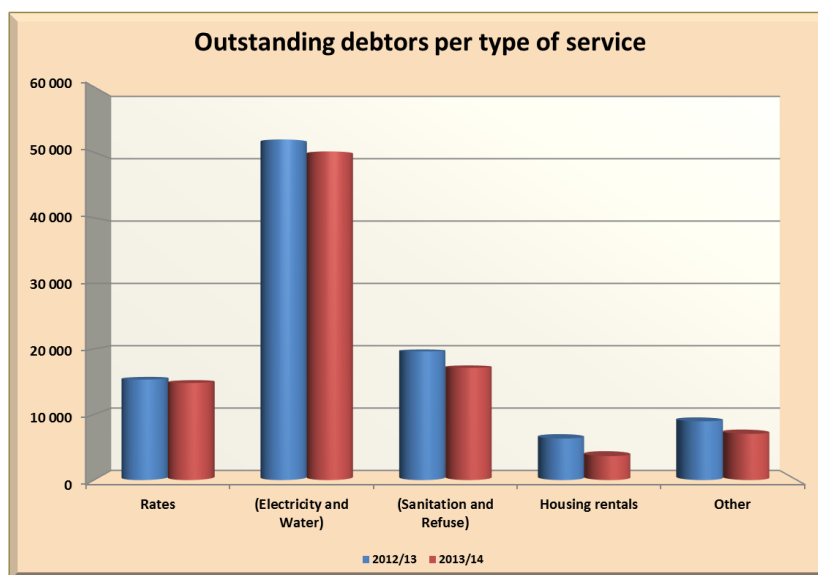
5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
	R'000					
2012/13	15 323	51 954	19 628	6 334	8 965	102 204
2013/14	14 809	50 127	17 121	3 657	7 050	92 764
Difference	514	1 827	2 507	2 677	1 915	9 440
% growth year on year	(3.3)	(3.5)	(12.77)	(42.26)	(21.36)	(9.2)
Note: Figures exclude provision for bad debt						

Table 266: Gross outstanding debtors per service

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The following graph indicates the total outstanding debt per type of service for 2013/14:



Graph 31: Debt per type of service

5.12 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2012/13	53 654	2 962	2 667	42 921	102 204
2013/14	42 279	3 876	2 744	43 865	92 764
Difference	11 375	(914)	(77)	(944)	9 440
% growth year on year	(21.2)	30.9	2.9	2.2	(9.2)

Note: Figures exclude provision for bad debt

Table 267: Service debtor age analysis

5.13 BORROWING AND INVESTMENTS

Money not immediately required is invested within a timeframe of 1 month to 12 months.

The investment policy is approved and gives effect to regulations.

5.13.1 ACTUAL BORROWINGS

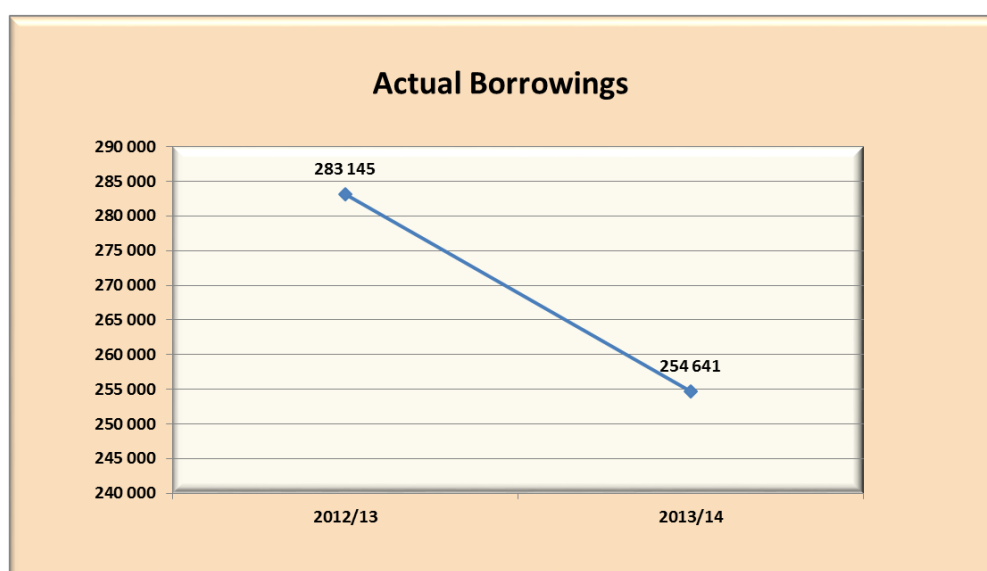
Instrument	2012/13	2013/14
	R'000	
Long-term loans (annuity/reducing balance)	283 145	254 641
Long-term loans (non-annuity)	0	0
Local registered stock	0	0

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Instrument	2012/13	2013/14
	R'000	
Instalment credit	0	0
Financial leases	0	0
PPP liabilities	0	0
Finance granted by Cap equipment supplier	0	0
Marketable bonds	0	0
Non-marketable bonds	0	0
Bankers acceptances	0	0
Financial derivatives	0	0
Other securities	0	0
Municipality total	283 145	254 641

Table 268: Actual borrowings

The following graph shows the municipal actual borrowings for the past two years:



Graph 32: Actual borrowings

5.13.2 MUNICIPAL INVESTMENTS

Investment* type	2012/13	2013/14
	R'000	
Securities - National government	0	0
Listed corporate bonds	0	0
Deposits – Bank	30 000	85 000
Deposits - Public investment commissioners	0	0
Deposits - Corporation for public deposits	0	0
Bankers acceptance certificates	0	0

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Investment* type	2012/13	2013/14
	R'000	
Negotiable certificates of deposit – Banks	0	0
Guaranteed endowment policies (sinking)	0	0
Repurchase agreements – Banks	0	0
Municipal bonds	0	0
Other	0	0
Municipality total	30 000	85 000

Table 269: Municipal investments

The table below indicates the declaration of loans and grants made by the municipality for the 2013/14 financial year:

All organisations or persons in receipt of loans/grants provided by the municipality	Value 2013/14	Total amount committed over previous and future years
	R'000	R'000
Grants paid to:		
SA Arts Association	21	43
Eden Skool L.S.O.	20	0
Victoria Primere Skool	40	0
Worcester Community Marching Band	10	0
Nuwe Begin Skuiling	10	0
Kidz of Education	10	0
Lukhanyo Home Educare	10	0
Nieuwe Morgens Primere Skool	10	0
Total:	131	43

Table 270: Declaration of loans and grants

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 SUPPLY CHAIN MANAGEMENT

The municipality does have policies and practices that comply with the guidelines set by the Supply Chain Management regulations of 2005. The Breede Valley municipality has a fully operational supply chain management committee system and no councillor is a part of the supply chain management process or committee system. The municipality is also very much focusing on the effective functioning of the supply chain management officials and enrolled the supply chain management manager and heads and also accountants for the municipal minimum competency training.

CHAPTER 5: FINANCIAL PERFORMANCE

5.15 GRAP COMPLIANCE

BVM comply with the following GRAP statements:

- GRAP 1: Presentation of financial statements
- GRAP 2: Cash flow statement
- GRAP 3: Accounting policies, changes in accounting estimates and errors
- GRAP 4: The effects of changes in foreign exchanges rates
- GRAP 5: Borrowing costs
- GRAP 6: Consolidated and separate financial statements
- GRAP 7: Investments in associates
- GRAP 8: Interests in joint ventures
- GRAP 9: Revenue from exchanges transactions
- GRAP 10: Financial reporting in hyperinflationary economies
- GRAP 11: Contraction contracts
- GRAP 12: Inventories
- GRAP 13: Leases
- GRAP 14: Events after the reporting date
- GRAP 16: Investment property
- GRAP 17: Property, plant and equipment
- GRAP 19: Provisions, contingent liabilities and contingent assets
- GRAP 21: Impairment of Non-Cash Generating Assets
- GRAP 23: Revenue from Non-exchange Transactions
- GRAP 24: Presentation of Budget Information in the Financial Statements
- GRAP 25: Employee Benefits
- GRAP 26: Impairment of Cash Generating Assets
- GRAP 27: Agriculture
- GRAP 31: Intangible Assets
- GRAP 100: Non-current assets held for sale and discontinued operations
- GRAP 101: Agriculture
- GRAP 102: Intangible assets
- GRAP 103: Heritage Assets
- GRAP 104: Financial Instruments
- IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue



Chapter 6

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2012/13

The following tables provide the details on the audit outcomes for the past two financial years with the correctives steps implemented:

6.1 AUDITOR GENERAL REPORTS 2012/13

Auditor-General Report on Financial Performance 2012/13	
Audit Report Status:	Unqualified with emphasis of matter
Non-Compliance Issues	Remedial Action Taken
Emphasis of matter:	
With reference to note 41 to the financial statements, the municipality is the defendant for a claim of R3 897 365 by Mojovi Buildings & Civils for cancelling a contract for building of houses in Avian Park. Furthermore, the municipality is the defendant for the following claims which have been instituted:	The matter is no longer seen as a contingency due to the fact that it was pending since 2009. Although confirmation was given that the case was at arbitration phase, no court papers have been received and this matter was subject to prescription
<ul style="list-style-type: none"> A former employee who resigned claiming an amount of R18 801 for outstanding leave 	A settlement agreement was reached in the 2013/14 financial year with the employee. The amount due to him has been settled against his outstanding debt and a debtor account was created
<ul style="list-style-type: none"> A labour dispute between a former employee and the municipality to the amount of R149 466 	Final arbitration award payment made on 12 November 2013 by the municipality
<ul style="list-style-type: none"> There is a dispute between the trade union, IMATU, and the employers' organisation, SALGA, over the implementation of the TASK wage curve, which if the union is successful in the application may result in a back pay to employees. The matter is currently under review in the labour court. As a result of the uncertainties arising from the dispute declared by the unions and the pending litigation regarding the wage curve agreement, the municipality may have an additional receivable/ payable for employee wages, depending on the outcome of the pending litigation. It is not practicable to reliably estimate the amount of this receivable/ payable prior to the outcome of the pending litigation 	The case was dismissed with no cost to the municipality
<ul style="list-style-type: none"> Insurance claims to the amount of R1 689 393 in respect of public liability 	It is the view of management that it is unlikely that these claims will be paid out, but might realise due to past experience
<ul style="list-style-type: none"> Claims for damages to the amount of R17 051 	It is the view of management that it is unlikely that these claims will be paid out, but might realise due to past experience
Restatement of corresponding figures:	
As disclosed in note 43 and 44 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 Breede Valley Municipality at, and for the year ended, 30 June 2013	The amendments have been made and a proper basis has been set for more accurate annual financial statements for the next financial year. The municipality hopes to compliment the current capacity of staff in order to constructively deal with the challenges of GRAP in future
Material losses:	

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

Auditor-General Report on Financial Performance 2012/13	
As disclosed in note 31 to the financial statements the municipality wrote off bad debts to the amount of R4 111 479 as these debtors were found to be unable to settle their accounts due to their economic circumstances	The debtor collection period and bad debts written-off indicate efficient management of debtors when compared to the ratios of another municipality
As disclosed in note 51 to the financial statements the municipality incurred significant water losses of 15.63% or 2 203 168 kilolitres respectively due to technical and non-technical losses and significant electricity losses of 7.39% or 23 792 009 kilowatts respectively due to technical and non-technical losses	Still in progress for further improvement although already within the requested norm

Table 271: AG report on financial performance 2012/13

COMPONENT B: AUDITOR-GENERAL OPINION 2013/14

6.2 AUDITOR GENERAL REPORT 2013/14

6.2.1 FINANCIAL PERFORMANCE 2013/14

Auditor-General Report on Financial Performance 2013/14	
Audit Report Status:	Unqualified with emphasis of matter
Non-Compliance Issues	Remedial Action Taken
<u>Emphasis of matter:</u>	
<u>Restatement of corresponding figures:</u>	
As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2013/14 in the financial statements of Breede Valley Municipality at, and for the year ended, 30 June 2013.	The amendments have been made and a proper basis has been set for more accurate annual financial statements for the next financial year. The municipality hopes to compliment the current capacity of staff in order to constructively deal with the challenges of GRAP in future
<u>Material Impairments:</u>	
As disclosed in note 7, 9 & 11 to the financial statements the municipality has provided for impairment of long term receivables, other receivables from non-exchange transactions and consumer debtors from exchange and non-exchange transactions of R7 million, R29.6 million and R29.8 million respectively, as management's impairment assessment indicated that these debtors would default on their accounts.	<ul style="list-style-type: none"> • Debts write-off policy approved by Council in March 2014 • Thorough process of debt collection in place • Water, electricity and sundry services debt prescribe after 3 years and rates, sewerage and refuse after 30 years • Classified as irrecoverable only if lawyers had no success with the debt collection process, companies are declared insolvent and debtors cannot be traced • Credit control and debt write – off policies strictly enforced by the municipality.

Table 272: AG report on financial performance 2013/14

6.2.2 SERVICE DELIVERY PERFORMANCE 2013/14

The Auditor-General in its audit report as at 30 June 2013 and 30 June 2014 respectively, did not find any material findings on the annual performance report concerning the usefulness and reliability of the information. The Auditor-General, furthermore, did not include any matters that have an impact on the audit findings on predetermined objectives reported.

LIST OF ABBREVIATIONS

AG	Auditor-General
BVM	Breede Valley Municipality
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DoRA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GDPR	Gross Domestic Product Rate
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MayCo	Executive Mayoral Committee
MBRR	Municipal Budget and Reporting Regulations
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-Governmental Organisation

LIST OF ABBREVIATIONS

NT	National Treasury
OPEX	Operating Expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
PPP	Public Private Partnership
EPWP	Extended Public Works Programmes



Аннехире А



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

BREEDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)****General Information**

Legal form of entity	Municipality (MFMA)
Mayoral committee	
Executive Mayor	A. Steyn
Councillors	J.D. Levendal (Deputy Executive Mayor) M. Sampson (Speaker) W.M. Blom A.M. du Toit S. Goedeman A.E. Jordaan W.R. Meiring M. Sampson E.Y. Sheldon J.F. van Zyl SJ Mei
Grading of local authority	Councillors Grade 4 Personnel Grade 10
Accounting Officer	GF Matthyse
Chief Finance Officer (CFO)	D. McThomas
Registered office	Civic Centre Baring Street Worcester 6850
Business address	Civic Centre Baring Street Worcester 6850
Postal address	Private Bag X3046 Worcester 6850
Bankers	ABSA Bank Limited
Auditors	Auditor-General of South Africa

BREEDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)****Index**

The reports and statements set out below, comprise of the financial statements presented to the Auditor-General of South Africa:

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BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the 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 responsible for reporting on the fair presentation of the financial statements and related financial information.

The financial statements have been prepared in accordance with 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 (Act No 56 of 2003).

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control, established by the municipality and 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 financial statements 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 financial statements.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2014 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The external auditors are responsible for auditing & Reporting on the municipality's financial statement.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's auditors.

Accounting Officer

29 August 2014

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Report of the Auditor-General



Annual Financial Statements were audited by the Auditor General.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2014.

1 Review of activities

Main business and operations

Breede Valley Municipality is situated in the Western Cape Province, 120 km north-east of Cape Town. Included in its boundaries are Worcester, Rawsonville, De Doorns and Touwsriver and surrounding rural areas. It covers 3833 sq. km and is home to around 166 825 people.

The municipality is set between three mountain ranges, incorporating some of the most valuable and fertile agricultural land in the country. The area is endowed with a diverse cultural history, regional accessibility and unique natural beauty that attract a great number of tourists.

The operating results for the year were pleasing for the following reasons; the financial position of the municipality is described to be sound, with an accumulated surplus of R 1,625,092,277 at year-end.

Net Surplus of the municipality is R 66,553,138 (2013: Restated surplus R 44,915,281). The overall summarised operating results for the Municipality in comparison to the approved budget are shown in the Statement of Financial Performance and also reflects a summary of income and expenditure. The segmental operating results are shown in Appendix G (A2) to the Financial Statements.

2 Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency analyses show that the assets cover the liabilities by 370.79% (2013: 370.89%). The coverage indicates that the Municipality operates as a going concern.

3 Subsequent events

1. During July 2014 movable assets to the value of R 381,868 was acquired from Worcester Agricultural Association (Kleinplasia) of which an settlement amount of R 20,000 was paid by the municipality.

2. Irregular expenditure was condoned at the Council meeting held on the 26th August 2014.

3. A settlement agreement for the contingent asset of SARS regarding the dispute with SARS regarding VAT has been reached.

4 Accounting policies

The financial statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5 Borrowings, Investments and Cash

The accounting officer may after approval of Council exercise all the powers of the municipality to borrow money, as he considers appropriate needs. Interest-bearing debt did not increase in the year ended 30 June 2014 to finance the Municipality's infrastructure capital programme. In the financial year ended 30 June 2014, the Municipality redeemed interest-bearing debt of R 27,973,367. The interest paid on borrowings as percentage of total expenditure is 3.84% (2013: 3.87%).

5 Borrowings, Investments and Cash (continued)

Investment as 30 June 2014 amounted to R 85,000,000 (2013: R 30,000,000). Investments and cash and cash equivalents increased by R 151,988,865 to R 167,173,774.

Additional information regarding loans, investments and cash and cash equivalents is provided in notes 6, 12, 13 and Appendix A to the Financial Statements.

6 Capital expenditure

The capital expenditure incurred during the year amounted to R 127,824,963 (2013: R 107,618,450) which represented 90.01% (2013: 78%) of the approved capital budget, R 142,011,455 (2013: R 138,345,278). A complete analysis of capital expenditure (budgeted and actual) per functional area is included in Appendix J(A5), while Appendix B contains detail according to asset class. More details regarding external loans used to finance fixed assets are shown in Appendix A.

7 Cash flow analysis

Cash generated from operating activities increased from R 122,488,424 to R 161,627,108 in 2014.

Summary of net cash flows

	2014	2013
	<u>R</u>	<u>R</u>
Cash from operating activities	161 627 108	122 488 424
Cash from investing activities	(173 152 279)	(91 657 697)
Cash from financing activities	(28 289 920)	25 498 164
Net increase/(decrease) in cash and cash equivalents	<u>(39 815 091)</u>	<u>56 328 891</u>

8 Credit rating

The Entity was rated by Moody's Investor Services during the previous financial year. Their rating and outlook for the Municipality was a Baa1.za rating due to the negative outlook on South Africa sovereign rating. To monitor our credit rating and capacity for long-term financing we consider various qualitative and quantitative factors. At 30 June 2013 and 30 June 2014, the current ratio was 1.71:1 and 1.53:1 respectively. This reflects a slight decrease in the ratio.

9 Accounting Officer

The accounting officer of the municipality during the year under review of this report is as follows:

Name	Nationality
G.F. Matthyse (employed March 2012)	South African

10 Auditors

Auditor-General of South Africa will continue in office for the next financial period.

BREEDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)****Statement of Financial Position as at 30 June 2014**

Figures in Rands	Note(s)	2014	2013 Restated
Assets			
Current Assets			
Short term investments	6	85 000 000	30 000 000
Current portion of long-term receivables	7	2 240 695	1 885 281
Inventories	8	29 109 041	27 545 837
Other receivables from non-exchange transactions	9	25 786 748	16 933 419
VAT receivable	10	7 500 118	5 418 610
Consumer debtors	11	62 912 431	68 928 344
Cash and cash equivalents	12	82 173 774	121 988 865
		<u>294 722 807</u>	<u>272 700 356</u>
Non-Current Assets			
Investment property	2	8 366 000	9 543 100
Property, plant and equipment	3	1 870 696 671	1 819 304 955
Intangible assets	4	5 221 314	4 936 680
Heritage assets	5	36 968 850	16 402 072
Long-term receivables	7	9 246 316	10 167 703
		<u>1 930 499 151</u>	<u>1 860 354 510</u>
Total Assets		<u>2 225 221 958</u>	<u>2 133 054 866</u>
Liabilities			
Current Liabilities			
Current portion of long term liabilities	13	26 468 195	28 503 504
Unspent conditional grants and receipts	14	50 409 982	22 636 050
Current portion of employee benefits	16	20 420 652	18 801 394
Trade and other payables from exchange transactions	18	91 750 538	86 707 478
Consumer deposits	19	3 308 208	3 094 624
		<u>192 357 575</u>	<u>159 743 050</u>
Non-Current Liabilities			
Long term liabilities	13	228 173 036	254 641 231
Non-current provisions	15	25 880 078	29 856 967
Non-current portion of employee benefits	16	153 718 992	130 745 669
		<u>407 772 106</u>	<u>415 243 867</u>
Total Liabilities		<u>600 129 681</u>	<u>574 986 917</u>
Net Assets		<u>1 625 092 277</u>	<u>1 558 067 949</u>
Reserves			
Accumulated surplus		1 625 092 277	1 558 067 949
Total Net Assets		<u>1 625 092 277</u>	<u>1 558 067 949</u>

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)
Statement of Financial Performance

2013 Restated	Figures in Rands	Note(s)	2014 Actual
	Revenue		
410 699 460	Revenue from exchange transactions		434 523 022
410 147 900	Service charges	21	431 008 897
11 430 816	Rental Income	25	11 540 284
4 394 905	Income from agency services		5 225 101
562 145	Property rates - penalties imposed and collection		779 100
2 822 657	Licences and permits		2 759 893
(31 995 912)	Revenue foregone		(35 430 587)
5 330 870	Other Income	26	6 475 861
8 006 079	Finance income	23	12 164 473
282 262 628	Revenue from non-exchange transactions		355 758 490
91 981 669	Property rates	20	96 015 628
19 596 871	Fines		52 035 143
170 684 088	Government grants and subsidies	22	207 707 719
692 962 088	Total Revenue		790 281 512
	Expenditure		
(188 608 845)	Employee related costs	28	(198 841 515)
(12 823 082)	Remuneration of councillors	29	(13 693 297)
(4 111 479)	Bad debts	30	-
(68 962 736)	Depreciation, amortisation and impairment	31	(68 660 087)
(1 716 129)	Rehabilitation	37	(1 761 561)
(196 840 831)	Bulk purchases	32	(207 240 966)
(25 261 052)	Finance costs	33	(28 637 978)
(210 531)	Collection costs		(198 886)
(45 473 088)	Repairs and maintenance		(47 050 677)
(7 291 207)	Contracted services	35	(7 665 612)
(27 600)	Grants and subsidies paid	36	(131 600)
(28 837 070)	Contributions to (from) debtors impairment, employee benefit obligation and leave payment accrual	37	(78 044 710)
(73 358 730)	General Expenses	27	(94 100 352)
(653 522 380)	Total Expenditure		(746 027 241)
732 015	Gains on disposal of assets		480 991
4 743 558	Fair value adjustments	24	21 817 876
44 915 281	Surplus (deficit) for the year		66 553 138
44 915 281	Attributable to:		
	Surplus (deficit) for the year		66 553 138

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)
Statement of Changes in Net Assets

	Note(s)	Housing Development Fund	Accumulated Surplus	Total net assets
Figures in Rand				
Balance at 30 June 2012		2 533 849	1 503 550 998	1 506 084 847
Movement for the year		(2 533 849)	(5 918 205)	(8 452 054.00)
Prior prior period errors: Assets	43.13	-	1 497 632 793	1 497 632 793
Prior prior period errors: Land fill site	43.13		(300 501)	(300 501)
Prior prior period errors: Heritage asset	43.13		15 898 277	15 898 277
Balance 30 June 2012 restated		-	(414 979)	(414 979)
		-	1 512 815 590	1 512 815 590
Surplus for the year			44 438 414	44 438 414
Other income			336 754	336 754
Prior period errors: Assets	43.13		(4 000)	(4 000)
Prior period errors: Debtors	43.13		2 957 689	2 957 689
Prior period errors: Assets	43.13		16 574	16 574
Prior period errors: Land fill Site	43.13		(2 470 039)	(2 470 039)
Prior period errors: Heritage asset	43.13		(23 033)	(23 033)
Movement for the year		-	0	-
Balance at 30 June 2013		-	1 558 067 949	1 558 067 949
Surplus Deficit for the year			66 553 138	66 553 138
Other income			471 190	471 190
Movement for the year			0	0
Balance at 30 June 2014			1 625 092 277	1 625 092 277

BREEDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)****Cash Flow Statement****Figures in Rands**

	Note(s)	2014	2013 Restated
Cash flows from operating activities			
Cash receipts from services and rate payers		517 441 935	481 220 530
Cash receipts from government and other grants		235 481 651	169 597 817
Finance income: investing activities	23	9 427 895	5 696 890
Finance income: outstanding debtors	23	2 736 578	2 309 189
Cash paid to employees		(215 376 190)	(204 149 789)
Cash paid to suppliers		(359 315 183)	(306 897 561)
Grants paid	36	(131 600)	(27 600)
Finance cost	33	(28 637 978)	(25 261 052)
Net cash inflow from operating activities	38	161 627 108	122 488 424
Cash flows from investing activities			
Proceeds on disposal investment property	2	1 353 400	-
Acquisition of property, plant and equipment	3	(122 600 327)	(107 095 250)
Proceeds on disposal property, plant and equipment	3	3 101 452	3 708 917
Acquisition of intangible assets	4	(572 778)	(523 777)
(Increase)/decrease in investments	6	(55 000 000)	5 000 000
Decrease/(increase) in non-current receivables	7	565 973	7 252 413
Net cash from investing activities		(173 152 279)	(91 657 697)
Cash flows from financing activities			
Loans raised (redeemed)	13	(28 503 504)	25 269 379
Movement in consumer Deposits	19	213 584	228 785
Net cash from financing activities		(28 289 920)	25 498 164
Net increase in cash and cash equivalents		(39 815 091)	56 328 891
Cash at the beginning of the year		121 988 865	65 659 974
Cash at the end of the year	12	82 173 774	121 988 865

Appropriation statement

WC025 Breede Valley - Reconciliation of Table A1 Budget Summary

Description	2013/14					2012/13						
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments 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
R thousands	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	87 235	241	87 477	88 604		1 127	101.3%	101.6%				84 678
Service charges	413 378	51	413 429	403 769		(9 660)	97.7%	97.7%				386 018
Investment revenue	4 725	2 275	7 000	9 428		2 428	134.7%	198.5%				5 697
Transfers recognised - operational	126 963	11 946	138 910	117 722		(21 187)	84.7%	92.7%				104 194
Other own revenue	41 205	1 606	42 811	103 860		61 049	242.6%	252.1%				52 474
Total Revenue (excluding capital transfers and contributions)	673 506	16 120	689 626	723 383		33 757	104.9%	107.4%				633 060
Employee costs	218 006	(18 507)	199 499	198 842		(658)	99.7%	91.2%				188 609
Remuneration of councillors	13 723	(16)	13 707	13 693		(13)	99.9%	99.8%				12 823
Depreciation & asset impairment	65 835	-	65 835	68 660		2 825	104.3%	104.3%				68 963
Finance charges	29 314	-	29 314	28 638		(676)	97.7%	97.7%				25 261
Materials and bulk purchases	254 353	5 526	259 879	254 292		(5 587)	97.9%	100.0%				242 314
Transfers and grants	200	-	200	132		(68)	65.8%	65.8%				28
Other expenditure	130 798	12 161	142 959	182 559		39 600	127.7%	139.6%				116 638
Total Expenditure	712 229	(836)	711 393	746 816		35 423	105.0%	104.9%				654 635
Surplus/(Deficit)	(38 723)	16 956	(21 767)	(23 432)		(1 666)	107.7%	60.5%				(21 575)
Transfers recognised - capital	82 433	726	83 159	76 127		(7 032)	91.5%	92.4%				66 491
Contributions recognised - capital & contributed assets	#####	13 859	#VALUE!	13 859		#VALUE!	#VALUE!	#VALUE!				-
Surplus/(Deficit) after capital transfers & contributions	43 710	31 541	#VALUE!	66 553		#VALUE!	#VALUE!	152.3%				44 915
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	43 710	31 541	#VALUE!	66 553		#VALUE!	#VALUE!	152.3%				44 915
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	82 433	726	83 159	76 127		(7 032)	91.5%	92.4%				66 491
Public contributions & donations	-	13 859	13 859	13 859		(0)	100.0%	#DIV/0!				-
Borrowing	25 185	2 807	27 992	24 422		(3 570)	87.2%	97.0%				24 975
Internally generated funds	10 614	6 389	17 002	13 417		(3 585)	78.9%	126.4%				16 153
Total sources of capital funds	118 231	23 780	142 011	127 825		(14 186)	90.0%	108.1%				107 618
Cash flows												
Net cash from (used) operating	91 174	129 992	221 167	162 845		(58 322)	73.6%	178.6%				122 488
Net cash from (used) investing	(117 731)	(141 761)	(259 493)	(174 370)		85 123	67.2%	148.1%				(91 658)
Net cash from (used) financing	(28 389)	(28 274)	(56 661)	(28 290)		28 371	49.9%	99.7%				25 498
Cash/cash equivalents at the year end	65 082	111 946	(94 987)	82 174		177 161	-86.5%	126.3%				121 989

Material Variance Explanations

Statement of Budget Comparison

Material Variance Explanations 30 June 2014

Material Variance Explanations 30 June 2014					
Description	Budget 30 June 2014	Revenue/ Expenditure 30 June 2014	% Variance/ Variances greater than R50 000	Reasons for Material Deviations	Impact on Service Delivery
Revenue By Source					
Property rates - penalties & collection charges	730 000	779 099.71	7%	Increase in non-payment of property rates more as anticipated	None
Service charges - water revenue	45 424 030	49 363 267.70	9%	Higher consumption of residential water as anticipated	Positive
Service charges - refuse revenue	27 860 920	29 160 802.87	5%	More revenue recognised from residential refuse collection as anticipated	Positive
Service charges - other	-21 149 752	-23 157 192.97	9%	More departmental levies on Electricity, Sanitation and Water recognised as anticipated	None
Rental of facilities and equipment	12 373 440	11 540 283.61	-7%	Less rental from housing schemes recognised as anticipated	None
Interest earned - external investments	7 000 000	9 427 894.61	35%	More external investments made as anticipated	Positive
Interest earned - outstanding debtors	2 378 960	2 736 578.41	15%	Electricity Revenue are under-collected, thus is more interest on outstanding debtors incurred as anticipated	Positive
Fines	12 908 560	52 035 142.66	303%	Provision for Bad Debts: Traffic Fines as at 30 June 2014 in order to comply with iGrap1	None
Licences and permits	3 256 370	2 759 892.98	-15%	Less people renewed their driver licences as anticipated	None
Agency services	5 000 000	5 225 100.93	5%	More vehicle registration fees collected as anticipated	Positive
Transfers recognised - operational	138 909 642	117 722 201.10	-15%	Less grant funding recognised from housing projects as anticipated	Services amended accordingly
Transfers recognised - capital	83 158 652	76 126 797.00	-8%	Less capital grant funding received as anticipated	Services amended accordingly
Other revenue	7 605 180	29 226 750.38	284%	Fair value adjustments at year end on water stock, debtors and investment property	None
Gains on disposal of PPE	412 750	1 269 322.43	208%	More assets were written off as anticipated (Insurance Claims)	Positive
Expenditure By Type					
Debt Impairment	15 313 623	50 601 159.12	230%	Provision for Bad Debts: Traffic Fines as at 30 June 2014 in order to comply with iGrap1	None
Transfers and grants	200 000	131 600.00	-34%	Less grants awarded as anticipated	Services amended accordingly
Loss on disposal of PPE	240 080	658 331.45	174%	Transfer of municipal property to legal owners and more assets were written off as anticipated (Insurance Claims)	None
Capital Expenditure					
Aan De Doorns 66/11kV Substation	5 733 387	4 851 559.48	881 828	Delay in Eskom connection	None. Rolled over to 2014/15 financial year
Worc WWTW: Replace mechanical grids & control equipment	1 121 286	880 118.30	241 168	Project completed. Final payment for consulting engineer outstanding	None. Rolled over to 2014/15 financial year
Stettynskloof Water Supply Worcester	38 066 401	37 433 586.71	632 614	Adverse weather conditions	None. Rolled over to 2014/15 financial year
Stettynskloof Water Supply Rawsonville	13 197 332	12 862 680.03	334 652	Saving on project	None. Project completed
Transhex INEP 136613	5 000 000	-	5 000 000	Long period for delivery of equipment (22 weeks)	None. Permission requested for funding to be rolled over to 2014/15 financial year
Sport: Boland Park: Security fencing - NLDTF	263 271	-	263 271	Lotto funding not paid over to BVM	None. When funding is received project will be implemented
Zweletemba Sport Grounds : Upgrading - NLDTF	335 739	-	335 739	Lotto funding not paid over to BVM	None. When funding is received project will be implemented
Electricity Connections	1 315 207	471 864.57	843 342	Fewer applications received	None. Services required was delivered
Water Connections	679 800	58 697.22	621 103	Fewer applications received	None. Services required was delivered
Electricity Network Extensions (Depending on Public Contr)	2 165 076	622 149.09	1 542 927	Fewer applications received	None. Services required was delivered
Refurbish WWTW : Touwsriver	800 000	685 000.00	115 000	Saving on project	None. Project completed
De Doorns Sport Field development	1 007 249	878 000.00	129 249	Saving on project	None. Permission requested for funding to be rolled over to 2014/15 financial year for additional work
High Street - CBD - Replace Centre island Street lighting and cables	2 170 000	1 871 549.83	298 450	Saving on project	None. Project completed
Refurbish Sewer pump station: Avian Park	200 000	128 850.00	71 150	Saving on project	None. Project completed
Electrification - 242 Lots (Phase 2A) - INEP	2 540 000	1 931 013.55	608 986	Delay in building of houses	None: Electricity will be connected when house completed
Alterations WWTW: Rawsonville	1 800 000	506 745.00	1 293 255	Project initiated after Febr 2014 adjustment budget. Insufficient time for completion	None. Rolled over to 2014/15 financial year
Touwsriver Library: New workroom and toilet facilities	168 000	4 800.00	163 200	Insufficient funds for completion	Rolled over to 2014/15 financial year, with additional funding allocated
Non-Motorised Transport: High Street	1 000 000	666 981.74	333 018	Appointed contractor resigned from project.	None. Permission requested for funding to be rolled over to 2014/15 financial year
Insurance claims	-	343 861.45	(343 861)	BVM did not budget for assets replaced by Insurance claims	None
HR: Computer Software	197 000	-	197 000	Project delayed as a result of vacancies	None. Permission requested for funding to be rolled over to 2014/15 financial year
Kleinplaspie: Fence	350 000	188 911.46	161 089	Saving on project	None. Project completed
Virements to Final Adjustment Budget (Reconciliation of Budget Summary)					
Total Revenue					
Property Rates	Changes between the Final Budgeted amounts and the Final Adjustment Budget of 29 May 2014: Virements between departmental levies was approved by the Chief Financial Officer and it was done in line with the Approved Virement Policy of 2013/2014.				
Service Charges - other					
Total Expenditure					
Employee related costs	Changes between the Final Budgeted amounts and the Final Adjustment Budget of 29 May 2014: Virements was approved by the Chief Financial Officer and it was done in line with the Approved Virement Policy of 2013/2014.				
Other materials					
Other expenditure					
Cash flow					
Cash/ Cash Equivalents at the year end.	Changes between the Final Budgeted amounts and the Final Adjustment Budget of 29 May 2014:				

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directions, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures have been rounded to the nearest Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in the note - Changes to the annual financial statements.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade and other receivables is based on a historic payment ratio per consumer.

Fair value estimation

The carrying value less impairment provision of short term trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The fair value of long term receivables is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the municipality for similar financial assets.

Impairment testing

Value in use of cash and non-cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependant on the availability of data and the nature of the impairment.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Landfill sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

Additional disclosure of these estimates are included in note 15 Provision.

Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave liability at reporting date. This accrual will be realised as employees take leave or when employment is terminated.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note - Provisions.

Post retirement benefits

The present value of the post retirement medical obligation and long service awards depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Any changes in these assumptions will impact on the carrying amount of employee benefits.

Other key assumptions for employee benefits are based on current market conditions. Additional information is disclosed in Note - Employee Benefits.

Effective interest rate

The municipality used the prime rate to discount future cash flows.

Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Intangible assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Property, plant and equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The municipality referred to buildings in other municipal areas to determine the useful life of buildings. The municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

Revenue Recognition - Fines

The Accounting policy on Revenue from Non-Exchange Transactions and Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions along with IGRAP 1: Applying the probability test on initial recognition of Revenue. The basic principles used and the assumptions made relating to traffic fines is disclosed in the accounting policy for Revenue from Non-Exchange Transactions.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

The cost of self-constructed investment property is the cost at the date of completion.

Transfers are made to or from investment property only when there is a change in use. From a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Where investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.3 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measures that investment property using the cost model (as per the accounting policy on property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality applies the cost model (as per the accounting policy on property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

The municipality used a valuation expert namely De Kock Lloyd to determine the fair value at the reporting date.

Investment property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property. All gains and losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost at the acquisition date.

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 management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost), unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.4 Property, plant and equipment (continued)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

Property, plant and equipment are depreciated on a straight line basis over their expected useful lives to their estimated residual value. Depreciation is calculated on the depreciable amount.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Infrastructure	
• Roads and Paving	5 - 80 years
• Pedestrian Malls	20 years
• Electricity	5 - 25 years
• Water	15 - 100 years
• Sewerage	15 - 75 years
• Housing	20 - 100 years
• Landfill sites	5 - 55 years
• Cementeries	25 - 60 years
Community	
• Buildings	10 - 100 years
• Recreational facilities	15 - 100 years
• Security	3 - 25 years
Other assets	
• Furniture and fixtures	2 - 20 years
• Specialised property, plant and equipment	5 - 20 years
• Other equipment	5 - 20 years
• Computer hardware	3 - 10 years
• Watercraft	3 - 10 years
• Other items of plant and equipment	3 - 20 years
• Bins and containers	5 - 15 years
• Library books	1 - 5 years
Transport assets	
• Other vehicles	5 - 30 years
• Specialist vehicles	5 - 30 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.4 Property, plant and equipment (continued)

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised 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 can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.6 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis to their estimated residual values, as follows:

Item	Useful life
Computer software	3 - 5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the intangible asset. Such difference is recognised in surplus or deficit when the intangible asset is derecognised.

1.7 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.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

Recognition

The municipality recognises a heritage asset as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note - Heritage assets.

Initial measurement

Heritage assets are initially recognised cost.

Where a heritage asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.7 Heritage assets (continued)

Subsequent measurement

Heritage assets are not depreciated based on their nature, however the municipality assesses at each reporting date whether there is a need for impairment.

The class of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

Heritage assets are derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions).

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Long term receivables	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Long term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.8 Financial instruments (continued)

Initial recognition

The municipality recognises a financial asset or a financial liability in its Statement of Financial Position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Upon initial recognition the municipality classifies financial instruments or their component parts as a financial liability, financial asset or residual interest in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability, other than those subsequently measures at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures all other financial assets and financial liabilities initially at fair value.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.8 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability in the case of a financial asset.

Fair value measurement considerations

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectability of financial assets

All financial assets measured at amortised cost, or cost, are subject to impairment review.

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets measured at cost:

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1.8 Financial instruments (continued)

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Trade and other receivables

Consumer debtors

Consumer debtors are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of consumer debtors is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. 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 considered indicators that the consumer debtor is impaired. 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 original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in the Statement of Financial Performance. When a consumer debtor is uncollectable, it is written off against the allowance account for consumer debtors. Subsequent recoveries of amounts previously written-off are credited against the Statement of Financial Performance.

Housing selling schemes, Housing Personnel, Welfare, Recreational and Land sales

In respect of the above loans a provision for impairment is made on the same basis as the current portion included in consumer debtors, being the payment rate.

Other debtors

Other debtors consist among others of various debtors and / or suspense accounts with debit balances such as Housing board subsidies, Government subsidies, Interest receivable, VAT, Recoverable expenses, Prepaid expenses, Insurance claims and various other debtors / suspense accounts with debit balances. These aforementioned debtors / suspense accounts are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable. Should an individual debtor or group of debtors and or suspense account be regarded as irrecoverable, a provision for impairment is made.

Cash and cash equivalents

Cash includes cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible into known amounts of cash that are held with registered banking institutions and are subject to an insignificant risk of changes in value. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand deposits held on call with banks and investments in financial instruments, net of bank overdrafts and excluding fixed deposits.

Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

Financial liabilities and consumer deposits

The municipality measures all financial liabilities including trade and other payables, at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

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1.8 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its Statement of Financial Position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.9 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 does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and building elements, the municipality assesses the classification of each element separately.

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Accounting Policies

1.9 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the Statement of Financial Position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset plus any direct costs incurred.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Any contingent rents are recognised separately as revenue in the period in which they are received.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

1.10 Inventories

Inventories comprise current assets held for sale, consumption or distributing during the ordinary course of business.

Inventories are initially measured at cost except where inventories are acquired at no cost, or for a nominal cost, then their costs are their fair value as at the date of acquisition. Housing top structures are carried at the lower of cost and current replacement cost.

Subsequently inventories consisting of consumable stores and finished goods, are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.10 Inventories (continued)

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Non-current assets held for sale and disposal groups

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.

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 held for sale are derecognised upon disposal of the item or where no further economic benefits or service potential is expected to flow from the asset or disposal group. Gains/losses that result from the derecognition of non-current assets or disposal groups held for sale are recognised in surplus/deficit in the period of the derecognition.

1.12 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

BREED VALLEY MUNICIPALITY

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.13 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

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 indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

BREED VALLEY MUNICIPALITY

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Accounting Policies

1.13 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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Accounting Policies

1.14 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

BREED VALLEY MUNICIPALITY

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Accounting Policies

1.14 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

The municipality provides retirement contribution for its employees and councillors.

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.

A defined benefit plan is a plan that is not a defined contribution plan. Typically defined benefit plans define an amount of benefit that an employee will receive after retirement, usually dependent on one or more factors such as age, years of service and compensation.

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Accounting Policies

1.14 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The defined benefit plan of the municipality includes post retirement medical aid benefits.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
 - interest cost;
 - the expected return on any plan assets and on any reimbursement rights;
 - actuarial gains and losses, which is recognised immediately;
 - past service cost, which is recognised immediately;
 - the effect of any curtailments or settlements; and
 - the effect of applying the limit on a defined benefit asset (negative defined benefit liability).
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BREED VALLEY MUNICIPALITY

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Accounting Policies

1.14 Employee benefits (continued)

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.14 Employee benefits (continued)

Other long-term employee benefits

The municipality has an obligation to provide long-term service allowance benefits to all of its employees. According to the rules of the long-term service allowance scheme, which the municipality instituted and operates, an employee (who is on the current conditions of service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the Statement of Financial Performance.

The amount recognised as a liability for long-term service awards is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which is recognised immediately;
- past service cost, which is recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.15 Provisions and contingencies (continued)

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 41 Contingencies in the annual financial statements. .

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.15 Provisions and contingencies (continued)

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.12 and 1.13.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return from services rendered/goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.16 Revenue from exchange transactions (continued)

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Service charges relating to electricity and water are based on consumption and basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognized as revenue when invoiced or accrued to the municipality. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid cards is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on consumption, using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time-proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariffs of charges is recognised when the relevant services is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

1.17 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

When, as a result of a non-exchange transaction, a municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality 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 reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Revenue from property rates is recognised when the legal entitlement to this revenue arises.

Transfers

Apart from services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with the relevant legal requirements (if applicable).

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Where the municipality collects fines in the capacity of an agent, the fines will not be revenue of the municipality.

The following basic principles have been followed in regards of the traffic fines.

- All fines that are due to the municipality legally so were recognised as at 30 June 2014.
- Removed all the fines that have been issued before the 1st of January 2013 where no warrant has been served. As they would be older than 18 months.
- Removed all summons that were sent to the server, but were for offences on or before 31 December 2012 because regulations state that summons must have been served no later than 18 months from date of alleged offence.
- Removed summons not served as well as fines that would miss their cut off date as per the rules of the court as it can only accomodate one day per week for all traffic related issues.
- Ensure that all the warrants were less than two years old.
- Used the average collection rates based on number of fines issued vs number of fines paid for the past 5 years to determine the fair value of the traffic fines.

Grants

Grants received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grants are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from public contributions and donations

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

1.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. In such cases, the municipality will expense those borrowing costs related to a qualifying asset directly to the statement of financial performance. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the statement of financial performance when incurred.

1.19 Unspent conditional government grants and receipts

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.20 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparative are restated accordingly.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to the note on prior year errors in the annual financial statements.

1.21 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 Grants in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

1.25 Accumulated surplus

The accumulated surplus/deficit represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credit against accumulated surplus when retrospective adjustments are made.

1.26 Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.26 Commitments (continued)

Commitments are not recognised in the Statement of Financial Position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.27 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2013/07/01 to 2014/06/30.

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 Statement of Comparison of Budget and Actual amounts.

The budget of the municipality is taken for stakeholder consultative process and upon approval, the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the Annual Financial Statements.

The most recent approved budget by council is the final budget for the purpose of comparison with the actual amounts. A variance of more than 5% between the budgeted and actual is considered material.

1.28 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Only transactions within related parties not at arm's length or not in the ordinary course of business are disclosed.

1.29 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements.

Events after the reporting date that are classified as non-adjusting events have been disclosed in the notes to the financial statements.

1.30 Value Added Tax

The municipality accounts for Value Added Tax on the cash basis.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Figures in Rand

2014

2013

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 25: Employee Benefits

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The standard requires the municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when the municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The standard states the recognition, measurement and disclosure requirements of:

- short-term employee benefits;
 - all short-term employee benefits;
 - short-term compensated absences;
 - bonus, incentive and performance related payments;
- post-employment benefits: Defined contribution plans;
- other long-term employee benefits; and
- termination benefits.

The major difference between this standard (GRAP 25) and IAS 19(R) is with regards to the treatment of actuarial gains and losses and past service costs. This standard requires the municipality to recognise all actuarial gains and losses and past service costs immediately in the statement of financial performance once occurred.

All amendments to be applied retrospectively.

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality has adopted the standard for the first time in the 2014 annual financial statements.

The impact of the standard is not material.

GRAP 1 (as revised 2012): Presentation of Financial Statements

Minor amendments were made to the statement of financial performance as well as the statement of changes in net assets.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

GRAP 3 (as revised 2012): Accounting Policies, Change in Accounting Estimates and Errors

Amendments were made to changes in accounting policies. A change to the cost model when a reliable measure of fair value is no longer available (or vice versa) for an asset that a standard of GRAP would otherwise require or permit to be measured at fair value is no longer considered to be a change in an accounting policy in terms of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (as revised in 2010).

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

GRAP 9 (as revised 2012): Revenue from Exchange Transactions

BREEDE VALLEY MUNICIPALITY

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Amendments were made to the scope and definitions.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

GRAP 12 (as revised 2012): Inventories

Amendments were made to measurement after recognition.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

GRAP 13 (as revised 2012): Leases

Amendments were made to disclosures.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

GRAP 16 (as revised 2012): Investment Property

Amendments were made to definitions, measurement at recognition, disposals and disclosure. Changes were made to ensure the consistent application of the principle where assets are acquired in exchange for non-monetary assets when the exchange transaction lacks commercial substance. Furthermore the assessment of significant use of an investment property has been clarified.

All amendments to be applied prospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

GRAP 17 (as revised 2012): Property, Plant and Equipment

Amendments were made to measurement at recognition, disposals and disclosure. Changes were made to ensure the consistent application of the principle where assets are acquired in exchange for non-monetary assets when the exchange transaction lacks commercial substance. Furthermore the requirement to disclose property, plant and equipment that were temporarily idle has been clarified.

All amendments to be applied prospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The municipality has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

IGRAP 1 (as revised 2012): Applying the Probability Test on Initial Recognition of Revenue

This interpretation now addresses the manner in which the municipality applies the probability test on initial recognition of both:

- (a) exchange revenue (GRAP 9); and
- (b) non-exchange revenue (GRAP 23).

All amendments to be applied prospectively.

The effective date of the interpretation is for years beginning on or after 01 April 2013.

The municipality has adopted the interpretation for the first time in the 2014 annual financial statements.

The impact resulted in an increase in fines recognised and an increase in provision for impairment on the outstanding balance.

IGRAP 16: Intangible Assets - Website Costs

The interpretation deals with the treatment of the municipality's own website. It concludes that the municipality's own website that arises from development and is for internal or external access is an internally generated intangible asset that is subject to the requirements of the Standard of GRAP on Intangible Assets.

A website arising from development will be recognised as an intangible asset if, and only if, in addition to complying with the general requirements described in the Standard of GRAP on Intangible Assets for recognition and initial measurement, the municipality can satisfy the requirements in paragraph .54, which in particular requires the municipality to be able to demonstrate how its website will generate probable future economic benefits or service potential.

If the municipality is not able to demonstrate how a website developed solely and primarily for providing information about its own products and services will generate probable future economic benefits or service potential, all expenditure on developing such a website will be recognised as an expense when incurred.

A website that is recognised as an intangible asset under this interpretation will be measured after initial recognition by applying the requirements in the Standard of GRAP on Intangible Assets.

Interpretation to be applied retrospectively.

The effective date of the interpretation is for years beginning on or after 01 April 2013.

The municipality has adopted the interpretation for the first time in the 2014 annual financial statements.

The impact of the interpretation is not material.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2014 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
• GRAP 5 (revised 2013): Borrowing Costs	01 April 2014
• GRAP 100 (revised 2013): Discontinued Operations	01 April 2014
• GRAP 105: Transfers of Functions Between Entities Under Common Control	01 April 2015

BREEDE VALLEY MUNICIPALITY

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

• GRAP 106: Transfers of Functions Between Entities not Under Common Control	01 April 2015
• GRAP 107: Mergers	01 April 2015
• GRAP 20: Related Parties	no effective date
• IGRAP 11: Consolidation – Special purpose entities	01 April 2015
• IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2015
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2015
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2015
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2015
• GRAP 32: Service Concession Arrangements: Grantor	no effective date
• GRAP 108: Statutory Receivables	no effective date
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	no effective date

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2014 or later periods but are not relevant to its operations:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time once it becomes effective.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the Annual Financial Statements.

Notes to the Financial Statements
Figures in Rands

	2014		2013	
2 Investment property				
	Cost	Accumulated depreciation	Carrying Value	Cost
Investment property	Valuation	Valuation	Value	Valuation
	8 366 000	-	8 366 000	9 543 100
				9 543 100
Reconciliation of investment property - 2014				
Investment property	Opening Balance	Disposals	Transfers	Fair value adjustment
	9 543 100	(1 353 400)	-	176 300
				Total
				8 366 000
Reconciliation of investment property - 2013				
Net Surplus of the municipality is R 66,553,138 (2013: Restated surplus R 44,915)	Opening Balance	Disposals	Transfers	Fair value adjustment
Investment property	8 718 400	(2 219 000)	1 252 302	1 791 398
				Total
				9 543 100
Other disclosures				
Details of property				

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the revaluations was 30 June 2014. Revaluations were performed by an independent valuer, Mr Lloyd, of De Kock Lloyd Eiendoms waardeerder. De Kock Lloyd Eiendoms Waardeerder is not connected to the municipality and has recent experience in the location and category of the investment property being valued.

Notes to the Financial Statements
Figures in Rands

2014 **2013**

3 Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying Value	Cost / Valuation	Accumulated depreciation	Carrying Value
Land	246 857 472	-	246 857 472	244 501 368	-	244 501 368
Buildings	259 524 375	(158 714 046)	100 810 330	253 144 375	(154 262 866)	98 881 509
Infrastructure	2 278 429 108	(788 122 329)	1 490 306 780	2 183 490 938	(744 343 147)	1 439 147 790
Other property, plant and equipment	74 695 787	(41 973 698)	32 722 089	73 206 791	(36 432 503)	36 774 288
Total	2 859 506 743	(988 810 072)	1 870 696 671	2 754 343 472	(935 038 517)	1 819 304 955

Reconciliation of property, plant and equipment - 2014

	Opening Balance	Additions	Disposals	Transfers	Impairment loss	Depreciation	Total
Land	244 501 368	3 040 000	(683 896)	-	-	-	246 857 472
Buildings	98 881 509	8 012 620	(266 090)	(23 939)	-	(5 793 770)	100 810 330
Infrastructure	1 439 147 790	106 783 761	-	(264 109)	(19 603)	(55 341 059)	1 490 306 780
Other property, plant and equipment	36 774 288	20 233 671	(16 761 728)	(306 630)	(31 641)	(7 185 869)	32 722 089
Total	1 819 304 955	138 070 052	(17 711 714)	(594 678)	(51 244)	(68 320 699)	1 870 696 671

Reconciliation of property, plant and equipment - 2013

	Restated Opening Balance	Additions	Disposals	Transfers	Impairment loss	Depreciation	Restated Total
Land	250 363 749	-	(487 381)	(5 375 000)	-	-	244 501 368
Buildings	104 070 198	1 809 452	(20 988)	(2 328 204)	-	(4 648 949)	98 881 509
Infrastructure	1 396 378 884	101 102 904	145 639	(2 736 938)	-	(55 742 699)	1 439 147 790
Other property, plant and equipment	39 732 212	6 311 672	(395 175)	(523 394)	(15 769)	(8 335 258)	36 774 288
Total	1 790 545 043	109 224 028	(757 905)	(10 963 536)	(15 769)	(68 726 907)	1 819 304 955

BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Notes to the Financial Statements
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2014 2013

3 Property, plant and equipment (continued)

Change in accounting estimate

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with Rull book values and nil remaining lives were identified. The entity's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change affects that period only; or the period of the change in future periods, if the change affects both. Management concluded that it should apply the change in estimate prospectively from the start of 2014 and therefore the depreciation charge was applied prospectively from 1 July 2013 over the remaining useful life of these assets. The effect of the change in accounting estimate is further disclosed in note 54.

Prior period error

A review of useful lives was done on assets. During the review of useful lives certain infrastructure and other property plant and equipment inappropriate useful lives were identified resulting in these assets being fully depreciated over a shorter useful life but still in use. This constitutes a prior period error and was corrected retrospectively in accordance with GRAP 3. The effect of the prior period error is further disclosed in note 43.

Worcester- and De Doorns Landfill rehabilitation asset were not recognised in 2010 on initial recognition. This resulted in Other property, plant and equipment being understated. The effect of the prior period error is further disclosed in note 43.

Other information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Refer to Appendix B for more detail on property, plant and equipment.

The total cost of fully depreciated assets still in use amounts to R 4,777,430. These are items that do not have an active market and cannot be sold when it is no longer in use.

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Intangible assets

	2014				2013			
	Cost/ Valuation	Accumulated amortisation	Carrying Value	Cost/ Valuation	Accumulated amortisation	Carrying Value		
Computer software	1 895 973	(693 291)	1 202 682	1 835 834	(960 538)	875 296		
Right of use of water	4 275 264	(256 632)	4 018 632	4 275 264	(213 880)	4 061 384		
Total	6 171 237	(949 923)	5 221 314	6 111 098	(1 174 418)	4 936 680		

Reconciliation of intangible assets - 2014

	Opening Balance	Additions	Disposals	Impairment loss	Transfers	Amortisation	Total
Computer software	875 296	572 778	-	-	-	(245 392)	1 202 682
Right of use of water	4 061 384	-	-	-	-	(42 752)	4 018 632
	4 936 680	572 778	-	-	-	(288 144)	5 221 314

Reconciliation of intangible assets - 2013

	Opening Balance	Additions	Disposals	Impairment loss	Transfers	Amortisation	Total
Computer software	528 712	523 775	-	-	-	(177 191)	875 296
Right of use of water	4 104 253	-	-	-	49	(42 869)	4 061 384

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Notes to the Financial Statements

Figures in Rands	2014	2013
	4 632 965	523 775
	-	-
	-	(220 060)
		4 936 680

5 Heritage assets

	2014				2013			
	Cost / Valuation	Accumulated impairment losses	Carrying Value	Cost / Valuation	Accumulated impairment losses	Carrying Value		
Books - Africana and other	248 805	-	248 805	248 805	-	248 805		
Work of Art	9 763 100	-	9 763 100	9 893 100	-	9 893 100		
Culturally Significant Buildings	1 851 000	-	1 851 000	1 851 000	-	1 851 000		
Land Historic or Specific	25 105 945	-	25 105 945	4 409 167	-	4 409 167		
Total	36 968 850	-	36 968 850	16 402 072	-	16 402 072		

Reconciliation of heritage assets - 2014

	Opening Balance	Additions	Disposal	Transfers	Impairment loss	Fair Value Adjustment	Total
Books - Africana and other	248 805	-	-	-	-	-	248 805
Work of Art	9 893 100	-	(130 000)	-	-	-	9 763 100
Culturally Significant Buildings	1 851 000	-	-	-	-	-	1 851 000
Land Historic or Specific	4 409 167	-	-	-	-	-	4 409 167
	16 402 072	-	-130 000	-	-	20 696 778	25 105 945
							36 968 850

Reconciliation of heritage assets - 2013

	Opening Balance	Additions	Disposal	Transfers	Impairment loss	Fair Value Adjustment	Total
Books - Africana and other	238 705	-	-	10 100	-	-	248 805
Work of Art	9 893 100	-	-	-	-	-	9 893 100
Culturally Significant Buildings	390 000	-	-	1 461 000	-	-	1 851 000
Land Historic or Specific	-	-	-	4 409 167	-	-	4 409 167
	10 521 805	-	-	5 880 267	-	-	16 402 072

Exemptions taken according to Directive 3 - Transitional Provisions for High Capacity Municipalities

GRAP 103 - Heritage assets

The municipality opted to take advantage of the transitional provisions as contained in Directive 3 of the Accounting Standards Board, issued in May 2010. The municipality identified its heritage assets during the current period but did not measure all its heritage assets. The municipality is currently in the process of measuring its heritage assets in terms of GRAP 103 and it is expected that this process will be completed for inclusion in the 2015 financial statements.

Other Information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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Notes to the Financial Statements

Figures In Rands	2014	2013 (Restated)
6. Investments		
Loans and receivables		
Other fixed deposits	85 000 000	30 000 000
	<u>85 000 000</u>	<u>30 000 000</u>
Non-current assets		
Investments	-	-
Current assets		
Short-term portion of Investments	85 000 000	30 000 000
	<u>85 000 000</u>	<u>30 000 000</u>
Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rate earned vary between 5.15% and 6.25%.		
7. Long term receivables		
Housing selling scheme		
Housing selling scheme	735 995	1 005 644
Less: Provision for impairment	(159 943)	(300 431)
	<u>576 052</u>	<u>705 213</u>
Welfare loans		
Welfare	2 086 195	2 245 809
Less: Provision for impairment	(2 066 982)	(2 243 541)
	<u>19 213</u>	<u>2 268</u>
Housing personnel		
Housing personnel	840 760	969 071
Less: Provision for impairment	-	-
	<u>840 760</u>	<u>969 071</u>
Arrangements		
Arrangements	14 820 100	17 557 766
Less: Provision for impairment	(4 769 114)	(7 181 334)
	<u>10 050 986</u>	<u>10 376 432</u>
Less: Current Portion transferred to current receivables		
Housing selling schemes	(269 779)	(243 645)
Housing personnel loans	(46 626)	(70 261)
Welfare loans	(162 431)	(159 614)
Recreational	-	-
Land sales	-	-
Arrangements	(3 879 178)	(3 998 799)
	<u>(4 358 014)</u>	<u>(4 472 319)</u>
Less: Provision for bad debt for short term portion of long term receivables		
Housing selling schemes	(58 627)	(72 788)
Housing personnel loans	-	-
Welfare	(160 935)	(159 453)
Arrangements	(1 897 758)	(2 354 798)
	<u>(2 117 319)</u>	<u>(2 587 038)</u>
Long term receivables - Net		
Long term receivables - Non-current portion	9 246 316	10 167 703
Long term receivables - Current portion	2 240 695	1 885 281
	<u>11 487 011</u>	<u>12 052 985</u>

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Notes to the Financial Statements

Figures in Rands	2014	2013 (Restated)
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7. Long term receivables (continued)
Housing Selling Scheme Loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1 % per annum and are repayable over a maximum period of 30 years.

Welfare Loans

Welfare loans are granted to qualifying organisations in terms of the provincial administrator's housing programme. These loans attract interest at prime plus 1% per annum and are repayable over a maximum period of 30 years.

Housing Loans - Personnel

Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years.

Recreational Loans

Loans are granted to certain recreational institutions and attract interest at rates between 11.25% and 18% per annum, and are repayable over periods not exceeding 30 years.

Land Sales

Loans were granted to individuals for purchasing land from the Municipality. These loans attract interest at prime plus 1% and are repayable over periods not exceeding 2 years.

Arrangements

The arrangements consist of consumer debtors with whom the council has negotiated repayment terms. These arrangements attract no interest and the repayment periods vary between 15 and 30 years.

As at 30 June 2014, long term debtors of R 9,246,316 (2013 R 10,167,002) were past due not impaired. The ageing of these long term receivables are more than 365 days as long term debtors are classified as non-current assets in the financial Statements.

As of 30 June 2014, long term receivables of R 4,878,720 (2013: R 7,138,267) were impaired. The individually impaired receivables mainly relate to those debtors who have agreements with the municipality to pay their debt over a long period. The ageing of these individually impaired receivables is more than 365 days based on the nature of long term receivables.

8. Inventories

Consumable stores	8 149 899	6 815 877
Water (at fair value)	606 543	374 256
Housing Development projects	20 352 599	20 355 704
	<u>29 109 041</u>	<u>27 545 837</u>

Inventories expenses for the year amounted to R15,669,271, as disclosed in note 27 - as included in General Expenses

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Notes to the Financial Statements

Figures In Rands	2014	2013 (Restated)
9 Other receivables from non-exchange transactions		
Housing board subsidies	422 643	422 643
Prepaid expenses	3 337 666	165 756
Interest receivable	610 801	323 000
Government subsidies	2 523 188	3 904 203
Recoverable expenses	34 426	1 910 972
Other debtors	1 608 729	2 024 517
Debtor: Fraud	377 620	377 620
Debtors: Traffic fines	45 138 317	6 808 877
PAYE: Personnel	931 731	931 731
Loans granted	378 228	358 557
Debtor: Traffic revenue	59 671	59 671
Lease asset	-	-
Less: Provision for impairment	(29 636 272)	(354 128)
	<u>25 786 748</u>	<u>16 933 419</u>
Reconciliation of Traffic fines		
Balance brought forward	6 808 877	876 437
Debtors traffic fines	38 329 440	5 932 440
	45 138 317	6 808 877
Provision for Bad Debts	(29 260 764)	-
	<u>15 877 553</u>	<u>6 808 877</u>
Trade and other receivables impaired		
As of 30 June 2014 other receivables of R 29,636,272 (2013 - R 354,128) were impaired and provided for.		
Reconciliation of provision for impairment of trade and other receivables		
Opening Balance	354 128	338 001
Fine provision for the year	29 260 764	-
Increase/(decrease) in provision excluding fines for the year	21 380	16 127
	<u>29 636 272</u>	<u>354 128</u>
10. VAT Receivable		
South African Revenue Service	<u>7 500 118</u>	<u>5 418 610</u>
11. Consumer debtors from exchange and non-exchange transactions		
Gross balances		
Rates	14 809 036	15 322 578
Electricity	39 078 146	37 882 696
Water	11 049 196	14 071 771
Sundries	3 472 341	3 658 059
Sewerage	10 756 405	11 949 594
Refuse	6 364 116	7 678 024
Availability charges	3 344 749	3 076 545
Housing Selling schemes	232 620	2 230 238
Housing rental	3 657 280	6 334 096
	<u>92 763 889</u>	<u>102 203 601</u>
Less: Provision for impairment		
Rates	(7 037 907)	(7 253 552)
Electricity	(3 007 204)	(3 553 627)
Water	(3 300 918)	(4 290 801)
Sundries	(1 607 827)	(1 683 739)
Sewerage	(5 873 444)	(5 487 269)
Refuse	(3 576 603)	(3 453 635)
Availability charges	(2 842 822)	(2 515 608)
Housing Selling schemes	(49 602)	(1 510 171)
Housing rental	(2 555 131)	(3 526 855)
	<u>(29 851 458)</u>	<u>(33 275 257)</u>

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Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Notes to the Financial Statements

Figures In Rands	2014	2013 (Restated)
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11. Consumer debtors from exchange and non-exchange transactions (continued)

Net balance		
Rates	7 771 129	8 069 026
Electricity	36 070 942	34 329 069
Water	7 748 278	9 780 970
Sundries	1 864 514	1 974 320
Sewerage	4 882 961	6 462 325
Refuse	2 787 513	4 224 389
Availability charges	501 927	560 937
Housing selling schemes	183 018	720 067
Housing rental	1 102 149	2 807 241
	<u>62 912 431</u>	<u>68 928 344</u>
Total Consumer Debtors from Non-Exchange transactions	7 771 129	8 069 026
Total Consumer Debtors from Exchange transactions	<u>55 141 302</u>	<u>60 859 318</u>
Total Net Consumer Debtors	<u>62 912 431</u>	<u>68 928 344</u>

2014 Reconciliation of debt impairment Provision	Balance at beginning of the year	Additional Provision provided during	Amounts written off as uncollectable	Balance at end of the year
Rates	8 446 479	2 005 113	(2 584 415)	7 867 177
Electricity	3 918 316	1 087 310	(1 736 726)	3 268 900
Water	5 590 940	3 621 166	(5 153 557)	4 058 548
Sundries	1 873 535	781 454	(938 001)	1 716 988
Sewerage	7 123 032	5 098 986	(5 227 307)	6 994 711
Refuse	4 786 199	3 390 658	(3 741 148)	4 435 709
Availability charges	2 658 353	654 172	(324 770)	2 987 754
Housing selling schemes	1 832 658	1 183 957	(2 732 265)	284 350
Housing rental	4 227 078	3 812 374	(5 033 019)	3 006 434
	<u>40 456 590</u>	<u>21 635 190</u>	<u>(27 471 208)</u>	<u>34 620 572</u>

Rates (Non-Exchange)

Current (0 -30 days)	5 504 802	5 297 446
31 - 60 days	552 385	721 315
61 - 90 days	327 954	436 760
91 - 120 days	252 823	314 069
121 - 365 days	8 171 073	8 552 988
Less: Provision for impairment	<u>(7 037 907)</u>	<u>(7 253 552)</u>
	<u>7 771 130</u>	<u>8 069 026</u>

Electricity (Exchange)

Current (0 -30 days)	35 138 546	33 415 572
31 - 60 days	610 649	362 590
61 - 90 days	240 979	151 174
91 - 120 days	159 454	92 000
121 - 365 days	2 928 519	3 861 361
Less: Provision for impairment	<u>(3 007 204)</u>	<u>(3 553 627)</u>
	<u>36 070 943</u>	<u>34 329 070</u>

Water (Exchange)

Current (0 -30 days)	6 635 983	8 160 766
31 - 60 days	483 615	546 681
61 - 90 days	367 831	492 571
91 - 120 days	295 121	299 448
121 - 365 days	3 266 645	4 572 305
Less: Provision for impairment	<u>(3 300 918)</u>	<u>(4 290 801)</u>
	<u>7 748 277</u>	<u>9 780 970</u>

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Notes to the Financial Statements

Figures in Rands	2014	2013 (Restated)
11. Consumer debtors from exchange and non-exchange transactions (continued)		
Sundries (Exchange)		
Current (0 -30 days)	1 844 481	1 528 319
31 - 60 days	28 035	33 572
61 - 90 days	117 348	66 932
91 - 120 days	51 850	138 264
121 - 365 days	1 430 627	1 890 972
Less: Provision for impairment	<u>(1 607 827)</u>	<u>(1 683 739)</u>
	<u>1 864 514</u>	<u>1 974 320</u>
Sewerage (Exchange)		
Current (0 -30 days)	3 259 661	3 087 207
31 - 60 days	596 916	588 618
61 - 90 days	448 164	412 058
91 - 120 days	362 700	356 808
121 - 365 days	6 088 963	7 504 904
Less: Provision for impairment	<u>(5 873 444)</u>	<u>(5 487 269)</u>
	<u>4 882 960</u>	<u>6 462 326</u>
Refuse (Exchange)		
Current (0 -30 days)	1 792 691	1 689 141
31 - 60 days	327 540	327 824
61 - 90 days	250 260	235 684
91 - 120 days	197 639	206 510
121 - 365 days	3 795 986	5 218 864
Less: Provision for impairment	<u>(3 576 603)</u>	<u>(3 453 635)</u>
	<u>2 787 513</u>	<u>4 224 388</u>
Availability charges (Exchange)		
Current (0 -30 days)	305 062	277 272
31 - 60 days	123 725	110 374
61 - 90 days	109 016	95 280
91 - 120 days	98 713	88 393
121 - 365 days	2 708 233	2 505 225
Less: Provision for impairment	<u>(2 842 822)</u>	<u>(2 515 608)</u>
	<u>501 927</u>	<u>560 936</u>
Housing Selling schemes (Exchange)		
Current (0 -30 days)	60 349	65 021
31 - 60 days	27 572	29 255
61 - 90 days	23 758	24 576
91-120 days	22 219	22 417
121 - 365 days	98 721	2 088 970
Less: Provision for impairment	<u>(49 602)</u>	<u>(1 510 171)</u>
	<u>183 017</u>	<u>720 068</u>
Housing rental (Exchange)		
Current (0 -30 days)	389 689	469 025
31 - 60 days	215 425	241 669
61 - 90 days	182 045	208 652
91 - 120 days	166 159	259 429
121 - 365 days	2 703 961	5 155 321
Less: Provision for impairment	<u>(2 555 131)</u>	<u>(3 526 855)</u>
	<u>1 102 148</u>	<u>2 807 241</u>

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Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Notes to the Financial Statements

Figures In Rands	2014	2013 (Restated)
11. Consumer debtors from exchange and non-exchange transactions (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	22 762 331	25 209 916
31 - 60 days	3 002 977	2 167 073
61 - 90 days	2 203 725	1 526 703
91 - 120 days	1 791 816	1 338 578
121 - 365 days	29 581 267	27 921 960
	<u>59 342 116</u>	<u>58 164 229</u>
Industrial/ commercial		
Current (0 -30 days)	18 070 610	22 824 174
31 - 60 days	402 389	105 332
61 - 90 days	359 631	67 301
91 - 120 days	225 767	69 344
121-365 days	11 229 720	3 092 013
	<u>30 288 116</u>	<u>26 158 165</u>
National and provincial government		
Current (0 -30 days)	1 446 102	1 378 306
31 - 60 days	470 011	36 790
61 - 90 days	180 873	558 905
91 - 120 days	90 680	22 772
121 - 365 days	945 989	-
	<u>3 133 655</u>	<u>1 996 773</u>
Total		
Current (0 -30 days)	42 279 044	53 653 484
31 - 60 days	3 875 376	2 961 926
61 - 90 days	2 744 230	2 667 101
91 - 120 days	2 108 263	1 777 337
121 - 355 days	41 756 976	41 143 751
	<u>92 763 888</u>	<u>102 203 599</u>
Less: Provision for impairment	<u>(29 851 458)</u>	<u>(33 275 257)</u>
	<u>62 912 430</u>	<u>68 928 342</u>
Reconciliation of consumer debtors		
Consumer debtors	92 763 888	102 203 599
Provision for impairment	(29 851 458)	(33 275 257)
Bad debts written off	-	(2 645 673)
Adjustment of provision	-	2 645 673
	<u>62 912 430</u>	<u>68 928 342</u>

Trade and other receivables past due but not impaired

The Council regards consumer debtors to be due for outstanding amounts more than 30 days to be past due. The impairment of consumer debtors is calculated based on the historic payment rate per individual debtor.

As of 30 June 2014, trade receivables of R 28,673,629 (2013: R 36,185,083) were fully performing.

As of 30 June 2014 consumer debtors of R 34,238,802 (2013: R 32,926,668) were past due not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

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11. Consumer debtors from exchange and non-exchange transactions (continued)

	2014	2013
31 - 60 days	2 628 279	2 008 777
61 - 90 days	1 861 136	1 808 827
91 - 120 days	1 429 823	1 205 389
> 121 days	28 319 564	27 903 675
Total	34 238 802	32 926 668

As of 30 June 2014, trade receivables of R 29,851,458 (2013: R 33,266,257) were impaired. The individually impaired receivables mainly relates to debtors with arrangement agreements with the municipality which are in unexpectedly difficult economic situations. The ageing of these receivables is as follows:

	2014	2013
31 - 60 days	2 291 492	2 030 043
61 - 90 days	1 622 651	1 827 977
91 - 120 days	1 246 606	1 218 151
> 121 days	24 690 709	28 190 086
Total	29 851 458	33 266 257

Fair value of trade and other receivables approximate their carrying value. The carrying value of these trade receivables are denominated in the following currency: South African Rand.

Security provided in respect of Annuity Loans: Loan no. 556 is secured by Debtors and loan no. 557 is only secured by R36 700 000 of Debtors.

The average consumer debtors payment period for the year ended 30 June 2014 was 54 days (2013: 60 days). The debtors' days remained unchanged. The industry norm is 42 - 45 days.

12. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balance with bank. Cash equivalents in the cash flow statements comprise of the following balance sheet amounts:

Cash on hand	29 675	28 875
Bank balances	82 144 099	121 959 990
	82 173 774	121 988 865

The municipality had the following bank accounts:

Account number / description	Bank statement balances		
	2014	2013	2012
ABSA Bank - Worcester Branch Account number 1000010312	84 166 008	123 545 664	65 252 629

Cash book balances		
2014	2013	2012
82 144 099	121 959 990	65 633 489

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13. Long term liabilities

Held at amortised cost

Annuity Loans	254 641 231	283 144 735
	<u>254 641 231</u>	<u>283 144 735</u>

Refer to Appendix A for further information on long term liabilities.

Security provided in respect of Annuity Loans: Loan no. 556 is secured by debtors and loan no. 557 is only secured by R36 700 000 of Debtors. The other loans are secured by the municipality's income stream, covering the instalments outstanding plus interest and collection charges outstanding at any time during the term of the loans.

Non-current liabilities

- At amortised cost	228 173 036	254 641 231
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Current liabilities

- At amortised cost	26 468 195	28 503 504
	<u>254 641 231</u>	<u>283 144 735</u>

14. Unspent Conditional grants and receipts

Unspent conditional grants comprises:

Conditional grants and receipts

National Government	20 304 955	3 718 936
Provincial Government	29 766 283	18 560 938
District Municipality	3 004	20 436
Other Municipalities	-	-
Public Contributions	335 740	335 740
	<u>50 409 982</u>	<u>22 636 050</u>

Reconciliation of unspent conditional grants

Balance unspent at beginning of the year	22 636 050	19 961 007
Total Government receipts	223 003 954	170 039 733
Other capital receipts	13 858 712	-
Other receipts	-	-
Conditions met - capital grants	(76 126 805)	(66 396 743)
Conditions met - operating account	(79 728 320)	(104 193 506)
Conditions met - housing projects	(37 993 881)	-
Conditions met - other capital jobs	(13 858 712)	(93 840)
From other debtors	(4 326 846)	(1 007 448)
Included in Other Debtors	2 945 831	4 326 846
	<u>50 409 982</u>	<u>22 636 050</u>

The allocations and subsidies received from National and Provincial Government as well the District Municipality, has been deposited into the Council's own bank account. The allocations received have been utilised in accordance with the conditions set. Where all the conditions have not yet been met, the total allocations have not been utilised. The outstanding conditions will be met prior to/or when the balance of the allocations is utilised. The percentage of the allocations utilised is an indication of the conditions met. Where the total of the allocations has been utilised, all the conditions have been met. Also refer to **Appendix D** for further detail regarding unspent conditional grants.

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15. Provisions: Landfill Site

Reconciliation of provisions - 2014

	Opening Balance	Additions	Reversed during the year	Total
Provision for the rehabilitation of landfill site	29 856 967	-	(3 976 889)	25 880 078
	29 856 967	-	(3 976 889)	25 880 078

Reconciliation of provisions - 2013

	Opening Balance	Additions	Reversed during the year	Total
Provision for the rehabilitation of landfill site	26 001 958	3 855 008	-	29 856 967
	26 001 958	3 855 008	-	29 856 967

The provision for landfill site was done for De Doorns for a 20 year period and for the Worcester site for a period of 7 years. No expenses have been incurred to date and the only movement is the contribution for the year. An assessment was done by an independent expert.

16. Employee Benefits

Reconciliation of employee benefits - 2014

	Opening Balance	Additions	Reversed during the year	Total
Provision for Post-Retirement medical aid benefits	121 328 000	21 873 000	-	143 201 000
Long Service Awards	14 538 000	1 292 000	-	15 830 000
Performance bonus	435 293	(256 508)	(29 480)	149 305
Staff Leave Accrual	13 245 770	4 308 031	(2 594 462)	14 959 339
	149 547 063	27 216 523	(2 623 942)	174 139 644

Reconciliation of employee benefits - 2013

	Opening Balance	Additions	Reversed during the year	Total
Provision for Post-Retirement medical aid benefits	101 454 000	19 874 000	-	121 328 000
Long Service Awards	12 594 000	1 944 000	-	14 538 000
Performance Bonus	470 330	218 394	(253 431)	435 293
Staff Leave Accrual	13 753 810	1 956 391	(2 464 431)	13 245 770
	128 272 140	23 992 785	(2 717 862)	149 547 063

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16. Employee Benefits (Continued)		
Non-current employee benefits		
- Provision for Post-Retirement medical aid benefits	138 682 360	117 175 550
- Long Service Awards	15 036 632	13 570 119
	<u>153 718 992</u>	<u>130 745 669</u>
Current employee benefits		
- Provision for Post-Retirement medical aid benefits	4 518 640	4 152 450
- Long Service Awards	793 368	967 881
- Performance Bonus	149 305	435 293
- Staff Leave Accrual	14 959 339	13 245 770
	<u>20 420 652</u>	<u>18 801 394</u>
Post-Retirement medical aid benefit: Movements		
Opening balance	121 328 000	101 454 000
Benefits paid	(4 165 000)	(3 763 000)
Net expense recognised	<u>26 038 000</u>	<u>23 637 000</u>
	<u>143 201 000</u>	<u>121 328 000</u>
Post-Retirement medical aid benefit: Net expense recognised		
Current service cost	5 109 000	4 634 000
Interest cost	10 966 000	9 502 000
Actuarial (gains)/losses	9 963 000	9 501 000
	<u>26 038 000</u>	<u>23 637 000</u>
Long service awards: Movements		
Opening balance	14 538 000	12 593 000
Benefits paid	(1 265 000)	(897 000)
Net expense recognised	<u>2 557 000</u>	<u>2 842 000</u>
	<u>15 830 000</u>	<u>14 538 000</u>
Long service awards: Net expense recognised		
Current service cost	1 155 000	1 020 000
Interest cost	1 134 000	942 000
Negative past service cost	-	-
Actuarial (gains)/losses	268 000	880 000
	<u>2 557 000</u>	<u>2 842 000</u>

Refer to note 17 for further disclosures of post-retirement medical aid benefits and long service awards.

17. Retirement benefit

Defined benefit plan

Post-Retirement medical aid benefit

Current and continuation members receive a 60% and 70% subsidy respectively of medical and contributions in retirement. The spouse and child dependants of an employee are entitled to a 60% and 70% subsidy respectively of their contributions in the event of the principal members' death in-service. In the event of the death of the principal member, the spouse becomes the principal member.

In 2014, 55% (2013: 55%) of the employees belonged to the above plan. The plan is defined as a post-retirement medical benefit plan.

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17. Retirement benefit (continued)

Long service awards

All permanent employees are entitled to a specified number of day's additional leave based on their service. The employee may convert the additional leave into a cash amount.

In 2014, 8% (2013: 11%) of the employees qualified for long service awards.

Sensitivity analysis

2013/2014

The value of the liabilities is particularly sensitive to the assumed rate of healthcare cost inflation. The table below sets out the sensitivity of the valuation result to a 1% increase and 1% decrease in the assumed healthcare cost inflation assumption.

Healthcare cost Inflation sensitivity (R'000)			
	1% decrease	Base (9.00%)	1% increase
Defined Benefit Obligation	(121 066)	(143 201)	(171 527)
Service Cost (Next Financial Year)	(4 626)	(5 955)	(7 755)
Interest Cost (Next Financial Year)	(11 507)	(13 679)	(16 450)

2012/2013

The value of the liabilities is particularly sensitive to the assumed rate of healthcare cost inflation. The table below sets out the sensitivity of the valuation result to a 1% increase and 1% decrease in the assumed healthcare cost inflation assumption.

Healthcare cost Inflation sensitivity (R'000)			
	1% decrease	Base (8.10%)	1% increase
Defined Benefit Obligation	(103 051)	(121 382)	(144 629)
Service Cost (Next Financial Year)	(4 004)	(5 109)	(6 600)
Interest Cost (Next Financial Year)	(9 274)	(10 966)	(13 129)

Key assumptions used

The municipality made use of an independent firm to perform the valuation of post-retirement medical aid benefits and long service awards. The key assumptions used by the experts are listed below for the last valuation on 30 June 2014.

Post-Retirement medical aid benefit

Discount rates	9.50%	9.00%
Health care cost inflation	9.00%	8.10%

Long service awards

Discount rate	8.40%	7.80%
Salary inflation	9.00%	8.10%

Cape Joint Retirement and Pension Fund for Local Government

This multi-employer 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.

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17. Retirement benefit (continued)		
Defined contribution plan		
It is the policy of the municipality to provide retirement benefits to 640 (2013:594) employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.		
The municipality is under no obligation to cover any unfunded benefits.		
The last valuation of the SAMWU National Provident Fund was done on 30 June 2008.		
The last valuation of the SALA Pension Fund was done on 1 July 2013.		
The last valuation of the Cape Joint Retirement Fund was performed on 30 June 2013		
The valuers of the respective funds were satisfied that the plan is in a sound financial position.		
Contributions by Council in respect of employees retirement funding. The contributions have been expensed.	20 333 736	19 234 820
Contributions who elected so are members of the Municipal Councillors Pension Fund. Contributed by Council in respect of Councillors retirement funding: The contributions have been expensed.	757 174	791 149
Contributions to medical aid funds		
Contributions to medical aid funds for employees	10 676 286	10 060 769
Contributions to medical aid funds for Councillors	101 381	99 873
Contributions to medical aid fund for pensioners	4 163 512	3 762 510
	<u>14 941 179</u>	<u>13 923 152</u>
Post-Retirement medical aid benefit		
Discount rate	9.50%	9.00%
Health care cost inflation	9.00%	8.10%
Long service awards		
Discount rate	8.40%	7.80%
Salary inflation	9.00%	8.10%
18. Trade and other payables		
Trade payables	74 222 660	64 219 942
Payments received in advance	3 693 930	3 898 305
Sundry Deposits	478 842	437 171
Other payables	1 098 115	1 246 946
Creditors balances closed. Debtors accounts: Fraud	377 620	377 620
Lease liability	846 822	875 297
Retentions	11 032 549	15 652 197
	<u>91 750 538</u>	<u>86 707 478</u>
19. Consumer deposits		
Electricity	1 598 845	1 538 056
Water	1 709 363	1 556 568
	<u>3 308 208</u>	<u>3 094 624</u>
Guarantees		
Guarantees held in lieu of Electricity and Water Deposits	26 800	26 800

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20. Property Rates		
Rates received		
Property rates	<u>96 015 628</u>	<u>91 981 669</u>
Valuations		
Land	1 061 169 000	1 056 504 000
Improvements	<u>14 662 367 000</u>	<u>14 609 065 000</u>
	<u>15 723 536 000</u>	<u>15 665 569 000</u>

The valuations for land and improvements include De Doorns, Rawsonville, Touwsriver, Worcester and rural areas.

Valuations on land and buildings are performed every four years. The last general valuation came into effect on 1 July 2012. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual basis with the final date for payment being 30 September. Interest at prime plus 1% per annum and a collection fee, is levied on rates outstanding two months after due date. Monthly levies are allowed on application. A differentiated rebate up to 100% is granted to owners under certain circumstances. The basic rate's for the above mentioned areas, were charged for land and improvements at 0.7526 c/R (2013:0.7100 c/R) and for industrial and commercial sites at 1.5052 c/R (2013: 1.4200 c/R).

21. Service charges

Sale of electricity	288 349 038	270 824 425
Sale of water	53 779 811	56 413 713
Sewerage and sanitation charges	57 753 633	54 005 104
Refuse removal	<u>31 126 415</u>	<u>28 904 657</u>
	<u>431 008 897</u>	<u>410 147 900</u>

22. Government grants and subsidies

Equitable share	67 964 000	62 986 000
Capital grants	75 934 207	66 490 583
LGWSETA: Staff Development	862 726	777 345
Other grants and donations	17 935 416	1 154 443
Cape Winelands District Municipality	17 432	45 291
Systems Improvement Grant	692 598	800 000
Financial Management Grant	1 300 000	1 250 000
Provincial Government	5 007 459	7 599 535
Housing Projects	<u>37 993 881</u>	<u>29 580 891</u>
	<u>207 707 719</u>	<u>170 684 088</u>

Refer to Appendix D for further detail regarding grants received.

23. Finance Income

Bank	5 907 307	3 786 209
Interest earned - external investments	3 520 588	1 910 681
Interest - outstanding debtors	<u>2 736 578</u>	<u>2 309 189</u>
	<u>12 164 473</u>	<u>8 006 079</u>

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24. Fair value adjustments		
Discounting of long term receivables: Movement for the year	712 511	2 910 992
Opening balance	(8 422 637)	(11 333 629)
Closing balance	(7 710 126)	(8 422 637)
Water stock movement	232 287	41 168
Fair value adjustment on Heritage assets	20 696 778	-
Fair value adjustment on investment property	176 300	1 791 398
(Loss)/Gain	21 817 876	4 743 558
25. Rental income		
Infrastructure/Site Rental	9 431 186	8 999 932
Rental of facilities and equipment	2 109 098	2 430 884
	11 540 284	11 430 816
26. Other income		
Administration fees: Credit Control	1 308 914	1 357 146
Bathing Tickets	253 995	291 031
Building Clause	41 615	39 883
Building Plans Fees	841 508	747 396
Bulk Service Levies	194 652	129 066
Burial fees	621 307	519 021
Cleaning Block Drains	37 709	145 764
Clearance Certificate	142 744	145 762
Connection fees	657 747	570 388
Connection Meters	50 570	59 341
Commission received	204 898	196 980
Entrance fees	392 246	402 628
Firefighting charges	527 604	588 776
Garden refuse special removals	237 394	210 759
Interest car loans and housing loans, sundry and township development	(101 926)	125 888
Land sales	25 222	7 246
Miscellaneous Income	988 987	508 053
Network upgrading	856 922	511 623
Photocopies and Printing	122 081	112 879
Recovery of expenditure	4 634	5 855
Rental Street Bins	167 098	247 783
Royalties	1 772 509	989 429
Services	480 258	384 347
Tender Documents	51 653	72 497
Sundry Income	884 590	1 026 130
Grants Library Hall	(51 482)	(15 262)
Rebate R 7 500 Selling	(242 143)	(94 066)
Subsidy on instalment	-	(300)
Rebate Rental	(3 995 447)	(3 955 173)
	-	-
	6 475 861	5 330 870
Loans are secured by the municipality's income stream, covering the instalments outstanding plus interest and collection charges outstanding at any time during the term of the loans.		
27. General expenses		
Advertising	561 237	473 087
Access to basic services	-	1 196 220
Auditors remuneration	2 813 066	2 209 696
Bank charges	1 130 060	1 299 983
Bursaries	171 500	166 020
CDW Programme	1 498 239	338 286
Chemicals	1 899 302	2 202 095
Cleaning	155 911	570 666
Commission paid	789 732	647 488
Communication	51 154	15 789
Community development and training	14 501	5 686
Conferences and seminars	57 667	88 148
Connections	-	16 027

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Figures in Rands	2014	2013 (Restated)
27. General expenses (continued)		
Consulting and professional fees	2 682 904	2 703 539
Consumables	201 932	254 261
Digging of graves	705 812	683 643
Driver license expense	570 270	615 030
Electricity	1 037 117	1 060 894
Emergency relief	-	-
Entertainment	1 405 982	1 043 937
Flowers	6 222	7 516
Fuel and oil	6 526 898	5 253 709
Healthcare and Hygiene services	364 043	363 244
Inspection fee	-	-
Insurance	2 848 501	2 652 467
Interpreting Services	53 927	89 026
Lease rentals on operating lease	6 052 590	7 691 436
Levies	621 499	1 146 124
Loss of water and library materials	227 224	98 638
Materials and Stores	951 186	894 554
Motor vehicle expenses	2 411 231	155 470
Other expenses	2 794 717	902 117
Performance Management System	443 747	151 986
Postage and courier	819 408	797 208
Printing and stationery	1 509 156	1 465 417
Productions	(1 141 760)	(991 520)
Project maintenance costs	370 750	288 250
Public Participation	40 277	38 730
Refuse	578 114	804 716
Royalties and license fees	973 895	1 039 404
Service level agreement	190 000	150 000
Servicing of Summonses	1 199 378	881 304
Staff welfare	160 741	45 737
Subscriptions and membership fees	2 295 370	2 070 615
Subsistence and travel	1 286 581	1 083 361
Survey fees	63 596	44 356
Telephone and fax	3 764 467	3 749 605
Top Structure expenses	38 019 233	20 800 678
Training	1 924 531	1 977 127
Transfer fees	30 865	19 634
Transport and freight	6 553	-
Traffic: Rental Speed Cameras	1 967 994	2 292 185
Valuation expenses	290 306	1 368 336
Ward committee projects	357 194	129 689
Youth Development Program	345 535	307 116
	<u>94 100 352</u>	<u>73 358 730</u>
28. Employee related costs		
Basic	121 420 103	116 419 487
Bonus	9 253 150	8 807 049
Medical aid contributions	14 839 798	13 823 279
UIF	1 212 702	1 142 568
WCA	1 531 880	1 119 747
Skills development levies	1 716 932	1 659 638
Group Life Insurance	1 959 832	2 199 185
Retirement Fund	20 333 736	19 244 912
Travel and car allowances	5 169 180	5 219 015
Overtime payments	12 571 490	11 225 563
Acting allowances	1 583 283	1 188 976
Housing benefits and allowances	862 880	938 170
Allowances: Other	5 273 609	4 525 606
Protective clothing	1 112 939	1 095 650
Less: Employee costs Capitalised	-	-
	<u>198 841 515</u>	<u>188 608 845</u>

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Figures in Rands	2014	2013 (Restated)
Executive directors and other officers:		
Municipal Manager : G.Matthyse		
Annual Remuneration	1 287 315	1 125 180
Performance Bonus	-	-
Car Allowance	84 000	84 000
Contribution to UIF, Pension Fund and Medical Aid	1 785	1 713
	<u>1 373 099</u>	<u>1 210 893</u>
Chief Financial Officer : D.McThomas		
Annual Remuneration	1 030 254	914 519
Performance Bonus	119 782	117 706
Car Allowance	95 000	95 000
Contribution to UIF, Pension Fund and Medical Aid	1 785	1 713
	<u>1 246 821</u>	<u>1 128 937</u>
Technical Services : E.Delport		
Annual Remuneration	730 879	770 080
Performance bonus	-	55 887
Car Allowance	144 000	102 198
Contribution to UIF, Pension Fund and Medical Aid	133 343	1 713
	<u>1 008 222</u>	<u>929 877</u>
Corporate Director : M.Gagu		
Settlement	-	500 000
Annual Remuneration	-	256 156
Performance bonus	-	-
Car Allowance	-	57 500
Contribution to UIF, Pension Fund and Medical Aid	-	49 149
	<u>-</u>	<u>862 804</u>
Strategic Service Director: R.Esau		
Annual Remuneration	742 324	177 068
Performance Bonus	-	-
Car Allowance	119 363	29 841
Contribution to UIF, Pension Fund and Medical Aid	146 538	34 006
	<u>1 008 225</u>	<u>240 914</u>
Community Services Director : J.Marthinus		
Annual Remuneration	705 069	654 928
Performance bonus	-	79 838
Car Allowance	126 089	120 088
Contribution to UIF, Pension Fund and Medical Aid	165 659	98 974
	<u>996 816</u>	<u>953 828</u>

Personnel costs as percentage of total expenditure for 2014 is 28% (2013: 28%). The industry norm is between 30-35%. This figure excludes the remuneration of councillors, as disclosed in note 29 to the Financial Statements.

29. Remuneration of councillors

Executive Mayor	581 546	601 478
Deputy Executive Mayor	533 716	501 170
Chief Whip	504 724	473 137
Speaker	541 881	504 628
Mayoral Committee Members	4 010 553	3 747 733
Councillors	6 662 323	6 103 914
Councillors pension contribution	757 174	791 149
Councillors medical aid contribution	101 381	99 873
	<u>13 693 297</u>	<u>12 823 082</u>
In-kind benefits		

The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor has the use of a Council owned vehicles for official duties.

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Remuneration of Councillors:

The remuneration of the political office bearers and councillors are within the upper limits as determined by the framework envisaged section 219 of the Constitution

Executive Mayor	Salary	Allowances	Pension fund & Medical Aid	Total
BD Kivedo	476 022	90 066	77 999	644 087
A.Steyn	15 381	76	813	16 271
	491 403	90 142	78 812	660 358
Deputy Mayor				
JD Levendal	434 284	99 432	53 792	587 508
Speaker				
A.Steyn	399 550	138 468	49 490	587 508
M.Sampson	3 863	-	205	4 068
	403 413	138 468	49 694	591 576
Mayco Member Whip				
R Farao	384 256	120 468	47 595	552 319
Mayco Members				
WM Blom	352 864	138 468	60 987	552 319
AM Du Toit	444 642	52 693	54 984	552 319
S Goedeman	352 864	138 468	60 987	552 319
AE Jordaan	368 239	138 468	45 611	552 319
SJ Mei	34 116	700	1 792	36 609
WR Meiring	444 072	53 187	55 061	552 319
M Sampson	368 239	132 820	51 260	552 319
EY Sheldon	418 059	65 946	68 315	552 319
JF Van Zyl	368 239	138 468	45 611	552 319
	3 151 335	859 217	444 608	4 455 161

Councillors:	Salary	Allowances	Pension fund & Medical Aid	Total
R Blom	165 768	69 840	-	235 608
JA Boshoff	165 768	69 840	-	235 608
MN Bushwana	165 768	69 840	-	235 608
L Dyabooi	177 852	24 468	33 288	235 608
TC Dyonta	187 870	24 468	23 270	235 608
C Ismail	165 768	69 840	-	235 608
N Jali	147 498	69 840	18 270	235 608
SE James	147 498	69 840	18 270	235 608
PB Januarie	165 768	69 840	-	235 608
BV Klein	165 768	69 840	-	235 608
BJ Kriegler	165 768	69 840	-	235 608
S Lakey	165 768	69 840	-	235 608
MN Lubisi	165 768	69 840	-	235 608
ES Manel	165 768	69 840	-	235 608
P Marran	165 768	69 840	-	235 608
SJ Mei	147 498	69 840	18 270	235 608
SB Mfutwana	148 488	69 840	17 280	235 608
BW Ntshingila	165 768	69 840	-	235 608
L Richards	165 768	69 840	-	235 608
J Schneider	165 768	69 840	-	235 608
PG Smith	165 768	69 840	-	235 608
G Stalmeester	160 111	69 840	5 657	235 608
NV Steto	165 768	69 840	-	235 608
P Tyira	165 768	69 840	-	235 608
TM Wehr	165 768	69 840	-	235 608
CF Wilskut	187 870	24 468	23 270	235 608
GF Jaftha	208 685	24 468	2 455	235 608
C Ntsomi	163 500	72 108	-	235 608
VK Apollis	187 870	24 468	23 270	235 608
E Van der Westhuizen	10 860	2 131	753	13 744
	4 859 425	1 802 899	184 052	6 846 376

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Figures in Rands	2014	2013 (Restated)
30. Bad debts		
Bad debts written off debited to Provision for doubtful debtors	-	4 111 479
Bad debts written off been paid against the Provision for Debtors for the 2013/14 financial year.		
31. Depreciation, amortisation and impairment		
Property, plant and equipment	66 834 179	65 945 752
Landfill Site	1 825 907	3 016 984
	<u>68 660 087</u>	<u>68 962 736</u>
32. Bulk purchases		
Electricity	205 813 691	195 895 442
Water	1 427 275	945 390
	<u>207 240 966</u>	<u>196 840 831</u>
33. Finance costs		
External borrowings	<u>28 637 978</u>	<u>25 261 052</u>
34. Auditors' remuneration		
Fees	<u>2 813 066</u>	<u>2 209 696</u>
35. Contracted Services		
Private contractors	6 852 843	6 550 261
Security services	557 586	511 996
Other contracted services	255 183	228 950
	<u>7 665 612</u>	<u>7 291 207</u>
36. Grant and subsidies paid		
Other Subsidies		
Grant in aid	<u>131 600</u>	<u>27 600</u>
	<u>131 600</u>	<u>27 600</u>
37. Contributions to (from) debtors Impairment, employee benefit obligation and leave payment accrual		
Performance Bonus	(29 480)	218 394
Post-Retirement Medical aid benefits	23 165 000	21 818 000
Provision for leave payment	4 308 031	1 956 391
	21 340 395	4 844 285
Bad debts written off debited to Provision for doubtful debtors		
Provision for Bad Debts - Traffic Fines	29 260 764	-
Provision for Land Fill site	1 761 561	1 716 129
	<u>79 806 271</u>	<u>30 553 199</u>
38. Cash generated from operations		
Surplus (deficit) before taxation	66 553 138	44 915 281
Adjustments for:		
Adjustment - assets other movement	-	-
Depreciation and amortisation, impairment	68 660 087	68 962 736
Impairment loss	-	-
Surplus on sale of assets	(480 991)	(732 015)
Loss on disposal of assets	-	-
Grants to operating account	-	-
Bad debts written off	-	4 111 479
Debt Impairment	50 601 159	4 844 285
Loss of water and library materials	227 224	98 638
Prior year corrections:	-	-
Rehabilitation cost	1 761 561	1 716 129

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Figures In Rands	2014	2013 (Restated)
38. Cash generated from operations (continued)		
Fair value adjustment	(21 817 876)	(4 743 558)
Grants and receipts	-	-
Non-operating Income / (Expenditure)	471 192	525 316
Non-operating expenses - leave payment	-	-
Changes in working capital:		
Inventories	(509 016)	(9 834 102)
Other receivables from non-exchange transactions	(38 114 093)	(7 232 248)
Consumer debtors	(15 324 482)	(26 344 459)
Contribution to leave payment accrual	1 427 581	(543 077)
Trade and other payables	5 043 060	24 887 338
Unspent conditional grants	27 773 932	(1 086 271)
VAT	(2 081 508)	(1 013 928)
Increase/(decrease) in Provision for landfill site	(5 738 450)	2 138 880
Increase in Employee benefit obligation	23 174 590	21 818 000
	<u>161 627 108</u>	<u>122 488 424</u>
39. Commitments		
Authorised capital expenditure		
Approved and contracted for		
Infrastructure	3 664 671	52 171 095
Housing operating commitments	<u>4 320 316</u>	<u>16 023 692</u>
	<u>7 984 987</u>	<u>68 194 787</u>
This committed expenditure relates to property and will be financed by external loans, reserves and government grants. Loans to the value of R51 000 000 have already been secured.		
The Expenditure will be financed from:		
External Loans	3 664 671	33 023 010
Government Grants	<u>4 320 316</u>	<u>35 171 777</u>
	<u>7 984 987</u>	<u>68 194 787</u>
Operating leases - as lessee (expense)		
Minimum lease payments due:		
- within one year	3 031 723	1 492 257
- in second to fifth year inclusive	2 906 899	931 189
- later than five years	-	-
	<u>5 938 621</u>	<u>2 423 446</u>

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. Payments made under operating leases are recognised in the Statement of financial performance on a straight-line basis over the period of the lease. The impact of straight lining has been a decrease in current year expenditure of R 110,602 (2013: R 170,109).

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39. Commitments (continued)		
Operating leases - as lessor (income)		
Minimum lease payments due		
- within one year	203 799	151 659
- in second to fifth year inclusive	594 909	707 826
- later than five years	4 299	59 193
	<u>803 007</u>	<u>918 678</u>
<p>Certain of the municipality's property are held to generate rental income. Non-cancellable operating leases are generally between 3 - 13 years. Payments received under operating leases are recognised in the Statement of financial performance on a straight-line basis over the period of the lease. The impact of straight lining has been a decrease in current year income of R 23,270 (2013: Increase R 54,921).</p>		
40. Contingencies		
Guarantees		
Guarantee Eskom (ABSA)	63 400	63 400
Guarantee South African Post Office Limited (ABSA)	<u>75 000</u>	<u>75 000</u>
	<u>138 400</u>	<u>138 400</u>
Legal Matters		
Mojovi Buildings & Civils cc instituted a claim against the municipality for cancelling a contract for the building of houses in Avian Park. The case was referred for Arbitration. No steps have been taken from Mojovi's side till date. Debt has prescribed.	-	3 897 365
A former employee who resigned claimed the amount payable for outstanding leave. The employee however owns the municipality money. An settlement agreement was reached in the 2013/14 year with the employee. The amount due to him will be netted against his outstanding debt. A debtor account was created.	-	18 801
A labour dispute between a former employee and the municipality. Final arbitration award, payment 12/11/2013	-	149 466
Sannicare-Dispute with regard to tender which had been awarded to Sannicare.	4 200 000	-
<i>Contingencies arising from pending litigation on wage curve agreement:</i> This was resolved with no financial implication for the council.	-	-
WCA-Current investigation about a dispute regarding an outstanding amount due by council.	1 592 035	-
Public Liability - Insurance claims based on quotations and could result in a lessor amount or more. It is the view of Management that it is unlikely that these claims will be paid out but might realise due to past experience.	1 625 181	1 689 393
Claims for damages - It is the view of Management that it is unlikely that these claims will be paid out but might realise due to past experience.	68 384	17 051
	<u>7 485 600</u>	<u>5 772 076</u>
Other		
Guarantees by Council in respect of Housing Loans for Officials.	616 973	818 223
	<u>616 973</u>	<u>818 223</u>

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41. Contingent asset

Zadar - Court decision in favour of Council for reimbursement of legal fees. Taxation still needs to take place. Claim against Zader has matured.

DeVries DeWet & Krouwkam Attorneys - Claim against the accused related to Zader court case not properly handled by DeVries DeWet & Krouwkam Attorneys, who was the lawyers of the municipality at that stage. Municipality are claiming the total amount of legal fees paid to them while handling the Zader case.

1 615 223

1 615 223

SARS - Dispute was entered into with SARS regarding VAT audit and repayment of amounts paid to SARS. A settlement agreement for the contingent asset regarding the dispute has been reached for an amount of R 799 654.

1 761 161

1 761 161

3 376 384

3 376 384

42. Related parties

No related party transactions or relationships existed for the year under review for councillors or senior management with decision making authority, other than those disclosed in Appendix E. Also refer to note 28 and 29 which discloses the remuneration of key management and councillors respectively.

43. Restatements due to prior period errors

Certain errors were identified during the year which has been corrected retrospectively as far as practically possible. Further details regarding the restatements is set out below:

43.01 Current portion of Long-term receivable

Balance previously reported

Refer to

821 459

Adjust of the Provision for Bad Debt - 2012/2013 - V 130601324

43.02, 43.03, 43.11,
43.12, 43.13

1 063 822

1 885 281

43.02 Consumer Debtors

Balance previously reported

73 569 376

Adjust of the Provision for Bad Debt - 2012/2013 - V 130601324

43.01, 43.03, 43.11,
43.12, 43.13

(4 641 032)

Deferment Fair value Adjustment - 2012/2013 - V 130601321

68 928 344

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Notes to the Financial Statements

Figures in Rands	2014	2013 (Restated)
43. Restatements due to prior period errors (Continued)		
43.03 Long term receivables		
Balance previously reported		3 632 804
Adjust of the Provision for Bad Debt - 2012/2013 - V 130601324 (R 3 444 958.16 - R 487 268.61)	43.01, 43.02, 43.11, 43.12, 43.13	6 534 899
		10 167 703
43.04 Non-Current Provisions		
Balance previously reported		30 141 908
Written back the provision for the Land Fill site 2009 till 2011 - V 12061683	43.13	(27 790 611)
Written back the provision for the Land Fill site 2011 till 2012- V 12061683	43.13	(88 223)
Written back the provision for the Land Fill site 2012 till 2013	43.11, 43.13	(2 263 074)
Provision for the Land Fill site till 1 July 2011 - V 120601684	43.05, 43.13	22 508 213
Provision for the Land Fill site till 1 July 2012 - V 120601684	43.05, 43.13	199 425
Provision for the Land Fill site till 1 July 2013	43.05, 43.13	7 286 683
Change in provision of usefull life of De Doorns landfill site 11/12	43.05, 43.13	3 294 321
Change in provision of usefull life of De Doorns landfill site 12/13	43.05, 43.10, 43.13	(3 431 675)
		29 856 967
43.05 Property Plant and equipment		
Balance previously reported		1 805 667 699
Correction of disposal of assets in the 2011/12 financial year	43.13	(14 368)
Correction of depreciation during 2010/2011	43.13	99
Correction of depreciation during 2011/2012	43.13	38 668
Correction of depreciation during 2012/2013	43.13	16 574
Erf 92 - land/ building from Heritage to PPE - building been used by Municipality	43.07	891 000
Asset - Land fill site - 2010/11 value of asset - cost	43.04, 43.13	21 337 491
Less Depreciation for the period till 30 June 2011	43.13	(6 504 602)
Rehabilitation for the landfill site for the 2011/12 financial year	43.04, 43.13	(1 466 183)
Change in usefull life of De Doorns landfill site 11/12	43.04, 43.13	3 294 321
Less Depreciation of change in usefull life - De Doorns 11/12	43.13	(149 742)
Change in usefull life of De Doorns landfill site 12/13	43.04, 43.10, 43.13	(3 649 100)
Less Depreciation of change in usefull life - De Doorns 12/13	43.13	24 025
Less Depreciation for the period till 30 June 2012	43.13	(2 489 883)
Depreciation on erf 92	43.13	(438 013)
Rehabilitation for the landfill site for the 2012/13 financial year	43.04, 43.13	5 787 979
Correction of depreciation during 2010/2011	43.13	(3 041 009)
		1 819 304 956

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Figures in Rands	2014	2013 (Restated)
43. Restatements due to prior period errors (Continued)		
43.06 Investment Property		
Balance previously reported		9 882 100
Correction of disposal of assets in the 2011/12 financial year	43.13	(117 000)
Correction of disposal of assets in the 2011/12 financial year- Revalue - previous the 11/12 financial year	43.13	(200 000)
Correction of disposal of assets in the 2011/12 financial year- Revalue of 11/12 year written back	43.13	(18 000)
Correction of disposal of assets in the 2011/12 financial year- Revalue of 12/13 year written back	43.12, 43.13	(4 000)
		9 543 100
43.07 Heritage assets		
Balance previously reported		17 282 972
Depreciation on heritage assets reverse 2011 2012	43.13	10 100
Erf 92 - De Doorns - Land and building not Heritage asset - written back	43.05	(891 000)
		16 402 072
43.08 Current portion of Employee Benefits		
Balance previously reported		5 555 624
Grap 25 - all employee related cost must be reported under Employee Benefits	43.09	13 245 770
		18 801 394
43.09 Trade and other Payables		
Balance previously reported		99 953 248
GRAP 25 - all employee related cost must be reported under Employee Benefits	43.08	(13 245 770)
		86 707 478
43.10 Rehabilitation of land fill site		
Balance previously reported		-
Rehabilitation portion shown on the face of the statement financial performance separately	43.11	1 498 704
Change in useful life of De Doorns landfill site 12/13	43.04, 43.05, 43.13	217 425
		1 716 129
43.11 Contributions to funds		
Balance previously reported		34 545 102
Adjust of the Provision for Bad Debt - 2012/2013 - V 130601324	43.01, 43.02, 43.03, 43.12, 43.13	(3 444 958)
Adjust the Provision to the land fill site - 2012/2013	43.04, 43.13	(764 370)
Rehabilitation portion shown on the face of the statement separately	43.04, 43.10, 43.13	(1 498 704)
		28 837 070
43.12 Fair value adjustment		
Balance previously reported		5 234 825
Investment assets sold in 2010/11 - revalue written back for the 12/13 fin.	43.06, 43.13	(4 000)
Deferment on fair value adjustment - V 130601321	43.01, 43.02, 43.03, 43.11, 43.13	(487 267)
		4 743 558

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43. Restatements due to prior period errors (Continued)

Note: General expenses

		2012/13 Balance	Movement	2012/13 Reclassification
Operating grant expenditure	Note 27	1 745 935	(1 745 935)	-
Cleaning	Note 27	152 080	418 586	570 666
Entertainment	Note 27	975 838	68 099	1 043 937
Professional fees	Note 27	1 832 458	871 081	2 703 539
Public participation	Note 27	30 270	8 460	38 730
Subscriptions and membership fees	Note 27	1 784 722	285 893	2 070 615
Subsistence and travel	Note 27	1 076 871	6 490	1 083 361
Training	Note 27	1 889 801	87 326	1 977 127
		9 487 975	-	9 487 975

43.13 Accumulated Surplus

11/12 Balance previously reported

		1 497 632 793
Investment property sold in 11/12 - disposed	43.06	(289 000)
Land and buildings disposed in the 2011/12 financial year	43.05	(14 368)
Written revaluation back - investment assets sold in 11/12	43.06	(18 000)
Proceed on the sale of the erven in 2011/12	43.06	(28 000)
Depreciation on heritage assets reverse 2011 2012 written back	43.07	10 100
Depreciation written back on assets sold in the previous period	43.05	38 767
Rehabilitation of a portion of the landfill site	43.04, 43.05	(2 836 331)
Prior year provision written back - 2011 - landfill site	43.04	27 790 611
Prior year provision written back - 2012 - landfill site	43.04	88 223
Depreciation on landfill for the site in De Doorns 11/12	43.05	(547 902)
Depreciation on landfill for the site in Worcester 11/12	43.05	(8 446 583)
Depreciation on landfill for the site in usefull life De Doorns 11 /12	43.05	(149 742)
Erven 92 - Identified as heritage - workshop for Municipality - transfer to PPE	43.05	(414 979)
		1 512 815 590

12/13 Balance previously reported - surplus for June 2013

12/13 Balance previously reported - surplus for June 2013

		44 438 414
Written revaluation back - investment assets sold in 12/13	43.06, 43.12	336 754
Correction of depreciation during 2012/13 financial year	43.05	(4 000)
Additional provision of Bad Debt on Services V 13060124	43.01, 43.02, 43.03, 43.11, 43.12	16 574
Allocation and correction prior fair value	43.01, 43.02, 43.03, 43.11, 43.12	3 444 958
De Doorns Depreciation for the 12/13 year on the landfill site	43.05	(487 270)
Worcester Depreciation for the 12/13 year on the landfill site	43.05	(264 751)
Rehabilitation of a portion of the landfill site	43.04, 43.05	(2 776 258)
Provision for 2012/13 written back - landfill site	43.04, 43.11	(1 498 704)
Rehabilitation of usefull life of De Doorns 12 13	43.04, 43.05, 43.10	2 263 074
Depreciation on landfill site De Doorns usefull life 12 13	43.05	(217 425)
Depreciation on erven 92 - written back to PPE	43.05	24 025
		(23 033)

	45 252 358
Balance as at 30 June 2013	1 558 067 949

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44. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2014

	Loans and receivables	Held to maturity investments	Total
Consumer debtors	92 763 889	-	92 763 889
Other debtors	59 585 472	-	59 585 472
Long-term receivables	18 483 050	-	18 483 050
Investments in other deposits	-	85 000 000	85 000 000
Cash and cash equivalents	82 173 774	-	82 173 774
	<u>253 006 185</u>	<u>85 000 000</u>	<u>338 006 185</u>

2013

	Loans and receivables	Held to maturity investments	Total
Consumer debtors	102 203 601	-	102 203 601
Other debtors	22 540 401	-	22 540 401
Long-term receivables	21 778 290	-	22 265 559
Investments in fixed deposits	-	30 000 000	30 000 000
Cash and cash equivalents	121 988 865	-	121 988 865
	<u>268 511 157</u>	<u>30 000 000</u>	<u>298 998 426</u>

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

Consumer debtors

Consumer debtors	<u>28 673 629</u>	<u>36 185 083</u>
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Cash at bank and short-term bank deposits

F2	ABSA	82 173 774	121 959 990
F2	ABSA	20 000 000	-
F3	Nedbank	30 000 000	10 000 000
F3	Investec	15 000 000	20 000 000
F3	FNB	-	-
F3	Standard Bank	20 000 000	-
		<u>167 173 774</u>	<u>151 959 990</u>

F1 - Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature

F2 - Good credit rating. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of higher ratings.

F3 - Fair credit rating. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non-investment grade

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45. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2014

	Financial liabilities at amortised cost	Hold to maturity	Fair value through surplus or deficit - designated	Total
Consumer deposits	3 308 208	-	-	3 308 208
Unspent conditional grants and receipts	50 409 982	-	-	50 409 982
Trade and other payables	87 678 988	-	-	87 678 988
Annuity loans	254 641 231	-	-	254 641 231
	<u>396 038 409</u>	<u>-</u>	<u>-</u>	<u>396 038 409</u>

2013

	Financial liabilities at amortised cost	Hold to maturity	Fair value through surplus or deficit - designated	Total
Consumer deposits	3 094 624	-	-	3 094 624
Unspent conditional grants and receipts	22 636 050	-	-	22 636 050
Trade and other payables	82 431 553	-	-	82 431 553
Annuity loans	283 144 735	-	-	283 144 735
	<u>391 306 962</u>	<u>-</u>	<u>-</u>	<u>391 306 962</u>

46. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an on-going review of future commitments and credit facilities. Prudent liquidity risk management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Annuity loans	26 468 195	5 109 055	4 327 911	218 736 069
Consumer deposits	3 308 208	-	-	-
Trade and other payables	87 678 988	-	-	-
Unspent conditional grants	50 409 982	-	-	-
	<u>167 865 373</u>	<u>5 109 055</u>	<u>4 327 911</u>	<u>218 736 069</u>
At 30 June 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Annuity loans	56 476 871	109 531 534	179 520 279	261 836 378
Consumer deposits	3 094 624	-	-	-
Trade and other payables	82 431 553	-	-	-
Unspent conditional grants	22 636 050	-	-	-
	<u>164 639 098</u>	<u>109 531 534</u>	<u>179 520 279</u>	<u>261 836 378</u>

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Interest rate risk

At 30 June 2014, if interest rates on Rand-denominated trade receivables had been 0.5% higher/lower with all other variables held constant, post-tax surplus for the year would have been R 705 006 (2013 - R837,684) lower/higher, mainly as a result of higher/lower interest income on past due trade receivables.

In order to hedge the fair value interest rate risk, borrowings are made at fixed rates and investments are not made for periods exceeding 12 months. Borrowing issued at fixed ratings expose the municipality to fair value interest rate risk.

The municipality's has a low interest rate risk as a long-term borrowing is made on a fixed interest rate. All financial assets except trade debtors bears a fixed interest rate.

At year end, financial instruments exposed to interest rate risk were as follows:

- Consumer debtors

Credit risk

Credit risk is managed by debt collection department. The credit risks, rates and consumer debtors, are managed in terms of the credit control and debt collection as well as the indigent relief policies.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. There is no independent rating, risk control assesses the credit quality of the customer, taking into account past experience with the client's payment rate. Sales to customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year-end were as follows:

Financial instrument	2014	2013
Other debtors	59 585 472	22 540 401
Long term receivables	18 483 050	21 778 290
Investments in other deposits	85 000 000	30 000 000
Cash and cash equivalents	82 173 774	121 988 865
	<u>245 242 296</u>	<u>196 307 556</u>

Price risk

The municipality is not exposed to equity securities price risk as no investments are made by the municipality in equity securities on the consolidated statement of financial position either as available for sale or at fair value through surplus or deficit.

47. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

48. Events after the reporting date

During July 2014 the movable assets to the value of R 381,868 was acquired from Worcester Agricultural Association (Kleinplasia) of which an settlement amount of R 20,000 was paid by the municipality.

A Settlement agreement for the contingent asset of SARS regarding the dispute with SARS regarding VAT has been reach for an amount of R 799 653.98

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Notes to the Financial Statements

Figures in Rands	2014	2013 (Restated)
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49. Unauthorised, irregular, fruitless and wasteful expenditure

Unauthorised expenditure - expenditure exceed budget

		Budget	Actual	Variance
Council General: Admin	Provisions	25 145 462	28 786 245	(3 640 783)
Community Services: Traffic	Provisions	136 768 715	153 817 485	(17 048 770)
Technical Services	Provisions	447 949 728	472 033 933	(24 084 205)
		609 863 905	654 637 663	(44 773 758)

Details of unauthorised expenditure

Bad Debts: IGRAP 1 was effective from this financial year and indicates that non-payment in exchange and non-exchange revenue transactions should be considered when assessing impairment. There were significant uncertainties on the treatment and application of IGRAP1, which made it difficult for the municipality to predict and budget for.

Employee Benefits: Provision calculations are done by the actuaries and are based on various assumptions which are inflation based and difficult to accurately budget for.

Provision Fines: IGRAP 1 was effective from this financial year however there were significant uncertainties on the treatment and application of IGRAP1, which made it difficult for the municipality to predict and budget for.

Depreciation of landfill site: Provision variance was as result of incorrect accounting treatment in the previous financial years. The landfill assets were not previously recognised and depreciation therefor not budgeted for.

Irregular expenditure

Opening balance	45 213	38 446 155
Irregular expenditure - Various	-	-
	45 213	38 446 155
Less: Amounts not recoverable (not condoned)	-	-
Less: Amounts (condoned by Council 26.03.2013))	-	(38 400 942)
Irregular Expenditure awaiting further action	45 213	45 213
Incident		
Fifa World Cup	11 250	11 250
Dros	33 963	33 963
	45 213	45 213

BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Notes to the Financial Statements

Figures In Rands	2014	2013 (Restated)
49. Unauthorised, irregular, fruitless and wasteful expenditure (Continued)		
<u>Analysis of expenditure awaiting condonation per age</u>		
Current year	-	-
Prior years	45 213	45 213
	<u>45 213</u>	<u>45 213</u>

Details of irregular expenditure and fruitless and wasteful expenditure - Previous year

The irregular expenditure of R 45,213 was condoned at a Council meeting held on 25 August 2014.

50. Material Losses

Water distribution losses		
- Kilo litters supplied	11 740 512	14 097 007
- Kilo litters sold	10 621 976	11 893 839
- Kilo litters lost in distribution	1 118 536	2 203 168
- Percentage lost in distribution	9.53%	15.63%
Electricity distribution losses		
- Units bought (Kwh)	319 877 963	321 808 534
- Units sold (Kwh)	296 738 559	298 016 525
- Units lost in distribution (Kwh)	23 139 404	23 792 009
- Percentage lost in distribution	7.23%	7.39%

51. In-kind donations and assistance

In-kind donations, in the form of assets, to the value of R13 858 712 have been received by the Municipality during the 2013/2014 financial year.

52. Contributions to organised local government

Membership fees: SALGA		
Current year subscription /fee	2 079 834	1 731 578
Amount paid - current year	<u>(2 079 834)</u>	<u>(1 731 578)</u>
	-	-
Audit fees		
Opening balance	-	-
Current year subscription /fee	2 813 066	2 209 696
Amount paid - current year	<u>(2 813 066)</u>	<u>(2 209 696)</u>
	-	-
PAYE and UIF		
Opening balance	2 093 278	1 830 475
Current year subscription /fee	25 958 891	24 510 214
Amount paid - current year	(23 728 009)	(22 416 936)
Amount paid - previous years	<u>(2 093 278)</u>	<u>(1 830 475)</u>
	<u>2 230 882</u>	<u>2 093 278</u>
Pension and Medical Aid Deductions		
Opening balance	(1 368 062)	(1 029 275)
Current year subscription / fee	56 007 392	52 491 596
Amount paid - current year	(56 198 764)	(52 653 057)
Amount paid - previous years	(161 462)	(177 326)
Included in creditors	-	-
	<u>(1 720 896)</u>	<u>(1 368 062)</u>
VAT		
VAT receivable	7 500 118	5 418 610
VAT payable	-	-
	<u>7 500 118</u>	<u>5 418 610</u>

VAT output payables and VAT input receivables are shown in note 10. All VAT returns have been submitted by the due date throughout the year.

BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Notes to the Financial Statements

Figures in Rands	2014	2013 (Restated)
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52. Contributions to organised local government (Continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2014:

30 June 2014

	Outstanding Arrangement R	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
CF & C Wilskut	1 613	-	-	1 613
FJ Klein	757	-	-	757
VKM Apollis	492	-	-	492
	<u>2 861</u>	<u>-</u>	<u>-</u>	<u>2 861</u>

Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2013

	Outstanding Arrangement R	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
CF & C Wilskut	5 297	-	-	5 297
F. Klein	7 965	-	-	7 965
	<u>13 262</u>	<u>-</u>	<u>-</u>	<u>13 262</u>

53. Change in accounting estimate

Property, plant and equipment: A review of useful lives was done on assets. During the review, certain infrastructure and other property plant and equipment with Rnil book values and nil remaining lives were identified. The entity's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change affects that period only; or the period of the change in future periods, if the change affects both. Management concluded that it should apply the change in estimate prospectively from the start of 2014 and therefore the depreciation charge was applied prospectively from 1 July 2013 over the remaining useful life of these assets.

The effect of the change in accounting estimates due to the review of useful lives and residual values is as	2014 R	2015 R	2016 R
Decrease/(Increase) in depreciation on infrastructure assets for the year	1 972 240	1 589 329	(890 764)
Decrease/(Increase) in depreciation on other assets for the year	116 859	(15 526)	(52 623)
	<u>2 089 099</u>	<u>1 573 803</u>	<u>(943 387)</u>

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with Rnil book values and nil remaining lives were identified. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change affects that period only; or the period of the change in future periods, if the change affects both. The change in accounting estimate has been applied prospectively from the start of 2014. The effect on the current year is to increase the carrying amount of property, plant and equipment by R 2,089,099 and decrease the depreciation expense by R 2,089,099.

BREED VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

Notes to the Financial Statements

Figures In Rands	2014	2013 (Restated)
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54. Change in accounting policy

HERITAGE ASSETS

The municipality implemented GRAP 103 on Heritage Assets. A heritage committee was established with Mr Tertius Smith of the Heritage council of Worcester as the chairperson of the committee. The municipality also scrutinised the Asset Register to check if any of the assets fall within the definition and recognition criteria of Heritage Assets. The implementation was done retrospectively and restated for 01 July 2012.

Balance previously reported

Balance as at 01 July 2012	11 412 805
Transfer from PPE	5 870 167
Additions for the year	10 100
Asset used for offices	(891 000)

Restated Balance as at 30 June 2013	<u>16 402 072</u>
-------------------------------------	-------------------

Balance as at 01 July 2013	16 402 072
Transfer from PPE	-
Disposal for 13/14	(130 000)
Fair Value Adjustments	<u>20 696 778</u>
Balance as at 30 June 2014	<u>36 968 850</u>

PROPERTY, PLANT AND EQUIPMENT

Balance previously reported

Balance as at 01 July 2012	1 805 667 699
Transfer to Property, Plant and Equipment - own use	891 000
Prior year adjustments - 43.05	<u>12 746 257</u>
Restated Balance as at 30 June 2013	<u>1 819 304 956</u>

55. Deviation from Supply Chain Management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

During the financial year under review goods/services totalling R 27,319,442 were procured and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer that considered them and subsequently approved the deviation from the normal supply chain management regulations.

A detailed list of deviations is in Appendix K available and on the municipality's website.

BREDE VALLEY MUNICIPALITY
Preliminary Annual Financial Statements for the year ended 30 June 2014

APPENDIX A: EXTERNAL LOANS

	Date		Amount		Date	Transactions for the year to date:					Balance as at 2013/07/01	Less:			Add: Interest Accrued Current Year	Balance as at 2014/06/30	Carrying Value	Short term Portion
	Date Received	Date Radeemable	Received			Received	Redeemed	Interest Paid	Interest Accrued Previous Year	Interest Year		Interest Year	Year	Year				
EXTERNAL LOANS																		
ANNUITY & STOCK LOANS																		
3 9001 60725100																		
Loans redeemed																		
DBSA: @10.55%	566	14/07/2005	21 736 239.25		31/03/2014						283 144 735					254 641 231	332 237 193	26 468 195
DBSA: @10.891%	557	14/11/2005	22 000 000.00		31/03/2015						3 508 964						1 864 547	-
DBSA: @10.40%	558				31/03/2009						6 839 029					3 601 242	11 595 223	-
DBSA: @11.00%	559	26/06/1997	9 179 000.00		31/03/2014						-						14 608 079	3 601 242
DBSA: @12.00%	560	02/11/1999	3 000 000.00		31/03/2017						1 128 301						187 426	-
Net Surplus of the municipality is	561	25/07/1997	7 000 000.00		31/03/2017						1 436 553						2 981 455	-
ABSA: @ Variable rate	562				30/06/2009						3 336 179						548 532	336 039
DBSA: @ 8.65%	2569	21/08/2006	25 000 000.00		30/09/2016						-						1 763 011	780 399
INCA: @ 10.21%	2991	29/09/2006	50 000 000.00		30/09/2016						12 035 887						7 046 340	-
INCA: @ 10.14%	2992	29/09/2006	5 000 000.00		30/09/2012						23 343 234						17 933 936	3 355 630
DBSA: @ 5.00%	5027	31/03/2008	23 000 000.00		31/03/2018						-						39 238 825	6 476 060
DBSA: @ 9.46%	5028	31/03/2008	40 000 000.00		31/03/2018						-						2 151 059	-
DBSA: @ 8.46%	5029	31/03/2008	2 000 000.00		31/03/2015						12 913 006						19 309 569	2 452 571
DBSA: @ 6.75%	11097	09/03/2010	21 000 000.00		31/03/2030						24 541 726						34 993 722	4 438 345
DBSA: @ 12.08%	11098	09/03/2010	29 000 000.00		31/03/2030						708 609						599 230	370 719
DBSA: @ 11.326%	11099	16/07/2010	50 000 000.00		31/03/2030						19 017 658						19 994 603	667 826
DBSA: @ 11.5%	11100	29/06/2011	50 000 000.00		31/03/2030						26 921 001						28 219 615	596 152
DBSA: @ 12.14%	11101	20/06/2013	51 000 000.00		31/03/2030						47 926 945						47 987 989	1 135 942
											48 487 643						49 217 529	1 131 120
											51 000 000						31 996 503	1 126 202

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets		Cost/Revaluation 2014								
		Opening balance as previously stated 30.6.2013	Prior period error / Implementation of GRAP 103	Restated opening balance	Additions	Grap 12 Transfer	Fair value adjustment	Transfers	Disposals	Closing Balance 30.6.2014
LAND		244 354 458	146 910	244 501 368	3 040 000			-	(683 896)	246 857 473
BUILDINGS		252 431 284	713 091	253 144 376	8 012 620			(24 660)	(1 607 959)	259 524 377
INFRASTRUCTURE		2 183 490 937		2 183 490 937	106 783 761	(594 678)		343 083	(11 593 995)	2 278 429 108
HERITAGE ASSETS		17 282 972	(880 900)	16 402 072			20 696 778	-	(130 000,00)	36 968 850
OTHER ASSETS		47 912 383	25 294 408	73 206 791	9 415 802		10 817 869	(318 423)	(18 426 252)	74 695 787
INTANGIBLE ASSETS		6 113 800		6 113 800	572 778			0	(515 341)	6 171 237
INVESTMENT PROPERTY		9 882 100	(339 000)	9 543 100	-		176 300	-	(1 353 400)	8 366 000
Total		2 761 467 934	24 934 509	2 786 402 444	127 824 961	(594 678)	31 690 947	-	(34 310 842)	2 911 012 832

2014
Provision
PPE
Interest

1 225 728.57
(1 217 624.69)
(8 103.88)

2014
Loss on Disposal

130 000.00

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

APPENDIX B: FIXED ASSET RECONCILIATION

Cost/Revaluation 2013									
Classification of Assets	Opening balance as previously stated 30.6.2012	Prior period error	Restated opening balance	Additions	GRAP 12 Transfer	Fair value adjustment	Transfers	Disposals	Closing Balance 30.6.2013
LAND	250 216 839	146 910	250 363 749	-			(5 375 000)	(487 381)	244 501 368
BUILDINGS	253 163 539	713 092	253 876 631	1 809 452			(2 369 087)	(172 621)	253 144 375
INFRASTRUCTURE	2 080 793 121	4 275 263	2 085 068 384	101 102 904	483 232		(3 110 453)	(53 130)	2 183 490 938
HERITAGE ASSETS	11 412 805	(891 000)	10 521 805				5 880 267	-	16 402 072
OTHER ASSETS	45 082 683	23 165 629	68 258 312	9 960 772		(3 649 099,81)	(543 192)	(820 001)	73 206 791
INTANGIBLE ASSETS	5 590 600		5 590 600	523 201				-	6 113 801
INVESTMENT PROPERTY	9 053 400	(335 000)	8 718 400	-		1 791 398	1 252 302	(2 219 000)	9 543 100
Total	2 655 322 987	27 074 894	2 682 397 881	113 396 329	483 232	-1 857 702	(4 265 163,54)	(3 752 132)	2 786 402 446

2012

Provision
PPE

(3 294 320,79)

3 294 320,79

2013

Provision

3 431 674,64

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Accumulated Depreciation 2014							
	Opening balance as previously stated 30.6.2013	Prior period error / Implementation of GRAP 103	Restated opening balance	Additions	Impairment	Disposals	Transfers	Closing Balance 30.6.2014
LAND	-	-	-	-	-	-	-	-
BUILDINGS	153 841 484	421 381	154 262 865	5 793 770	-	(1 341 868)	(721)	158 714 048
INFRASTRUCTURE	744 343 146	2	744 343 148	55 341 059	19 603	(11 593 995)	12 514	788 122 329
HERITAGE ASSETS	-	-	-	-	-	-	-	-
OTHER ASSETS	24 336 737	12 095 766	36 432 503	7 185 869	31 641	(1 864 524)	(11 792)	41 973 698
INTANGIBLE ASSETS	1 177 120	0	1 177 120	288 144	-	(515 341)	-	949 923
INVESTMENT PROPERTY	-	-	-	-	-	-	-	-
Total	923 698 487	12 517 150	936 215 637	68 808 842	51 244	(15 115 728)	0	989 759 895

2014

Depreciation
Acc Depreciation

(84 906)

84 906

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

APPENDIX B: FIXED ASSET RECONCILIATION

Accumulated Depreciation 2013

		Classification of Assets								
Opening balance as previously stated 30.6.2012	Prior period error	Restated opening balance	Additions	Impairment	Disposals	Transfers	Closing Balance 30.6.2013			
LAND	-	-	-	-	-	-	-			
BUILDINGS	149 407 239	149 806 433	4 648 949	-	(151 633)	(40 883)	154 262 866			
INFRASTRUCTURE	688 689 499	688 689 500	55 742 699	-	(198 769)	109 717	744 343 147			
HERITAGE ASSETS	-	-	-	-	-	-	-			
OTHER ASSETS	19 430 743	28 526 100	8 335 258	15 769	(424 826)	(19 796)	36 432 503			
INTANGIBLE ASSETS	957 636	957 636	219 485	0	0	0	1 177 121			
INVESTMENT PROPERTY	-	-	-	-	-	-	-			
Total	858 485 117	887 979 669	68 946 391	15 789	(775 228)	49 036	936 215 638			

2012

Depreciation
Accumulated Depreciation

149 741.85

(149 741.85)

2013

Depreciation
Accumulated Depreciation

24 024.80

(24 024.80)

Appendix C

BREEDE VALLEY MUNICIPALITY

APPENDIX C

STATISTICAL INFORMATION

(1) General Statistics		2014	2013	2012	2011	2010
(a)	Population.	±				
(b)	Valuation					
	(i) Taxable					
	Land	1 061 169 000	1 056 504 000	784 917 470	786 417 970	785 573 470
	Improvements	14 662 367 000	14 608 065 000	10 728 337 000	10 485 363 000	10 444 769 000
	(ii) Non Taxable		0	0	0	0
	Land		0	0	0	0
	Improvements		0	0	0	0
	(iii) Date of Last General Valuation	2013/07/01	2012/07/01	2007/07/02	2007/07/02	2007/07/02
(c)	Number of properties					
	Net Surplus: Residential	18 379	17 983	17 562	16 706	16 490
	Commercial	1 015	1 016	1 018	1 026	1 011
	Other	4 564	4 401	3 631	3 611	3 498
	Rural	2 219	2 265	2 243	2 195	2 148
(d)	Assessment Rate: Cent in the Rand	0.7526 + 1.5052	0.7100 + 1.4200	0.7603 + 1.4242	0.7073 + 1.3248	0.00615 + 0.11520
(e)	Number of Employees					
	Employed	902	909	930	913	874
	Vacancies	157	128	107	78	74
(2) Electrical Statistics		±	+			
(a)	Number of users	±	24 333	24 127	23 983	27 000
(b)	Units bought	kWh	319 877 963	321 808 534	325 075 006	318 079 594
(c)	Units sold	kWh	296 738 559	298 016 525	307 361 747	284 981 601
(d)	Units lost in distribution	kWh	23 139 404	23 792 009	17 713 259	33 097 993
(e)	Percentage of units lost in distribution		7.234%	7.393%	5.449%	10.406%
(f)	Cost per unit bought	R	0.866741	0.820047	0.741435	0.624585
(g)	Loss in distribution	R	20 055 870	19 510 566	13 133 237	13 587 325
(h)	Cost per unit sold	R	0.934329	0.885515	0.784164	0.668822
(i)	Income per unit sold	R	1.017016	0.968670	0.846885	0.712569
(3) Water Statistics		±				
(a)	Number of users	±	25 427	24 604	26 360	26 000
(b)	Units supplied	Kl	11 740 512	14 097 007	15 442 467	14 322 848
(c)	Units sold	Kl	10 621 976	11 893 839	12 113 253	9 964 772
(d)	Units lost in distribution	Kl	1 118 536	2 203 168	3 329 214	4 358 076
(e)	Percentage of units lost in distribution		9.5271%	15.6286%	21.5588%	30.4274%
(f)	Cost per unit supplied	R	5.920327	4.114450	3.407909	3.205210
(g)	Loss in distribution	R	6 622 099	9064825	11345657	15865747
(h)	Cost per unit sold	R	6.543760	4.876594	4.344540	4.759290
(i)	Income per unit sold	R	6.068170	5.610712	4.219454	4.565612
(4) Sundry Statistics		±				
(a)	Area in km ²		3 833	3 833	3 833	3 015
(b)	Previous election					
	Number of registered voters		70 002	70 002	70 002	60 625
	% poll					
(c)	Building survey:					
	(i) Building plans					
	Number passed		925	577	918	873
	Value passed (R '000)		478 160 000	323 864 000	2 788 976 000	355 746 000
	(ii) Inspections performed	±	4 000	5 000	5 800	4 533
(d)	Housing					
	(i) Number of dwelling units		3 044	2 747	3 044	2 822
	Number of people accommodated				15 220	31 000
	(ii) Number of people on waiting list		23 194	22 000	8 096	3 064
(e)	Fire service stations		2	2	2	2

BREDE VALLEY MUNICIPALITY																		
APPENDIX D																		
GRANTS AND SUBSIDIES RECEIVED																		
NAME OF GRANTS	Name of organ of state or Municipality Entity	Balance 1 July 2013	Quarterly Receipts				Quarterly Expenses				Balance 30 June 2014	Grants and subsidies delayed/ withheld			Reason for delay/ withholding of funds	Comply with the grant conditions in terms of latest DOHA	Reason for non compliance	
			Sept 13	Dec 13	March 14	June 14	Sept 13	Dec 13	March 14	June 14		Sept 13	Dec 13	March 14				June 14
Equitable Share	National	-	28 318 000	22 666 000	16 991 000	-	21 238 500	18 407 000	16 676 250	12 743 250	-	-	-	-	Not applicable	Yes	None	
Financial Management grant	National	-	1 300 000	-	-	-	201 849	411 901	188 187	498 063	-	-	-	-	Not applicable	Yes	None	
Systems Improvement Grant	National	-	890 000	-	-	-	14 400	109 141	96 238	472 819	197 402	-	-	-	Not applicable	Yes	None	
Res. Bult. Serv. Infrastructure	National	3 092 004	22 111 477	1 278 643	6 903 470	-	18 700 000	-	14 686 496	-	-	-	-	-	Not applicable	No	Project ongoing	
INEP	It are shown in the S/G	626 931	7 000 000	500 000	40 000	-	655 207	647 693	683 774	671 240	5 409 017	-	-	-	Not applicable	Yes	None	
Mun. Infrastructure Grant (MIG)	National	-	5 668 000	17 054 000	8 340 000	-	2 027 735	4 312 836	8 639 132	16 860 288	-	-	-	-	Not applicable	Yes	None	
LGWSETA	Provincial	549 003	48 899	-	222 092	58 504	174 696	101 762	69 689	516 689	35 572	-	-	-	Not applicable	Yes	Project ongoing	
LGWSETA - Learner ship	Provincial	-	-	-	-	-	-	-	-	196 000	(196 000)	-	-	-	Not applicable	Yes	Project ongoing	
Add Staff of Public Libraries	Provincial	(3 945)	677 836	365 032	365 032	-	262 376	269 770	271 610	335 988	174 392	-	-	-	Not applicable	Yes	Project and Grant ongoing	
CDW Grant Support 0809	Provincial	41 268	-	-	98 400	-	20 642	27 047	66 142	26 750	(813)	-	-	-	Not applicable	Yes	Project ongoing	
National Roads Agency	Provincial	-	-	-	-	86 676	-	-	-	86 675	-	-	-	-	Not applicable	Yes	None	
Project Preparation Fund Ground water	Provincial	58 134	-	-	-	-	-	-	-	44 223	13 911	-	-	-	Not applicable	Yes	Project uncompleted	
Management Support grant	Provincial	-	-	-	100 000	-	78 987	-	-	21 013	-	-	-	-	Not applicable	Yes	Project ongoing	
Work for Water Projects	Provincial	2 346 525	-	-	-	1 388 765	1 210 256	1 209 310	662 218	61 848	621 678	-	-	-	Not applicable	Yes	Project ongoing	
Upgrading Land Ownership	Provincial	81 328	-	-	-	-	-	-	-	-	81 328	-	-	-	Not applicable	No	Project uncompleted	
Medicinal Plant growing Farm	Provincial	67 021	-	-	-	-	-	-	-	67 021	-	-	-	-	Not applicable	No	Project uncompleted	
Long term Financial Strategy	Provincial	-	-	-	400 000	-	-	-	-	-	400 000	-	-	-	Not applicable	Yes	Project uncompleted	
CoastWatch program	Provincial	-	-	-	260 000	-	-	-	-	189 995	90 005	-	-	-	Not applicable	Yes	Project uncompleted	
Equipment Urban Search	Provincial	-	-	-	78 947	-	-	-	78 947	-	-	-	-	-	Not applicable	Yes	None	
Disaster Fund Stormwater/dam	Provincial	-	-	-	16 300 000	-	-	-	-	1 801 464	14 498 536	-	-	-	Not applicable	No	Project ongoing	
EPW: Social Sector	Provincial	-	400 000	300 000	300 000	-	212 000	229 600	74 034	484 466	-	-	-	-	Not applicable	Yes	Project uncompleted	
EPW: Social Sector 13/14	Provincial	(163 156)	67 367	135 014	216 140	277 050	203 675	210 762	98 699	19 387	-	-	-	-	Not applicable	Yes	Project uncompleted	
EPW: Social Sector 14/15	Provincial	-	-	-	-	736 132	-	-	135 946	606 681	(4 694)	-	-	-	Not applicable	Yes	Project uncompleted	
Dept. Culi. Art. & Sport - 0809	Provincial	357 250	-	-	-	-	-	-	-	357 250	-	-	-	-	Not applicable	Yes	Project uncompleted	
Dept. Culi. Art. & Sport - 0809	Provincial	460 000	-	-	-	-	-	-	-	620 760	129 250	-	-	-	Not applicable	Yes	Project uncompleted	
ZOB Aviansark	Provincial	446 876	-	-	-	-	-	-	-	-	446 876	-	-	-	Not applicable	Yes	Project uncompleted	
331 People Housing Proj.	Provincial	2 553 827	-	-	-	-	-	27 275	2 145	-	2 524 407	-	-	-	Not applicable	Yes	Project uncompleted	
Zwelithembe 242 servan	Provincial	683 448	-	-	1 364 180	-	78 445	-	1 364 180	-	605 003	-	-	-	Not applicable	No	Project ongoing	
Avian park 438 Houses	Provincial	2 039 797	-	-	-	-	-	-	-	-	2 039 797	-	-	-	Not applicable	Yes	Project ongoing	
De Nova Town Development	Provincial	-	-	-	-	84 212	-	76 000	-	2 092 164	(2 082 952)	-	-	-	Not applicable	Yes	Project and Grant ongoing	
Access to Basic Services	Provincial	4 803 780	-	-	-	-	245 687	711 003	627 693	886 630	2 333 847	-	-	-	Not applicable	Yes	Project uncompleted	
De Doorn 1400 PLS	Provincial	(3 500 351)	7 999 763	9 068 839	21 841 333	20 936 632	6 591 405	14 042 767	17 328 024	1 223 005	17 240 722	-	-	-	Not applicable	Yes	Project uncompleted	
Public Transport	Provincial	1 000 000	-	-	-	-	-	-	-	666 982	333 018	-	-	-	Not applicable	No	Project uncompleted	

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BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

APPENDIX E

Awards and payments to persons with relatives in the service of Breede Valley Municipality for the year under review: 2013/14

Enkosi Construction - Tonie Winnaar (Spouse/Husband of Juliette Winnaar)

Awards to the amount of R48150.00 was made to Enkosi Construction

Juliette Winnaar is an employee in the WWTW Section within the Operations Directorate of the Breede Valley Municipality

NE Mayeki Catering - Nombulelo Mayeki (Parent/Mother of G Simpiwe Mayeki)

Awards to the amount of R10175.00 were made to NE Mayeki Catering

Simpiwe Mayeki is the Area Manager: De Doorns under the office of the Municipal Manager of the Breede Valley Municipality

Rub-N-Dub Car Wash - Feirouz Wehr (Sister of Sameera Kafaar)

Awards to the amount of R1300.00 was made to Rub-N-Dub Car Wash

Sameera Kafaar is a Senior Clerk: Creditors within the Finance Directorate of the Breede Valley Municipality

T H Traders - Trevor Human (Brother of Deon Human)

Net Surplus of the municipality is R 66,553,138 (2013: Restated surplus R 44,915,281). The overall summarised operating results for the Municipality in con
 Deon Human is an employee in the Parks & Recreational Section within the Operations Directorate of the Breede Valley Municipality

Golimas Pty Ltd- Goliath Jacobs (Parent/Father of Brumilda Jacobs)

Awards to the amount of R53000.00 was made to Golimas Pty Ltd

Brumilda Jacobs is a Financial Intern in the Internal Audit Section under the office of the Municipal Manager of the Breede Valley Municipality

Kleinplasie Restaurant - Heletia Botha (Parent/Mother of Jole Botha)

Awards to the amount of R13168.50 was made to Kleinplasie Restaurant

Jole Botha is the Personal Assistant to the Executive Mayor within the Corporate Directorate of the Breede Valley Municipality

Thozisto Team - Linda Dyonta (Spouse/Wife of T.C.Dyonta)

Awards to the amount of R37509.01 was made to Thozisto Team

T.C.Dyonta is a councillor in council of the Breede Valley Municipality

ZN Paliso Taxi's - Nelson Paliso (Brother of Ndileka Nyangaza)

Awards to the amount of R7200.00 was made to ZN Paliso Taxi's

Ndileka Nyangaza is an employee in the Traffic Section within the Community Directorate of the Breede Valley Municipality (Cashier)

HS Brits Konstruksie Pty Ltd - Hendry Steven Britz (Parent/Father of Winston Britz)

Awards to the amount of R26500.00 was made to HS Brits Konstruksie Pty Ltd

Winston Britz is an employee in the WWTW-De Doorns Section within the Operations Directorate of the Breede Valley Municipality (Controller)

Lwazi Bushwanataxi services (Mother of Lwazi Bushwana)

Awards to the amount of R9400.00 was made to Lwazi Bushwana Taxi Services

Letitia Bushwana is an agreement clerk (Credit Control) Finance Department

TS Bushwana Bus and Taxi Services (Daughter of Mr. Bushwana)

Awards to the amount of R20250.00 was made to TS Bushwana and Taxi Services

Letitia Bushwana is an agreement clerk (Credit Control) Finance Department

Mayeki NE Taxi Services (Parent/Mother of G Simpiwe Mayeki)

Awards to the amount of R2000.00 was made to Mayeki NE Taxi Services

Simpiwe Mayeki is the Area Manager: De Doorns under the office of the Municipal Manager of the Breede Valley Municipality

TG Mayeki Taxi Services (Parent/Mother of G Simpiwe Mayeki)

Awards to the amount of R8340.00 was made to TG Mayeki Taxi Services

Simpiwe Mayeki is the Area Manager: De Doorns under the office of the Municipal Manager of the Breede Valley Municipality

DJ Xito (Husband of Ntando Vas)

Awards to the amount of R13700.00 was made to DJ Xito

Ntando Vas is a HR Clerk (Human Resource Department)

L N TRADING (Uncle of Lizane Nkoko)

Awards to the amount of R47780.00 was made to L N Trading

Lizane Nkoko is a Assistant Evaluation officer (Supply Chain Department)

TOTAL PAYMENTS

R 365 107.51

Awards and payments to persons with relatives in other State Departments***Future Security Services (Brother - Abraham Bernard Heyns)***

Awards to the amount of R958506.69 were made to Future Security Services
Abraham Bernard Heyns is employed by the South African Police Department

C.K.Krieger - Catherine Krieger (Spouse/Wife of Jacob Krieger)

Awards to the amount of R1849.50 were made to CK.Krieger
Jacob Krieger is a Teacher in the Western Cape Education Department

Hippo Wassery II - Rachelle Abrahams (Spouse/Wife of Andre Abrahams)

Awards to the amount of R59634.90 were made to Hippo Wassery II
Andre Abrahams is employed by the South African Police Department, Worcester

Conradie Incorporated - Andries Francois Conradie (Spouse/Husband of Tara Conradie)

Awards to the amount of R165472.26 were made to Conradie Incorporated
Tara Conradie is an employee in the Western Cape Education Department

M.M Du Toit (Spouses/Wife of W.J Du Toit)

Awards to the amount of R6 000.00 were made to M.M Du Toit)
W.J Du Toit is an employee in the service of Transnet

M P Builders & Civil CC - Magdalena Persent (Spouse/Wife of Josef Persent)

Awards to the amount of R 53,000.00 were made to M P Builders & Civil
Josef Persent is a Teacher in the Western Cape Education Department

Mvambane Tradings CC - Anna Nomvula Mooi (Parent/Mother of Luyanda Mooi)

Awards to the amount of R3750.00 were made to Mvambane Tradings cc
Luyanda Mooi is a warden in the Department of Correctional Services

TOTAL PAYMENTS**R 1 248 213,35**

WC025 Breede Valley - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2013/14						2012/13					
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	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
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	119 109	7 732	126 841	156 311		29 470	123.2%	131.2%				126 141
Executive and council	142	223	365	425		60	116.5%	299.4%				735
Budget and treasury office	116 555	2 528	119 083	148 888		29 805	125.0%	127.7%				123 455
Corporate services	2 412	4 981	7 393	6 998		(395)	94.6%	290.1%				1 951
Community and public safety	69 834	20 306	90 140	106 837		16 697	118.5%	153.0%				57 241
Community and social services	771	9 611	10 382	10 310		(72)	99.3%	1337.3%				511
Sport and recreation	904	1 806	2 710	(1 463)		(4 173)	-54.0%	-161.8%				970
Public safety	13 710	3 166	16 877	55 497		38 620	328.8%	404.8%				20 069
Housing	54 448	5 722	60 170	42 206		(17 964)	70.1%	77.5%				35 691
Health	-	-	-	286		286	#DIV/0!	#DIV/0!				-
Economic and environmental services	27 122	2 033	29 154	27 342		(1 812)	93.8%	100.8%				18 303
Planning and development	1 073	567	1 640	1 062		(578)	64.7%	99.0%				1 187
Road transport	23 303	1 323	24 626	24 418		(208)	99.2%	104.8%				13 641
Environmental protection	2 746	143	2 889	1 863		(1 026)	64.5%	67.8%				3 475
Trading services	463 573	621	464 194	522 922		58 728	112.7%	112.8%				497 925
Electricity	345 652	(18 108)	327 544	307 721		(19 823)	93.9%	89.0%				285 650
Water	80 185	17 495	97 680	102 177		4 498	104.6%	127.4%				96 703
Waste water management	#####	1 010	1 010	73 915		72 905	7321.5%	#VALUE!				79 668
Waste management	37 736	225	37 961	39 108		1 148	103.0%	103.6%				35 905
Other	(65)	12	(53)	(43)		10	80.9%	66.3%				(60)
Total Revenue - Standard	679 572	30 704	710 276	813 369		103 092	114.5%	119.7%				699 550
Expenditure - Standard												
Governance and administration	132 340	986	133 326	130 762	-	(2 564)	98.1%	98.8%		-		121 706
Executive and council	37 353	400	37 753	40 739		2 986	107.9%	109.1%				37 132
Budget and treasury office	52 670	(1 877)	50 794	42 832		(7 962)	84.3%	81.3%				41 142
Corporate services	42 316	2 463	44 779	47 191		2 412	105.4%	111.5%				43 433
Community and public safety	139 327	3 961	143 288	160 464	-	17 176	112.0%	115.2%		-		103 754
Community and social services	16 413	(315)	16 098	16 069		(29)	99.8%	97.9%				15 298
Sport and recreation	18 596	(387)	18 209	17 902		(307)	98.3%	96.3%				16 290
Public safety	43 010	1 064	44 074	74 864		30 789	169.9%	174.1%				40 623
Housing	60 885	3 608	64 494	51 229		(13 265)	79.4%	84.1%				31 148

Appendix F A2

WC025 Breede Valley - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description		2013/14						2012/13					
		Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	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
R thousand													
Health		423	(9)	413	401	-	(12)	97.1%	94.9%			-	394
Economic and environmental services		56 022	(2 576)	53 446	50 831	-	(2 615)	95.1%	90.7%	-	-	-	54 050
Planning and development		9 324	(505)	8 819	8 821	-	2	100.0%	94.6%			-	8 141
Road transport		38 070	(1 707)	36 364	35 236	-	(1 128)	96.9%	92.6%			-	36 914
Environmental protection		8 628	(365)	8 263	6 773	-	(1 490)	82.0%	78.5%			-	8 995
Trading services		382 726	(2 885)	379 841	403 528	-	23 687	106.2%	105.4%	-	-	-	374 040
Electricity		263 613	(2 369)	261 244	258 691	-	(2 554)	99.0%	98.1%			-	245 756
Water		44 622	(242)	44 380	47 322	-	2 942	106.6%	106.1%			-	36 272
Waste water management		48 599	(577)	48 022	60 976	-	12 954	127.0%	125.5%			-	58 122
Waste management		25 892	303	26 195	36 539	-	10 344	139.5%	141.1%			-	33 891
Other		1 813	(322)	1 491	1 231	-	(260)	82.5%	67.9%			-	1 085
Total Expenditure - Standard		712 229	(836)	711 393	746 816	-	35 423	105.0%	104.9%	-	-	-	654 635
Surplus/(Deficit) for the year		(32 657)	31 541	(1 117)	66 553	-	67 670	-5960.8%	-203.8%	-	-	-	44 915

WC025 Breede Valley - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2013/14						2012/13					
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	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
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Council General	104	223	327	394		68	120.7%	380.4%				700
Vote 2 - Municipal Manager	—	—	—	—		—	—	—				—
Vote 3 - Strategic Support Services	(234)	10 502	10 268	9 101		(1 167)	88.6%	-388.1%				(243)
Vote 4 - Financial Services	119 435	2 597	122 032	151 936		29 905	124.5%	127.2%				126 328
Vote 5 - Community Services	74 987	12 192	87 179	106 550		19 372	122.2%	142.1%				64 374
Vote 6 - Technical Services	561 648	5 191	566 838	545 386		(21 452)	96.2%	97.1%				508 391
Example 7 - Vote7						—	—	—				
Example 8 - Vote8						—	—	—				
Example 9 - Vote9						—	—	—				
Example 10 - Vote10						—	—	—				
Example 11 - Vote11						—	—	—				
Example 12 - Vote12						—	—	—				
Example 13 - Vote13						—	—	—				
Example 14 - Vote14						—	—	—				
Example 15 - Vote15						—	—	—				
Total Revenue by Vote	755 939	30 704	786 643	813 369		26 725	103.4%	107.6%				699 550
Expenditure by Vote to be appropriated	#####											
Vote 1 - Council General	24 059	1 086	25 145	28 786		3 641	114.5%	119.6%				26 661
Vote 2 - Municipal Manager	5 145	(160)	4 985	4 755		(231)	95.4%	92.4%				3 865
Vote 3 - Strategic Support Services	38 294	2 768	41 061	39 662		(1 399)	96.6%	103.6%				35 663
Vote 4 - Financial Services	58 189	(2 707)	55 482	47 761		(7 721)	86.1%	82.1%				46 631
Vote 5 - Community Services	132 552	4 217	136 769	153 817		17 049	112.5%	116.0%				97 480
Vote 6 - Technical Services	453 990	(6 040)	447 950	472 034		24 084	105.4%	104.0%				444 335
Example 7 - Vote7						—	—	—				
Example 8 - Vote8						—	—	—				
Example 9 - Vote9						—	—	—				
Example 10 - Vote10						—	—	—				
Example 11 - Vote11						—	—	—				
Example 12 - Vote12						—	—	—				
Example 13 - Vote13						—	—	—				
Example 14 - Vote14						—	—	—				
Example 15 - Vote15						—	—	—				
Total Expenditure by Vote	712 229	(836)	711 393	746 816	—	35 423	105.0%	104.9%	—			654 635
Surplus/(Deficit) for the year	43 710	31 541	75 251	66 553		(8 698)	88.4%	152.3%				

WC025 Breede Valley - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/14					2012/13						
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments 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
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	86 815	(69)	86 747	87 825		1 078	101.2%	101.2%				84 116
Property rates - penalties & collection charges	420	310	730	779		49	106.7%	185.5%				562
Service charges - electricity revenue	312 235	-	312 235	298 775		(13 460)	95.7%	95.7%				278 792
Service charges - water revenue	45 424	-	45 424	49 363		3 939	108.7%	108.7%				51 528
Service charges - sanitation revenue	49 058	-	49 058	49 628		569	101.2%	101.2%				49 138
Service charges - refuse revenue	27 861	-	27 861	29 161		1 300	104.7%	104.7%				27 465
Service charges - other	(21 200)	51	(21 150)	(23 157)		(2 007)	109.5%	109.2%				(20 895)
Rental of facilities and equipment	12 373	-	12 373	11 540		(833)	93.3%	93.3%				11 431
Interest earned - external investments	4 725	2 275	7 000	9 428		2 428	134.7%	199.5%				5 697
Interest earned - outstanding debtors	2 379	-	2 379	2 737		358	115.0%	115.0%				2 309
Dividends received	-	-	-	-		-	-	-				-
Fines	12 909	-	12 909	52 035		39 127	403.1%	403.1%				19 597
Licences and permits	3 256	-	3 256	2 760		(496)	84.8%	84.8%				2 823
Agency services	3 806	1 194	5 000	5 225		225	104.5%	137.3%				4 395
Transfers recognised - operational	126 963	11 946	138 910	117 722		(21 187)	84.7%	92.7%				104 194
Other revenue	6 481	-	6 481	28 294		21 813	436.6%	436.6%				10 074
Gains on disposal of PPE	-	413	413	1 269		857	307.5%	#DIV/0!				1 845
Total Revenue (excluding capital transfers and contributions)	#####	16 120	#VALUE!	723 383		33 757	#VALUE!	#VALUE!				633 060
Expenditure By Type												
Employee related costs	218 006	(18 507)	199 499	198 842		(658)	99.7%	91.2%				188 609
Remuneration of councillors	13 723	(16)	13 707	13 693		(13)	99.9%	99.8%				12 823
Debt impairment	8 707	6 606	15 314	50 601		35 288	330.4%	581.1%				8 956
Depreciation & asset impairment	65 835	-	65 835	68 660		2 825	104.3%	104.3%				68 963
Finance charges	29 314	-	29 314	28 638		(676)	97.7%	97.7%				25 261
Bulk purchases	212 002	(74)	211 928	207 241		(4 687)	97.8%	97.8%				196 841
Other materials	42 351	5 600	47 951	47 051		(900)	98.1%	111.1%				45 473
Contracted services	4 819	3 061	7 880	7 666		(215)	97.3%	159.1%				7 291
Transfers and grants	200	-	200	132		(68)	65.8%	65.8%				28
Other expenditure	117 272	2 253	119 525	123 504		3 979	103.3%	105.3%				99 278
Loss on disposal of PPE	-	240	240	788		548	328.4%	#DIV/0!				1 113
Total Expenditure	712 229	(836)	711 393	746 816	-	35 423	105.0%	104.9%	-	-	-	654 635
Surplus/(Deficit)	#VALUE!	16 956	#VALUE!	(23 432)		(1 666)	#VALUE!	#VALUE!				(21 575)
Transfers recognised - capital	82 433	726	83 159	76 127		(7 032)	91.5%	92.4%				66 491
Contributions recognised - capital	-	13 859	13 859	13 859		-	100.0%	#DIV/0!				-
Contributed assets	-	-	-	-		-	-	-				-
Surplus/(Deficit) after capital transfers & contributions	#VALUE!	31 541	#VALUE!	66 553		(8 698)	#VALUE!	#VALUE!				44 915
Taxation	-	-	-	-		-	-	-				-
Surplus/(Deficit) after taxation	#VALUE!	31 541	#VALUE!	66 553		(8 698)	#VALUE!	#VALUE!				44 915
Attributable to minorities	-	-	-	-		-	-	-				-
Surplus/(Deficit) attributable to municipality	#VALUE!	31 541	#VALUE!	66 553		(8 698)	#VALUE!	#VALUE!				44 915
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	#VALUE!	31 541	#VALUE!	66 553		95 (8 698)	#VALUE!	#VALUE!				44 915

WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2013/14						2012/13					
	Original Budget	Total Budget Adjustments (i.i.o. MFMA s28)	Final adjustments 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
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Example 1 - Vote1												
Example 2 - Vote2												
Example 3 - Vote3												
Example 4 - Vote4												
Example 5 - Vote5												
Example 6 - Vote6												
Example 7 - Vote7												
Example 8 - Vote8												
Example 9 - Vote9												
Example 10 - Vote10												
Example 11 - Vote11												
Example 12 - Vote12												
Example 13 - Vote13												
Example 14 - Vote14												
Example 15 - Vote15												
Capital multi-year expenditure												
Single-year expenditure												
Vote 1 - Council General		5				(5)						10
Vote 2 - Municipal Manager		100		93		(7)	93%	#DIV/0!				46
Vote 3 - Strategic Support Services		10 281	10 281	9 873		(408)	96%	#DIV/0!				1 798
Vote 4 - Financial Services	1 190	(609)	581	901		320	155%	76%				376
Vote 5 - Community Services	213	4 431	4 644	3 406		(1 238)	73%	1600%				2 935
Vote 6 - Technical Services	116 829	9 572	126 400	113 552		(12 849)	90%	97%				102 452
Example 7 - Vote7												
Example 8 - Vote8												
Example 9 - Vote9												
Example 10 - Vote10												
Example 11 - Vote11												
Example 12 - Vote12												
Example 13 - Vote13												
Example 14 - Vote14												
Example 15 - Vote15												
Capital single-year expenditure	118 231	23 780	142 011	127 825	-	(14 186)	90%	108%	-			107 618
Total Capital Expenditure - Vote	118 231	23 780	142 011	127 825	-	(14 186)	90%	108%	-			107 618

WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2013/14							2012/13				
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments 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
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
Governance and administration	4 938	4 376	9 314	9 347	-	33	100%	189% #DIV/0!	-	-	-	2 585
Executive and council	-	105	105	93	-	(12)	89%	89%	-	-	-	131
Budget and treasury office	1 190	(609)	581	901	-	320	155%	76%	-	-	-	423
Corporate services	3 748	4 880	8 628	8 353	-	(275)	97%	223%	-	-	-	2 032
Community and public safety	293	22 326	22 619	20 890	-	(1 729)	92%	7132%	-	-	-	7 883
Community and social services	213	10 285	10 478	10 136	-	(342)	97%	4761%	-	-	-	559
Sport and recreation	80	2 225	2 305	1 550	-	(755)	67%	1938%	-	-	-	1 160
Public safety	-	9 835	9 835	9 203	-	(632)	94%	#DIV/0!	-	-	-	5 480
Housing	-	-	-	-	-	-	-	-	-	-	-	684
Health	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	16 635	728	17 363	17 341	-	(22)	100%	104%	-	-	-	6 650
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	16 635	586	17 220	17 198	-	(22)	100%	103%	-	-	-	6 498
Environmental protection	-	143	143	143	-	(0)	100%	#DIV/0!	-	-	-	152
Trading services	96 366	(3 660)	92 705	80 238	-	(12 467)	87%	83%	-	-	-	90 500
Electricity	40 616	(23 097)	17 519	8 641	-	(8 878)	49%	21%	-	-	-	25 925
Water	46 594	12 655	59 249	57 655	-	(1 594)	97%	124%	-	-	-	40 201
Waste water management	9 156	6 252	15 408	13 430	-	(1 978)	87%	147%	-	-	-	23 374
Waste management	-	529	529	513	-	(16)	97%	#DIV/0!	-	-	-	1 000
Other	-	10	10	9	-	(1)	89%	#DIV/0!	-	-	-	-
Total Capital Expenditure - Standard	118 231	23 780	142 011	127 825	-	(14 186)	90%	108%	-	-	-	107 618
Funded by:												
National Government	76 550	(3 648)	72 902	67 096	-	(5 806)	92%	88%	-	-	-	51 419
Provincial Government	5 883	3 775	9 657	9 031	-	(626)	94%	154%	-	-	-	14 978
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	599	599	0	-	(599)	0%	#DIV/0!	-	-	-	94
Transfers recognised - capital	82 433	726	83 159	76 127	-	(7 032)	92%	92%	-	-	-	66 491
Public contributions & donations	-	13 859	13 859	13 859	-	(0)	100%	#DIV/0!	-	-	-	-
Borrowing	25 185	2 807	27 992	24 422	-	(3 570)	87%	97%	-	-	-	24 975
Internally generated funds	10 614	6 389	17 002	13 417	-	(3 585)	79%	126%	-	-	-	16 153
Total Capital Funding	118 231	23 780	142 011	127 825	-	(14 186)	90%	108%	-	-	-	107 618

Appendix J Budet Cash flow

WC025 Breede Valley - Reconciliation of Table A7 Budgeted Cash Flows

Description	2013/14							2012/13
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	540 635	542 462	1 083 097	518 375	(564 722)	47.9%	95.9%	492 325
Government - operating	126 963	131 229	258 192	148 401	(109 792)	57.5%	116.9%	100 931
Government - capital	82 433	76 951	159 383	87 081	(72 302)	54.6%	105.6%	68 667
Interest	7 032	9 379	16 411	12 164	(4 246)	74.1%	173.0%	8 006
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(636 677)	(601 854)	(1 238 532)	(574 407)	664 125	46.4%	90.2%	(522 152)
Finance charges	(29 011)	(27 973)	(56 985)	(28 638)	28 347	50.3%	98.7%	(25 261)
Transfers and Grants	(200)	(200)	(400)	(132)	268	32.9%	65.8%	(28)
NET CASH FROM/(USED) OPERATING ACTIVITIES	91 174	129 992	221 167	162 845	(58 322)	73.6%	178.6%	122 488
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	4 455	4 455	#DIV/0!	#DIV/0!	3 709
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	500	250	750	566	(184)	75.5%	113.2%	7 252
Net Surplus of the municipality is R 66,553,138 (2013: R 66,553,138)	-	-	-	(55 000)	(55 000)	#DIV/0!	#DIV/0!	5 000
Payments								
Capital assets	(118 231)	(142 011)	(260 243)	(124 392)	135 851	47.8%	105.2%	(107 619)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(117 731)	(141 761)	(259 493)	(174 371)	85 122	67.2%	148.1%	(91 658)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	51 000
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	250	230	480	214	(266)	44.5%	85.4%	229
Payments								
Repayment of borrowing	(28 638)	(28 504)	(57 141)	(28 504)	28 638	49.9%	99.5%	(25 731)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(28 388)	(28 274)	(56 661)	(28 290)	28 371	49.9%	99.7%	25 498
NET INCREASE/ (DECREASE) IN CASH HELD	(54 945)	(40 043)	(94 987)	(39 816)				56 329
Cash/cash equivalents at the year begin:	120 027	151 989	121 989	121 989				65 660
Cash/cash equivalents at the year end:	65 082	111 946	27 002	82 174	55 172	304.3%	126.3%	121 989

BREEDE VALLEY MUNICIPALITY

APPENDIX K

DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
	22 923.84	Patch Industrial Supplies and Consulting	Sole Supplier
1110934	4 902.00	Geniprint (Pty) Ltd	Sole Supplier
1111372	2 724.60	MT Telecom	Sole provider
1111326	6 600.00	Railway Safety Regulator	Sole service provider
1110928	10 830.00	Jan Palm Consulting Engineers	Sole Supplier
1111236	188 788.45	Patch Industrial Supplies and Consulting	Sole Supplier
[5]	236 768.89		
1111237	8 860.08	HSM Amanzi And Sewerage	Urgent Repairs/ Strip & Quote
1111238	28 857.96	HSM Amanzi And Sewerage	Urgent Repairs/ Strip & Quote
1111336	11 656.50	HSM Amanzi And Sewerage	Urgent Repairs/ Strip & Quote
1111337	21 329.40	HSM Amanzi And Sewerage	Urgent Repairs/ Strip & Quote
1111338	29 199.96	HSM Amanzi And Sewerage	Urgent Repairs/ Strip & Quote
1111348	37 611.40	Hydrenco (PTY)LTD	Urgent Repairs/ Strip & Quote
1111416	15 171.12	TGS Gear Services	Urgent Repairs/ Strip & Quote
1110941	5 085.08	Cader's Auto Electric	Urgent Repairs/ Strip & Quote
1110943	3 609.62	Marais Bakwerke	Urgent Repairs/ Strip & Quote
1110944	6 881.00	Cutters	Urgent Repairs/ Strip & Quote
1110957	3 365.40	Cutters	Urgent Repairs/ Strip & Quote
1110960	3 861.99	Dent Zone	Urgent Repairs/ Strip & Quote
1110966	4 446.00	Tony's Motor Spares	Urgent Repairs/ Strip & Quote
1110962	3 274.65	Patin Trading 146	Urgent Repairs/ Strip & Quote
1110973	2 850.00	Orchard Suppliers	Urgent Repairs/ Strip & Quote
1110976	2 653.46	Orchard Suppliers	Urgent Repairs/ Strip & Quote
1110977	4 236.10	HD Transmissions Pty Ltd	Urgent Repairs/ Strip & Quote
1111027	4 280.00	Extreme Engineering	Urgent Repairs/ Strip & Quote
1111088	13 680.00	Worcester Gearbox Centre	Urgent Repairs/ Strip & Quote
1111103	19 515.00	Dent Zone	Urgent Repairs/ Strip & Quote
1111331	13 446.30	Boland Hydraulics	Urgent Repairs/ Strip & Quote
1111122	9 668.80	Maxal Projects (SA)PTY LTD	Urgent Repairs/ Strip & Quote
1111125	4 557.72	Maxal Projects (SA)PTY LTD	Urgent Repairs/ Strip & Quote
1111104	30 901.98	Boland Hydraulics	Urgent Repairs/ Strip & Quote
1111118	46 303.46	Cutters	Urgent Repairs/ Strip & Quote
1111119	110 010.00	Fire Raiders (PTY)LTD	Urgent Repairs/ Strip & Quote
1111120	42 411.50	Orbit Motors Boland (PTY)LTD	
[27]	487 724.48		
1111049	6 078.63	Worcester Nissan	Sole agent in Worcester
1111369	5 098.08	Marais Bakwerke	Insurance
1111371	5 965.84	Fire Raiders (PTY)LTD	Insurance
1110914	6 671.18	A.April Boukontrakteur	Insurance
[3]	17 735.10		
1111290	42 133.83	Metsi Chem Ikapa	Goods urgently required
1110919	42 133.83	Metsi Chem Ikapa	Goods urgently required
1105385	6 316.11	Mohraz Distributors	Goods urgently required
1111023	9 418.00	Gamsu & Houterman Surveyors	Services urgently required
1111310	2 925.00	Fabulous Foods	Services urgently required
1111226	77 800.00	Beiroplas Recycling CC	Services urgently required
1111349	52 440.00	Rainbow Developments	Services urgently required
1105379	3 306.00	Capital Security	Services urgently required
1110925	59 000.00	Reynolds Elektries BK	Services urgently required
1110929	18 100.00	AAA Paints BK	Services urgently required
1111310	2 925.00	Fabulous Foods	
[11]	316 497.77		

BREEDE VALLEY MUNICIPALITY

APPENDIX K

DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1111254	34 790.98	Cougar Security	Impractical to follow the procurement process - month to month arrangements for security services
1111252	41 787.85	AC Security	Impractical to follow the procurement process - month to month arrangements for security services
1111087	7 343.88	De Vries De Wet & Krouwkam	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses
1111059	10 640.00	Slabbert En Theron Proses Bedieners	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses
1111298	111 757.00	BP Atlantic	month to month arrangements while conducting the feasibility study
1111299	38 619.80	BP Atlantic	month to month arrangements while conducting the feasibility study
1111159	7 000.00	Omega Process Servers	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses
1111309	7 000.00	Omega Process Servers	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses
1111060	7 280.00	Omega Process Servers	
[9]	266 219.51		
			Publications/ Adverts
1111096	2 484.00	Media24 Publikasies	Publications/ Adverts
1111280	2 591.74	Media24 Publikasies	Publications/ Adverts
1111281	7 606.08	Media24 Publikasies	Publications/ Adverts
1111282	9 384.48	Sunday Times	Publications/ Adverts
1110905	4 140.00	Media24 Publikasies	Publications/ Adverts
1110994	2 662.13	Media24 Publikasies	Publications/ Adverts
1111077	10 800.00	Media24 Publikasies	
[7]	39 668.43		
TOTAL	1 370 692.81		
[51]			

DEVIATIONS FOR THE MONTH: AUGUST 2013

Order nr.	Amount	Service Provider	Reason
1111480	3 568.00	Sure Boland Tours	Sole service provider
1111638	5 585.02	Marieke Van Rooyen Attorneys	The practitioner is an expert in the Labour issues
1111660	10 500.00	Autozone	Sole Supplier of engines locally
1112301	4 386.00	Sure Boland Tours	Sole service provider
1112302	3 702.00	Sure Boland Tours	Sole service provider
1112303	3 702.00	Sure Boland Tours	Sole service provider
1112095	10 409.00	Sure Boland Tours	Sole service provider
1112096	3 377.00	Sure Boland Tours	Sole service provider
1112063	6 685.55	Truvelo Manufactucters (Pty) Ltd	Sole service provider
1111513	7 934.40	HSM Amanzi Pump and Sewerage	Sole service provider
1111907	11 915.64	Worcester Nissan	Sole service provider
1111506	55 923.84	Patch Industrial Supplies	Sole Supplier
1111797	10 541.69	Anatech Instruments (PTY)LTD	Sole Supplier
[13]	138 230.14		
1111454	5 739.80	Worcester Brake and Clutch	Urgent Repairs/ Strip & Quote
1111455	6 686.10	Worcester Brake and Clutch	Urgent Repairs/ Strip & Quote
1111456	3 215.52	Baxter Auto Services	Urgent Repairs/ Strip & Quote
1111457	3 251.87	Baxter Auto Services	Urgent Repairs/ Strip & Quote
1111458	2 173.75	Baxter Auto Services	Urgent Repairs/ Strip & Quote
1111459	9 187.05	Wynland Enjinherbouers	Urgent Repairs/ Strip & Quote
1111460	7 719.78	Cader's Auto Electric	Urgent Repairs/ Strip & Quote
1111461	2 961.72	Worcester Brake and Clutch	Urgent Repairs/ Strip & Quote
1111462	6 837.72	Worcester Brake and Clutch	Urgent Repairs/ Strip & Quote
1111463	2 325.60	Worcester Brake and Clutch	Urgent Repairs/ Strip & Quote
1111464	2 623.14	Worcester Brake and Clutch	Urgent Repairs/ Strip & Quote
1111465	3 984.30	Worcester Brake and Clutch	Urgent Repairs/ Strip & Quote
1111466	3 683.34	Worcester Brake and Clutch	Urgent Repairs/ Strip & Quote
1111467	7 569.80	Cutters	Urgent Repairs/ Strip & Quote
1111468	3 353.00	CW Mowers	Urgent Repairs/ Strip & Quote

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1111469	8 804.30	Cutters	Urgent Repairs/ Strip & Quote
1111470	4 287.85	Cutters	Urgent Repairs/ Strip & Quote
1111471	3 712.60	Cutters	Urgent Repairs/ Strip & Quote
1112234	3 693.60	Patin Trading 146	Urgent Repairs/ Strip & Quote
1112235	3 063.75	Patin Trading 146	Urgent Repairs/ Strip & Quote
1112237	3 271.80	Patin Trading 146	Urgent Repairs/ Strip & Quote
1112238	3 838.38	Tony's Motor Spares	Urgent Repairs/ Strip & Quote
1112239	3 053.78	Cader's Auto Electric	Urgent Repairs/ Strip & Quote
1112240	6 763.62	Strydom's Armature Winders	Urgent Repairs/ Strip & Quote
1112241	10 151.70	Strydom's Armature Winders	Urgent Repairs/ Strip & Quote
1111511	5 197.26	HSM Amanzi Pump	Urgent Repairs/ Strip & Quote
1111543	2 492.68	Battery Centre	Urgent Repairs/ Strip & Quote
1111662	3 082.05	Cutters	Urgent Repairs/ Strip & Quote
1111671	128 040.66	AAD Truck & Bus	Urgent Repairs/ Strip & Quote
1111795	2 490.90	Worcester Enjinsentrum	Urgent Repairs/ Strip & Quote
1111796	2 627.70	Worcester Enjinsentrum	Urgent Repairs/ Strip & Quote
1111991	5 541.08	Boland Hydraulics	Urgent Repairs/ Strip & Quote
1111799	5 781.87	Worcester Nissan	Urgent Repairs/ Strip & Quote
1112243	17 761.20	HSM Amanzi Pump and Sewerage	Urgent Repairs/ Strip & Quote
1111800	3 733.03	Orbit Motors Boland	Urgent Repairs/ Strip & Quote
1111673	11 423.03	Voltex Worcester	Urgent Repairs/ Strip & Quote
1111956	4 658.42	HD Transmissions (PTY)LTD	Urgent Repairs/ Strip & Quote
1111802	8 196.84	HD Transmissions (PTY)LTD	Urgent Repairs/ Strip & Quote
1112229	6 744.09	Wynland Enjinherbouers	Urgent Repairs/ Strip & Quote
1112230	16 327.57	JEC Spares CC	Urgent Repairs/ Strip & Quote
1111791	10 151.70	Strydom's Armature Winders	Urgent Repairs/ Strip & Quote
1111798	4 022.66	Cader's Auto Electric	Urgent Repairs/ Strip & Quote
1111988	2 974.15	Worcester Auto Clinic	Urgent Repairs/ Strip & Quote
1112024	10 489.05	Worcester Project And Maintenance	Urgent Repairs/ Strip & Quote
1112026	2 850.00	Tony's Motor Spares	Urgent Repairs/ Strip & Quote
1112031	2 182.64	Worcester Auto Clinic	Urgent Repairs/ Strip & Quote
1112062	6 954.00	Peninsula Water Treatment	Urgent Repairs/ Strip & Quote
1112066	10 488.00	Peninsula Water Treatment	Urgent Repairs/ Strip & Quote
1112067	16 222.20	HSM Amanzi And Sewerage	Urgent Repairs/ Strip & Quote
1111946	2 100.00	Orchard Suppliers	Urgent Repairs/ Strip & Quote
1111986	4 104.00	Worcester Soffeerdors	Urgent Repairs/ Strip & Quote
1112079	4 007.10	Maxal Projects (SA)PTY	Urgent Repairs/ Strip & Quote
1111821	27 444.36	Tricom Africa	Urgent Repairs/ Strip & Quote
[53]	450 042.11		
1112047	34 029.00	Breerivier Kommunikasie	Insurance
1112048	7 750.00	Distinctive Choice	Insurance
1112049	5 539.35	Glasfit Worcester	Insurance
1112050	127 987.80	HSM Amanzi And Sewerage	Insurance
1112051	2 966.28	M & N Bakwerke	Insurance
1112169	6 831.63	JEC Spares CC	Insurance
[6]	185 104.06		
1111923	2 433.90	De Vries De Wet & Krouwkam	Impractical to follow the normal proc. Process-legal services
1111925	3 966.06	De Vries De Wet & Krouwkam	Impractical to follow the normal proc. Process-legal services
1111927	61 443.20	De Vries De Wet & Krouwkam	Impractical to follow the normal proc. Process-legal services
1111930	13 539.78	De Vries De Wet & Krouwkam	Impractical to follow the normal proc. Process-legal services
1112208	13 936.50	De Vries De Wet & Krouwkam	Impractical to follow the normal proc. Process-legal services
1112212	4 915.68	De Vries De Wet & Krouwkam	Impractical to follow the normal proc. Process-legal services
1112215	12 972.66	Muller Terblanche & Beyers	Impractical to follow the normal proc. Process-legal services
1112223	14 000.00	Omega Process Servers	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses

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Order nr.	Amount	Service Provider	Reason
1111792	70 719.33	Balju - Worcester	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses
1111794	6 580.00	Slabbert en Theron Proses	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses
1111701	3 000.00	Kosmos	Special dietary service provider
1111451	55 480.72	Future Security Services	month-to-month extension until the tender process is followed
1112089	39 580.80	AC Security	month-to-month extension until the tender process is followed
1111298	111 757.00	BP Atlantic	month-to-month extension until the tender process is followed
1111299	38 619.80	BP Atlantic	month-to-month extension until the tender process is followed
1111790	3 640.00	Omega Process Servers	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses
1111827	3 408.60	De Vries De Wet & Krouwkam	Impractical to follow the procurement process as the appointment is done by the court-servicing of summonses
1111444	7 980.00	Slabbert en Theron Proses	
1111939	7 980.00	SM Consultants	
[19]	475 954.03		
1112189	5 740.00	Afrique Boutique Hotel	Accommodation
1111780	72 150.00	Ruxmian Lodge	Accommodation
1111481	4 029.00	The Boardwalk Hotel	Accommodation
1111677	22 372.00	Protea Hotel Tyger Valley	Accommodation
1112298	3 192.00	Protea Hotel Edward Durban	Accommodation
1112299	3 192.00	Protea Hotel Edward Durban	Accommodation
1112300	3 372.00	Protea Hotel Edward Durban	Accommodation
[7]	114 047.00		
1112214	57 000.00	ODS Consultants CC	Continuation of the services for the recruitment and selection of directors
1112102	13 680.00	ODS Consultants CC	Continuation of the services for the recruitment and selection of directors
[2]	70 680.00		
1112210	7 200.00	Democracy Development Program	Services urgently required
1112040	7 204.80	Rainbow Developments	Services urgently required
1112039	8 353.92	Rainbow Developments	Services urgently required
1112036	52 440.00	Rainbow Developments	Services urgently required
1111689	4 332.00	Riaan Van Zyl	Services urgently required
1111793	5 820.00	Curtain & Linen Centre	Goods urgently required
1112285	20 862.00	Gamsu & Houterman Surveyors	Goods urgently required
1112084	76 190.19	Metsi Chem Ikapa	Services urgently required
1112148	3 876.00	AH Marais & Seuns	Services urgently required
1111581	12 260.00	ATKV Goudini Spa	Services urgently required
1111498	4 104.00	Rainbow Developments	Services urgently required
1111499	2 552.59	Technologies Acceptance	Services urgently required
1111491	8 550.00	Safari Flooring	Services urgently required
1111636	4 000.00	Tess Graphics	Services urgently required
1112270	3 600.00	Laslappies	
[15]	221 345.50		
1112170	2 484.00	Media24 Publikasies	Publications/ Adverts
1112171	3 573.76	Independent Newspapers	Publications/ Adverts
1112184	5 194.18	Media24 Publikasies	Publications/ Adverts
1112185	14 144.85	Media24 Publikasies	Publications/ Adverts
1111833	2 484.00	Media24 Publikasies	Publications/ Adverts
1112141	4 140.00	Media24 Publikasies	Publications/ Adverts
1111774	3 063.23	Independent Newspapers	Publications/ Adverts
[7]	35 084.02		
TOTAL	1 690 486.86		

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
DEVIATIONS FOR THE MONTH: SEPTEMBER 2013			
Order nr.	Amount	Service Provider	Additional Remarks-if necessary
223819	2 395.99	Penny Pinchers Worcester	Insurance
223820	2 295.00	Quenets Hunting and Fishing	Insurance
223842	3 135.00	Marais Bakwerke	Insurance
223844	7 800.00	Distinctive Choice	Insurance
1113091	4 867.50	Marais Bakwerke	Insurance
224734	9 321.20	GS&T	Insurance
1112686	12 000.00	Quenets Hunting And Fishing	Insurance
1112687	9 750.00	Marais Bakwerke	Insurance
[8]	51 564.69		
1112507	3 859.33	Kaap Agri	sole supplier of the listed items in De Doorns
1112670	7 000.00	IFN Media	sole service provider
1113046	4 601.44	Kaap Agri	Repairs to water pump
1113122	9 773.22	Anatech Instruments (Pty) Ltd	Sole supplier
1112450	3 000.00	Kipo Passenger Services	Only service provider that confirmed availability
1113096	4 069.80	Maxal Projects SA (Pty) Ltd	sole supplier
1112959	14 200.00	Indecon Instrumental Control	sole supplier
1112679	2 850.00	IMQS Software (Pty) Ltd	sole service provider
1112569	39 670.86	Knowledge base Sales	Sole service provider
1112424	39 330.00	CQS Technology Holdings	Sole supplier
1112423	29 366.40	TGS Gear Services	Sole Supplier
224498	14 200.00	Indecon Instrumentation Control	Sole Distributor within the region
1113074	12 283.50	SSE Cape	Sole Supplier
1112506	8 215.00	Sure Boland Tours	Sole agent within the Worcester town
1113082	19 092.00	Sure Boland Tours	Sole agent within the Worcester town
1112646	2 794.66	Audensberg Toyota	Sole agent within the Worcester town
1112526	6 770.31	Worcester BMW	Sole agent within the Worcester town
1112570	9 781.68	Audensberg Toyota	Sole agent within the Worcester town
1112373	11 310.84	Orchard Suppliers	Sole service provider in the De Doorns town
[19]	242 169.04		
1112769	9 750.00	Terence Harker Argitektuur	Services urgently required
1112304	9 972.07	Avis Van Rental Worcester	Services urgently required
1112794	22 231.41	Transunion Credit Bureau	Services urgently required
1112634	6 523.67	Terence Harker Argitektuur	Services urgently required
1112673	13 123.23	Lategan's Sementwerke Edms Bpk	Goods urgently required
1112414	10 380.00	Beiroplas Recycling CC	Services urgently required
1112415	15 000.00	Orchard Suppliers	Services urgently required
[7]	86 980.38		
1112805	14 200.00	Slabbert en Theron Proses	Initial appointment done by the court
224975	6 020.00	Slabbert & Theron Proses Bedieners	Initial appointment done by the court
1112385	8 120.00	Omega Process Services	Initial appointment done by the court
[3]	28 340.00		
1112501	19 726.80	AAD Truck & Bus - Worcester	Urgent Repairs/ Strip and Quote
1112525	5 571.24	AAD Truck & Bus - Worcester	Urgent Repairs/ Strip and Quote
1112392	5 016.00	Worcester Enjinsentrum	Urgent Repairs/ Strip and Quote
1112643	7 833.26	TFM Transtech	Urgent Repairs/ Strip and Quote
1112647	2 165.18	Cader's Auto Electric	Urgent Repairs/ Strip and Quote
1112669	3 353.00	Boland Mowers	Urgent Repairs/ Strip and Quote
1113102	2 811.24	Strydoms Armature Winders	Urgent Repairs/ Strip and Quote
1112399	2 251.50	Worcester Enjinsentrum	Repairs at Stetteynskloof dam
1113103	6 018.74	The Network Computer Services	Urgent Repairs/ Strip and Quote
1113027	23 800.00	De la Rosa Trailers en Ingenieurs	Urgent Repairs/ Strip and Quote
1113028	7 470.10	Hydrenco (PTY)LTD	Urgent Repairs/ Strip and Quote
1113072	3 470.19	Marais Bakwerke	Urgent Repairs/ Strip and Quote
1113073	3 468.29	AAD Truck & Bus - Worcester	Urgent Repairs/ Strip and Quote
1113075	3 520.94	Cader's Auto Electric	Urgent Repairs/ Strip and Quote
1113018	2 611.17	Non Pareil Garage (Pty) Ltd	Urgent Repairs/ Strip and Quote
224636	3 163.50	Non Pareil Garage (Pty) Ltd	Urgent Repairs/ Strip and Quote
224651	3 064.16	AAD Truck and Bus - Worcester	Urgent Repairs/ Strip and Quote
224372	12 697.50	Boland hydraulics	Urgent Repairs/ Strip and Quote
224368	2 370.06	Boland hydraulics	Urgent Repairs/ Strip and Quote

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
224401	7 130.70	Worcester Brake & Clutch	Urgent Repairs/ Strip and Quote
224405	2 694.96	Worcester Brake & Clutch	Urgent Repairs/ Strip and Quote
1112366	6 467.22	Tony's Motor Spares	Urgent Repairs/ Strip and Quote
224406	5 573.46	Worcester Brake & Clutch	Urgent Repairs/ Strip and Quote
224403	4 864.26	Worcester Brake & Clutch	Urgent Repairs/ Strip and Quote
224496	3 255.84	Worcester Engine Sentrum	Urgent Repairs/ Strip and Quote
224390	3 790.50	Baxter Auto Services	Urgent Repairs/ Strip and Quote
224408	3 197.16	Cadres Auto Electric	Urgent Repairs/ Strip and Quote
224444	2 341.98	Worcester Nissan	Urgent Repairs/ Strip and Quote
224363	2 031.48	Audensberg Toyota	Urgent Repairs/ Strip and Quote
224445	3 003.65	Barloworld Equipment	Urgent Repairs/ Strip and Quote
224389	2 753.55	Baxter Auto Services	Urgent Repairs/ Strip and Quote
224792	9 413.47	AAD Truck and Bus - Worcester	Urgent Repairs/ Strip and Quote
1113097	27 729.36	HSM Amanzi Pump And Sewerage	Urgent Repairs/ Strip and Quote
1113079	6 610.93	JEC Spares CC	Urgent Repairs/ Strip and Quote
1113077	2 309.89	Boland Hydraulics	Urgent Repairs/ Strip and Quote
1112474	16 974.60	TGS Gear Services	Urgent Repairs/ Strip and Quote
1112370	24 419.43	JEC Spares	Urgent Repairs/ Strip and Quote
1112769	3 135.00	Eaton Electric	Urgent Repairs/ Strip and Quote
[38]	258 080.31		
1112444	16 974.60	Media24 Publikasies	Adverts
1112574	4 960.47	Media24 Publikasies	Adverts
1112632	3 693.17	Media24 Publikasies	Adverts
[3]	25 628.24		
1112633	7 606.08	Plattner Golf (PTY)LTD	Accommodation
1112452	5 840.00	Protea Hotel Tyger Valley	Accommodation
1112685	2 305.00	Protea Hotel King George	Accommodation
1112312	2 070.00	George Lodge International	Accommodation
[4]	17 821.08		
1112689	15 950.00	Olivier Kntrakteur	Impractical to follow the normal procurement process
1112753	8 120.00	Omega Process Servers	Impractical to follow the normal procurement process
1112973	6 020.00	Slabbert and Theron Proses Servers	Impractical to follow the normal procurement process
1112380	55 480.72	Future Security Services	month-to-month extension while the municipality is in the process of embarking on the feasibility study for exact needs
1112677	49 190.61	Global Force Security Services	month-to-month extension while the municipality is in the process of embarking on the feasibility study for exact needs
1112700	44 723.00	BP Atlantic	Impractical to follow the normal procurement process-month to month extension until the municipality ff the normal bidding process
1112419	31 845.00	BP Atlantic	Impractical to follow the normal procurement process-month to month extension until the municipality ff the normal bidding process
1112987	78 987.00	Human Capital Life Coaching	Impractical to follow the normal procurement process-month to month extension until the municipality ff the normal bidding process
1112418	36 861.90	BP Atlantic	Impractical to follow the normal procurement process-continuation of the existing service
1112670	57 500.00	Parker Holt Incorporated	Legal Services
1112417	122 873.00	BP Atlantic	Impractical to follow the normal procurement process-month to month extension until the municipality ff the normal bidding process
[11]	507 551.23		
TOTAL	1 218 134.97		
[93]			
DEVIATIONS FOR THE MONTH: OCTOBER 2013			
Order nr.	Amount	Service Provider	Additional Remarks-if necessary
1113337	80 028.00	Procedo Training Providers (Pty) Ltd	Sole Service Provider
1113421	2 400.00	Worcester BusDiens	Other service providers were fully booked
1113553	3 591.00	Indecon Instrumentation Control	Sole distributor

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1113652	17 288.10	The Badge Company	Sole Supplier
1113735	41 226.96	TGS Gear Services	Sole Supplier
1113911	3 231.58	Barloworld Equipment	Sole Service Provider
1113673	2 114.70	Jaffe's ford	Sole Agent
1113333	55 840.00	Flight Centre	used on rotation with Sure Boland
1113838	2 701.00	Jaffe's ford	Sole Agent
1113902	3 131.43	Agrico (Pty) Ltd	Sole Service Provider
1113734	48 909.42	Indecon Instrumentation Control	Sole distributor
1113793	12 261.30	Worcester Nissan	Sole Service Provider
1113783	5 747.88	Meycom	Sole Service Provider
1113714	2 072.52	Vision elevators	Provider of service
1114041	3 078.00	Diesel Electric	Sole Supplier
[15]	283 621.89		
1113418	4 200.00	KFC	Impractical to follow a normal proc process
1113511	4 620.00	SM Consultants	Impractical to follow a normal proc process
1113512	8 540.00	Omega Process Servers	Impractical to follow a normal proc process
[3]	17 360.00		
1113956	51 094.81	Global Force Security Services	Impractical to follow a normal proc process
1112417	122 873.00	BP Atlantic	Impractical to follow a normal proc process
1112418	36 861.90	BP Atlantic	Impractical to follow a normal proc process
1112419	31 945.00	BP Atlantic	Impractical to follow a normal proc process
1112700	44 723.00	BP Atlantic	Impractical to follow a normal proc process
1113222	8 260.00	Omega Process Servers	Impractical to follow a normal proc process
1113214	55 480.72	Future Security Services	Impractical to follow a normal proc process
1113225	252 686.70	Pricewaterhouse Coopers	Impractical to follow a normal proc process
1113458	10 185.00	Slabbert & Theron Proses	Impractical to follow a normal proc process
1113259	5 774.00	Marieke Van Rooyen Attorneys	Impractical to follow a normal proc process
1113533	5 338.00	Avis Van Rental Worcester	Impractical to follow a normal proc process
1113531	5 338.80	Avis Van Rental Worcester	Impractical to follow a normal proc process
1113534	5 338.81	Avis Van Rental Worcester	Impractical to follow a normal proc process
1113892	3 043.80	Container World (Pty) Ltd	Impractical to follow a normal proc process
1113893	3 145.26	Container World (Pty) Ltd	Impractical to follow a normal proc process
1113894	3 145.26	Container World (Pty) Ltd	Impractical to follow a normal proc process
1113745	13 680.00	ODS	Impractical to follow a normal proc process
1113504	7 820.40	De Vries De Wet Krowkam	Impractical to follow a normal proc process
1113505	3 711.84	De Vries De Wet Krowkam	Impractical to follow a normal proc process
1113509	3 589.86	De Vries De Wet Krowkam	Impractical to follow a normal proc process
1113570	3 762.00	De Vries De Wet Krowkam	Impractical to follow a normal proc process
1113506	3 420.00	De Vries De Wet Krowkam	Impractical to follow a normal proc process
1113507	4 232.84	De Vries De Wet Krowkam	Impractical to follow a normal proc process
1113508	3 988.86	De Vries De Wet Krowkam	Impractical to follow a normal proc process
1113571	17 807.60	De Vries De Wet Krowkam	Impractical to follow a normal proc process
[25]	707 247.46		
1113561	2 328.38	Marais Bakwerke	Insurance
1113563	5 370.00	Distinctive Choice	Insurance
1113564	5 980.00	Distinctive Choice	Insurance
[3]	13 678.38		
1113348	2 980.75	Worcester Armatuer Winders & Refrigeration	Urgent Repairs / Strip & Quote
1113365	3 260.40	Marais Bakwerke	Urgent Repairs / Strip & Quote
1113376	6 368.38	Fire Raiders (Pty) Ltd	Urgent Repairs / Strip & Quote
1113406	2 403.87	CBS Worcester	Urgent Repairs / Strip & Quote
1113407	9 555.33	AAD Truck and Bus	Urgent Repairs / Strip & Quote
1113514	2 317.58	Caders Auto Traders	Urgent Repairs / Strip & Quote
1113515	4 749.54	Worcester Enjinsentrum	Urgent Repairs / Strip & Quote
1113900	3 214.80	Visser's Ingeniewerke	Urgent Repairs / Strip & Quote
1113316	15 390.00	Kaltron	Urgent Repairs / Strip & Quote
1113863	38 208.24	Worcester Enjinsentrum	Urgent Repairs / Strip & Quote
1113516	4 993.20	Tony's Motor Spares	Urgent Repairs / Strip & Quote
1113517	4 259.20	Boland Mowers	Urgent Repairs / Strip & Quote
1113694	3 766.56	HD transmission (Pty) Ltd	Urgent Repairs / Strip & Quote
1113718	16 094.08	HD transmission (Pty) Ltd	Urgent Repairs / Strip & Quote
1113719	18 468.00	Boland Hydraulics	Urgent Repairs / Strip & Quote
1113674	6 767.04	Worcester Enjinsentrum	Urgent Repairs / Strip & Quote
1113675	2 160.00	Boland Mowers	Repairs

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1113676	7 948.02	Boland Hoedrukspuit	Urgent Repairs / Strip & Quote
1113904	3 938.70	Worcester Brake and Clutch	Urgent Repairs / Strip & Quote
1113917	8 676.51	JEC Spares	Urgent Repairs / Strip & Quote
1113733	25 478.09	TFM Transtech	Urgent Repairs / Strip & Quote
1113738	16 287.11	Boland Hydraulics	Urgent Repairs / Strip & Quote
1113739	14 062.21	JEC Spares	Urgent Repairs / Strip & Quote
1113747	7 388.91	Orchard Supplies	Urgent Repairs / Strip & Quote
1113748	8 099.70	Boland Hydraulics	Urgent Repairs / Strip & Quote
1113749	7 357.56	AAD Truck and Bus	Urgent Repairs / Strip & Quote
1113750	2 576.40	Worcester Nissan	Urgent Repairs / Strip & Quote
1113751	6 948.60	JEC Spares	Urgent Repairs / Strip & Quote
1113794	2 409.61	Kaap Agri BB	Urgent Repairs / Strip & Quote
1114017	8 401.80	Strydom Amature Winders	Urgent Repairs / Strip & Quote
1114024	24 014.10	Strydom Amature Winders	Urgent Repairs / Strip & Quote
1114020	4 200.00	Strydom Amature Winders	Urgent Repairs / Strip & Quote
[32]	292 744.29		
1114021	6 940.00	De La Rosa Trailers & Engineers	Urgent Repairs
1113513	6 422.20	Kaap Agri Bedryf	Goods urgently required
1113314	5 915.63	Kaap Agri Bedryf	Goods urgently required
1113365	3 260.40	Marais Bakwerke	Services urgently required
1113502	3 000.00	GT Mayeki Taxi Services	Services urgently required
1114034	6 880.00	De La Rosa Trailers	Emergency
1114017	8 401.80	Strydom Amature Winders	Emergency
1113321	6 771.60	FG Uniforms	Goods urgently required
1114018	3 465.60	Maxal Projects SA (Pty) Ltd	Emergency
1113212	8 280.00	Bellvista Lodge	Accommodation
1113720	3 341.02	Protea Hotel Midrand	Accommodation
[11]	62 678.25		
1113124	5 400.00	Media24 Publikasies	Advert/ Publications
1113125	1 656.00	Media24 Publikasies	Advert/ Publications
1113207	3 573.76	Independent Newspapers	Advert/ Publications
1113208	1 996.60	Media24 Publikasies	Advert/ Publications
1113209	2 961.99	Media24 Publikasies	Advert/ Publications
1113531	5 400.00	Media 24 Publikasies	Advert/ Publications
1113545	1 656.00	Media24 Publikasies	Advert/ Publications
1113546	2 900.00	Media 24 Publikasies	Advert/ Publications
1113549	2 961.99	Media 24 Publikasies	Advert/ Publications
1113574	2 297.42	Independent Newspapers	Advert/ Publications
1113575	1 711.37	Media24 Publikasies	Advert/ Publications
1113741	1 240.80	Media24 Publikasies	Advert/ Publications
1113743	6 126.45	Independent Newspapers	Advert/ Publications
1113744	399.19	Media24 Publikasies	Advert/ Publications
1113753	3 949.32	Media 24 Publikasies	Advert/ Publications
1113839	1 362.40	Media24 Publikasies	Advert/ Publications
1113840	1 634.88	Media24 Publikasies	Advert/ Publications
1113854	2 649.60	Media 24 Publikasies	Advert/ Publications
[18]	49 877.77		
TOTAL	1 427 208.04		
[112]			
DEVIATIONS FOR THE MONTH: NOVEMBER 2013			
Order nr.	Amount	Service Provider	Reason
1114312	13 541.30	Idexx Laboratories (Pty) Ltd	Sole Supplier
1114324	15 782.16	Industrial Screening Technology	Sole Supplier
1114325	44 082.66	Industrial Screening Technology	Sole Supplier
1114311	13 051.10	Idexx Laboratories (Pty) Ltd	Sole Supplier
1114041	3 078.00	Diesel Electric	Sole Supplier
1114278	3 467.27	Gene Louw Traffic College	sole Service Provider
1114800	7 425.00	Flossnet	Sole Supplier
1114122	5 736.91	Windeed Systems	Sole Supplier
1114112	3 768.79	Winserach Services	Sole Supplier
1114111	7 596.34	Windeed Systems	Sole Supplier
1114326	32 222.10	TGS Gear Services	Sole Supplier

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1114046	5 300.00	Sure Boland	sole Service Provider
1114497	4 405.00	Sure Boland	Sole Supplier
1114513	42 271.20	HSM Amanzi Pump & Sewarage	Sole Supplier
1114591	6 090.00	Slabbert & Theron Partners	Sole Supplier
1114516	8 400.00	Omega Process Servers	Sole Supplier
1114589	7 840.00	SM Consultants	Sole Supplier
1114698	21 546.00	CSIR	Sole Supplier
1114496	73 854.60	Balju-Worcester	Sole Supplier
[19]	319 458.43		
1114788	14 500.00	Distinctive Choice 1136	Insurance
1114787	16 500.00	Distinctive Choice 1136	Insurance
1114789	13 440.20	CSS Tiriano Computer Systems	Insurance
1114491	4 317.92	M & N Bakwerke	Insurance
1114490	3 595.00	Dentzone	Insurance
1114492	8 607.00	Meyer Electrical Construction	Insurance
[6]	60 960.12		
1114404	19 846.80	Protea Hotel TygerValley	Accommodation
1114180	5 650.00	Protea Hotel Dorpshuis	Accommodation
1114198	6 720.00	Protea Hotel Mossel Bay	Accommodation
1114445	2 025.00	Church Street lodge	Accommodation
1114519	2 960.00	Pine Lodge George	Accommodation
1114569	3 010.00	Church Street lodge	Accommodation
[6]	40 211.80		
1114713	2 118.57	GRW Services	Urgent Repairs/ Strip and quote
1114216	2 500.00	Tellyfonics	Urgent Repairs/ Strip and quote
1114115	12 629.76	Yonke Dosing & Fluids Tech cc	Urgent Repairs/ Strip and quote
1114024	24 014.10	Strydoms Armature Winders	Urgent Repairs/ Strip and quote
1114322	10 909.80	Xtreme Engineering	Urgent Repairs/ Strip and quote
1114323	10 556.40	SSE Cape	Urgent Repairs/ Strip and quote
1114327	3 944.46	Boela Auto Repairs	Urgent Repairs/ Strip and quote
1114331	35 556.60	HSM Amanzi Pump & Sewarage	Urgent Repairs/ Strip and quote
1114332	45 670.68	HSM Amanzi Pump & Sewarage	Urgent Repairs/ Strip and quote
1114430	22 480.80	HSM Amanzi Pump & Sewarage	Urgent Repairs/ Strip and quote
1114427	2 160.00	Worcester Auto Clinic	Urgent Repairs/ Strip and quote
1114490	3 595.00	Dentzone	Urgent Repairs/ Strip and quote
1115591	4 317.92	M & N Bodyworks	Urgent Repairs/ Strip and quote
1114566	41 678.40	HSM Amanzi Pump & Sewarage	Urgent Repairs/ Strip and quote
1114567	31 806.00	Fiab Mechanical Installations	Urgent Repairs/ Strip and quote
1114568	45 417.60	HSM Amanzi Pump & Sewarage	Urgent Repairs/ Strip and quote
1114833	7 233.30	Worcester Gearbox Centre	Urgent Repairs/ Strip and quote
1114555	2 800.00	Harry Upholstery	Urgent Repairs/ Strip and quote
1114699	3 273.11	Boela Auto Repairs	Urgent Repairs/ Strip and quote
1114685	2 773.11	Boela Auto Repairs	Urgent Repairs/ Strip and quote
1114684	4 256.76	Caders Auto Services	Urgent Repairs/ Strip and quote
1114683	26 327.07	JEC Spares	Urgent Repairs/ Strip and quote
1114681	3 267.13	Agrico (Pty) Ltd	Urgent Repairs/ Strip and quote
1114682	11 222.41	TFM Transtech	Urgent Repairs/ Strip and quote
1114710	8 890.00	Fiab Mechanical Installations	Urgent Repairs/ Strip and quote
1114713	2 118.57	GRW	Urgent Repairs/ Strip and quote
[26]	371 517.55		
1114779	2 049.13	Kaap Agri Bedryf	Goods urgently required
1114729	8 500.00	QB Enterprises	Services urgently required
1114503	7 300.00	Cleaning Zone	Services urgently required
1114502	9 180.00	GS & T	Services urgently required
1114801	2 800.00	linemark	Services urgently required
1114105	20 465.28	Cougar Security	Services urgently required
1114099	2 274.30	Tony Truck Centre	Services urgently required
1114034	6 880.00	De La Rosa Trailers & Ingenieurs	Services urgently required
1114021	6 940.00	De La Rosa Trailers & Ingenieurs	Services urgently required
1114020	4 200.90	Strydoms Armature Winders	Services urgently required
1114018	3 465.60	Maxal Projects SA (Pty) Ltd	Services urgently required
1114017	8 401.80	Strydoms Armature Winders	Services urgently required
1114140	9 120.00	Xero Image Technologies	Emergency
1114631	3 310.56	Jojo Tanks	Emergency
[14]	94 887.57		
1114287	11 696.40	De Vries De Wet & Krouwkam	Impractical to follow the normal proc process
226361	27 657.57	Conradie Inc	Impractical to follow the normal proc process
226715	3 055.20	De Vries De Wet & Krouwkam	Impractical to follow the normal proc process

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Order nr.	Amount	Service Provider	Reason
1114797	55 098.00	BP Atlantic	Impractical to follow the normal proc process
1114796	55 098.00	BP Atlantic	Impractical to follow the normal proc process
1114795	46 563.30	BP Atlantic	Impractical to follow the normal proc process
1114536	55 098.00	BP Atlantic	Impractical to follow the normal proc process
1114456	122 535.00	BP Atlantic	Impractical to follow the normal proc process
1114455	48 214.36	BP Atlantic	Impractical to follow the normal proc process
1114163	52 617.60	BP Atlantic	Impractical to follow the normal proc process
1113962	124 055.00	BP Atlantic	Impractical to follow the normal proc process
1114151	3 145.26	Container World	Impractical to follow the normal proc process
1113961	55 123.20	BP Atlantic	Impractical to follow the normal proc process
1114694	5 130.00	De Vries De Wet & Krouwkam	Impractical to follow the normal proc process
1114019	79 303.75	DB Davids Attorneys	Impractical to follow the normal proc process
1114139	76 619.78	Future Security Services	Impractical to follow the normal proc process
1114218	2 897.88	Breerivier Training Development	Impractical to follow the normal proc process
1114106	447 243.37	Global Force Security Services	Impractical to follow the normal proc process
1114211	11 600.00	Flight Centre Worcester	Impractical to follow the normal proc process
226661	8 514.54	Spamer Triebel Incorporated	Impractical to follow the normal proc process
1114821	5 199.54	De Vries De Wet & Krouwkam	Impractical to follow the normal proc process
1114823	6 254.04	De Vries De Wet & Krouwkam	Impractical to follow the normal proc process
1114822	10 288.50	De Vries De Wet & Krouwkam	Impractical to follow the normal proc process
1114693	59 919.20	Future Security Services	Impractical to follow the normal proc process
[24]	1 372 927.49		
1114802	14 438.10	Ayabda Mbanga Communications	Advert/ Publications
1114807	18 262.16	Media 24 Publications	Advert/ Publications
1119619	8 117.03	Independent Newspapers Cape	Advert/ Publications
1119622	6 982.23	Media24 Publikasies	Advert/ Publications
1119841	3 511.20	Media24 Publikasies	Advert/ Publications
1119842	3 511.20	Media24 Publikasies	Advert/ Publications
1119881	5 266.80	Media24 Publikasies	Advert/ Publications
1119988	17 500.00	Media24 Publikasies	Advert/ Publications
1120199	5 776.61	Media24 Publikasies	Advert/ Publications
[9]	83 365.33		
TOTAL	2 343 328.29		
[104]			
DEVIATIONS FOR THE MONTH: DECEMBER 2013			
Order nr.	Amount	Service Provider	Additional Remarks-if necessary
1114961	6 834.30	Thorp Paarl	Sole Supplier
1115033	4 597.62	Drager South Africa (Pty) Ltd	Sole Supplier
1115110	14 193.00	Indecon Instrumentation Control	Sole Supplier
1115111	28 900.14	Patch Industrial Supplies (Pty) Ltd	Sole Supplier
1115213	5 061.56	HD Transmissions	Sole Supplier
1114891	20 350.00	Nazlie Greef	Sole Supplier
1114853	4 700.00	Harry Upholstery	Sole Supplier
1114933	2 780.96	Worcester BMW	Sole Supplier
115497	11 313.68	Patch Industrial Supplies (Pty) Ltd	Sole Supplier
1115312	11 012.40	HSM Amanzi Pump and Sewerage	sole supplier
1115115	3 990.00	Winterbach Broers	Sole Supplier in De Doorns
1115117	189 208.99	Forms Media Ind (Pty) Ltd	Sole Supplier
1115118	8 390.40	Forms Media Ind (Pty) Ltd	Sole Supplier
1115175	83 606.07	Bytes Systems Intergration	Sole Supplier
1115184	7 427.10	Breerivier Kommunikasie	Sole Supplier
1115222	64 740.60	Etreme Engineering	Sole Supplier
1115223	36 500.34	Brandwacht Bespoiring	Sole Supplier
1115368	4 280.15	Windeed Systems	Sole Supplier
1115398	7 204.80	Forms Media Ind (Pty) Ltd	Sole Supplier
115442	10 345.00	Dura-Bump Trust	Sole Supplier
1115473	5 328.41	AAD truck & bus	Sole local service provider
1115495	4 892.88	Non Pareil Garage	Sole Supplier in De Doorns
[22]	535 658.40		
1115286	71 631.90	Witels Grondverskuiwing cc	Emergency
1115251	3 990.00	Winterbach Broers	Services urgently required
1114841	12 480.00	IS Caterers	Emergency
1114865	5 472.00	Gamsu & Houterman Surveyors	Services urgently required
1114938	12 600.00	Thithiba Security Services cc	Services urgently required
1114946	17 521.80	TGS Gear Services	Services urgently required

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1115026	4 600.00	Kaap Agri	Services urgently required
1115420	14 364.00	Capital Security	Services urgently required
1115058	4 700.00	Junk Mail Publishing (Pty) Ltd	Services urgently required
1115059	19 800.66	Ayanda Mbanga Communication	Services urgently required
1115061	32 730.54	HSM Amanzi Pump & Sewerage Engineers	Services urgently required
1115040	3 000.00	ZN Paliso Taxis	Services urgently required
1115046	3 500.00	Kipos Passenger Services	Services urgently required
1115106	3 420.00	Rode & Associates	Services urgently required
1114842	5 320.00	Fabulous Foods	Emergency
1115112	2 889.56	Marais Bakwerke	Services urgently required
1115238	5 411.01	JVZ Construction JV	Services urgently required
1115217	16 077.42	Al Abbott & Ass	Services urgently required
1115221	30 010.73	idexx Laboratories (Pty) Ltd	Services urgently required
[19]	269 519.62		
1114877	59 400.00	HG Engelbrecht	Impractical to ff a normal proc process
1115236	3 507.00	Damas Restaurant	Impractical to ff a normal proc process
1115391	9 100.00	Omega Procee Servers	Impractical to ff a normal proc process
1115450	8 015.00	Slabbert & theron Proses Bedieners	Impractical to ff a normal proc process
1115449	7 805.00	Slabbert & theron Proses Bedieners	Impractical to ff a normal proc process
1115363	7 560.00	SM Consultants	Impractical to ff a normal proc process
1115287	8 400.00	Omega Procee Servers	Impractical to ff a normal proc process
1114995	4 500.00	JF George	Impractical to ff a normal proc process
1119626	133 558.32	BP Atlantic	Impractical to ff a normal proc process
1119627	60 498.00	BP Atlantic	Impractical to ff a normal proc process
1119817	57 809.20	BP Atlantic	Impractical to ff a normal proc process
1120129	52 896.00	BP Atlantic	Impractical to ff a normal proc process
1120130	56 863.20	BP Atlantic	Impractical to ff a normal proc process
1120131	22 781.54	BP Atlantic	Impractical to ff a normal proc process
1120142	129 914.98	BP Atlantic	Impractical to ff a normal proc process
1120285	50 179.60	BP Atlantic	Impractical to ff a normal proc process
1115545	17 556.00	Global Force Security Services	Impractical to ff a normal proc process
1115063	382 977.34	Global Force Security Services	Impractical to ff a normal proc process
1115138	39 580.80	AC Security	Impractical to ff a normal proc process
1115062	76 619.78	Futute Security Servcies	Impractical to ff a normal proc process
1120286	53 543.98	BP Atlantic	Impractical to ff a normal proc process
1114928	64 266.03	Global Force Security Services	Impractical to ff a normal proc process
1114927	20 465.28	Cougar Security	Impractical to ff a normal proc process
1115060	4 500.00	Ronnie Appolis	Impractical to ff a normal proc process
1115131	27 200.00	Robin Alg Dienste	Impractical to follow proc proc
111060	4 500.00	Ronnie Appolis	Special Works of art
1115045	4 244.90	Marieke Van Rooyen Attorneys	Impractical to follow proc proc
1114838	59 921.30	Global Force Security Services	Impractical to follow proc proc
1114839	21 906.96	Capital Security	Impractical to follow proc proc
1114934	39 580.80	AC Security	Impractical to ff a normal proc process
1114936	15 960.00	ODS Consultants	Impractical to ff a normal proc process
1115104	8 400.00	Omega Procee Servers	Impractical to ff a normal proc process
1115105	4 585.00	Slabbert & theron Proses Bedieners	Impractical to ff a normal proc process
1115066	12 526.40	Conradie Inc	Impractical to ff a normal proc process
1115234	12 526.40	Conradie Inc	Impractical to ff a normal proc process
1115233	2 348.70	Conradie Inc	Impractical to ff a normal proc process
1115067	2 565.00	Conradie Inc	Impractical to ff a normal proc process
1115139	4 476.78	De Vries De Wet Kroukam	Impractical to ff a normal proc process
1115239	13 225.00	Elton Shortles	Impractical to ff a normal proc process
1115263	69 238.37	Global Force Security Services	Impractical to ff a normal proc process
1115264	76 619.78	Future Security Services	Impractical to ff a normal proc process
1115555	160 189.22	Global Force Security Services	Impractical to ff a normal proc process
1115556	258 805.34	Global Force Security Services	Impractical to ff a normal proc process
1115557	41 955.70	AC Security	Impractical to ff a normal proc process

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Order nr.	Amount	Service Provider	Reason
1115505	8 880.76	De Vries De Wet Kroukam	Impractical to ff a normal proc process
1115508	5 076.00	Quenets Pharmacy	Impractical to ff a normal proc process
1115522	8 461.20	De Vries De Wet Kroukam	Impractical to ff a normal proc process
1115523	5 893.80	De Vries De Wet Kroukam	Impractical to ff a normal proc process
1115524	8 983.20	De Vries De Wet Kroukam	Impractical to ff a normal proc process
1115558	64 551.21	Balju	Impractical to ff a normal proc process
[50]	2 274 918.87		
1115021	2 329.80	Boland Hydraulics	Urgent Repairs/ Strip and Quote
1115022	3 874.79	Boland Gearbox Centre	Urgent Repairs/ Strip and Quote
1115023	40 196.40	Boland Hydraulics	Urgent Repairs/ Strip and Quote
1115024	5 302.09	JEC Spares	Urgent Repairs/ Strip and Quote
1115079	3 946.68	Worcester Enjin Sentrum	Urgent Repairs/ Strip and Quote
1114833	7 233.30	Worcester Gearbox Centre	Urgent Repairs/ Strip and Quote
1115052	2 052.00	Tony's Motor Spares	Urgent Repairs/ Strip and Quote
1115057	8 550.00	Tony's Motor Spares	Urgent Repairs/ Strip and Quote
1115053	2 223.00	Tony's Motor Spares	Urgent Repairs/ Strip and Quote
1115054	2 223.00	Tony's Motor Spares	Urgent Repairs/ Strip and Quote
1115055	5 240.00	Boland Mowers	Urgent Repairs/ Strip and Quote
1115056	5 328.41	AAD Truck and Bus Worcester	Urgent Repairs/ Strip and Quote
1115113	3 841.80	Hydreco (Pty) Ltd	Urgent Repairs/ Strip and Quote
1115114	2 428.20	Bovalllei Ingenieurswerke	Urgent Repairs/ Strip and Quote
1114915	4 229.10	AC Security	Urgent Repairs/ Strip and Quote
1115134	20 248.68	HSM Amanzi Pump & Sewerage Engineers	Urgent Repairs/ Strip and Quote
1115135	24 942.06	HSM Amanzi Pump & Sewerage Engineers	Urgent Repairs/ Strip and Quote
1115136	45 449.52	HSM Amanzi Pump & Sewerage Engineers	Urgent Repairs/ Strip and Quote
1115137	33 858.00	HSM Amanzi Pump & Sewerage Engineers	Urgent Repairs/ Strip and Quote
1115148	3 214.80	Visser's Ingenieurswerke	Urgent Repairs/ Strip and Quote
1115149	7 045.20	Visser's Ingenieurswerke	Urgent Repairs/ Strip and Quote
1115150	2 068.82	Wynland Enjinherbouers	Urgent Repairs/ Strip and Quote
1115151	2 618.49	Worcester Truck Centre	Urgent Repairs/ Strip and Quote
1115152	2 496.72	Worcester Auto Clinic	Urgent Repairs/ Strip and Quote
1115168	2 223.00	JEC Spares	Urgent Repairs/ Strip and Quote
1115170	2 223.00	JEC Spares	Urgent Repairs/ Strip and Quote
1115201	15 019.94	Speedy	Urgent Repairs/ Strip and Quote
1115211	2 783.54	Orchard Supplies	Urgent Repairs/ Strip and Quote
1115299	4 250.51	Boland Hydraulics	Urgent Repairs/ Strip and Quote
1115298	3 730.08	CBS Worcester	Urgent Repairs/ Strip and Quote
1115297	4 016.48	Autozone	Urgent Repairs/ Strip and Quote
1115296	4 822.20	Boland Hydraulics	Urgent Repairs/ Strip and Quote
1115295	2 542.20	WP Locksmith	Urgent Repairs/ Strip and Quote
1115441	2 436.18	Fulcrum Technologies	Urgent Repairs/ Strip and Quote
1115472	2 926.90	Dentzone	Urgent Repairs/ Strip and Quote
1115474	3 000.00	Harry Upholholtery	Urgent Repairs/ Strip and Quote
1115510	5 630.46	Worcester Blake and Clutch	Urgent Repairs/ Strip and Quote
1115493	3 363.00	Tony's Truck Centre	Urgent Repairs/ Strip and Quote
1115494	2 863.76	Jaffe's Ford	Urgent Repairs/ Strip and Quote
1115504	2 066.08	Caders Auto Electric	Urgent Repairs/ Strip and Quote
1115475	8 630.20	Supa Quick	Urgent Repairs/ Strip and Quote
1115487	3 225.06	Worc Brake & Clutch	Urgent Repairs/ Strip and Quote
1115489	4 953.30	Hydreco (Pty) Ltd	Urgent Repairs/ Strip and Quote
1115492	4 095.45	Elster Kent Metering	Urgent Repairs/ Strip and Quote
1115549	3 363.00	Tony's Truck Centre	Urgent Repairs/ Strip and Quote
[45]	329 105.20		
1115328	11 746.00	Fire Raiders (Pty) Ltd	Insurance
[1]			
1119619	8 117.03	Independent Newspapers Cape	Advert/ Publication
1119622	6 982.23	Media24 Publikasies	Advert/ Publication
1115242	16 225.62	Ayand aMbanga Comms	Advert/ Publication
1119841	3 511.20	Media24 Publikasies	Advert/ Publication
1119842	3 511.20	Media24 Publikasies	Advert/ Publication
1115241	3 700.00	Junk Mail Publishing (Pty) Ltd	Advert/ Publication
1119881	5 266.80	Media24 Publikasies	Advert/ Publication
1119988	17 500.00	Media24 Publikasies	Advert/ Publication
1120199	5 776.61	Media24 Publikasies	Advert/ Publication
[9]	70 590.69		
TOTAL	3 491 538.78		
[146]			

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
DEVIATIONS FOR THE MONTH: JANUARY 2014			
Order nr.	Amount	Service Provider	Additional Remarks-if necessary
1116006	3 299.00	Sure Boland	Sole Service Provider in town
1115954	6 375.00	Worcester Minerals	Sole provider
1115953	34 270.00	KFC	Sole provider
1116058	7 210.00	Sure Boland	Sole Service Provider in town
[4]	51 154.00		
1115822	2 250.00	Damas Restaurant	Services urgently required
1115889	19 494.00	HSM Amanzi Pump and Sewerage Engineers	Emergency
1115987	15 390.00	Kaltron	Services urgently required
1115955	3 000.00	Kipos Passenger Service	Services urgently required
1115968	57 145.92	Strydom Amature Winders	Services urgently required
1115890	21 557.40	HSM Amanzi Pump and Sewerage Engineers	Emergency
1115892	21 329.40	HSM Amanzi Pump and Sewerage Engineers	Emergency
1115893	8 276.40	Strydom Amature Winders	Emergency
[8]	148 443.12		
1115768	3 420.00	Rode Valuations Wellington	Impractical to ff a normal proc process
1115990	55 954.52	Balju-Worcester	Impractical to ff a normal proc process
1115623	37 230.00	BP Atlantic	Impractical to ff a normal proc process
1115624	37 230.00	BP Atlantic	Impractical to ff a normal proc process
1115630	55 845.00	BP Atlantic	Impractical to ff a normal proc process
1115631	123 500.00	BP Atlantic	Impractical to ff a normal proc process
1115837	123 547.00	BP Atlantic	Impractical to ff a normal proc process
1115956	55 881.00	BP Atlantic	Impractical to ff a normal proc process
1115957	123 547.00	BP Atlantic	Impractical to ff a normal proc process
1116227	16 063.26	Future Security Services	Impractical to ff a normal proc process
1116226	20 465.28	Cougar Security	Impractical to ff a normal proc process
1116225	382 977.34	Global Force Security Services	Impractical to ff a normal proc process
1116228	43 738.90	AC Security	Impractical to ff a normal proc process
1115989	8 295.00	Slabbert, Theron Proses Bedieners	Impractical to ff a normal proc process
1115986	5 040.00	Omega Process Servers	Impractical to ff a normal proc process
1115969	15 960.00	ODS Consultants cc	Impractical to ff a normal proc process
1115644	8 726.70	Actebis 268cc	Impractical to ff a normal proc process
1116095	18 852.68	De Vries De Wet Kroukam	Impractical to ff a normal proc process
1116096	11 617.74	De Vries De Wet Kroukam	Impractical to ff a normal proc process
[19]	1 147 891.42		
1115766	2 240.00	Boela Auto Services	Urgent Repairs/ Strip & Quote
1115765	2 576.40	Vissers Ingenieurswerekke	Urgent Repairs/ Strip & Quote
1115764	3 864.60	Vissers Ingenieurswerekke	Urgent Repairs/ Strip & Quote
1115615	2 274.30	Tony's Motor Spares	Urgent Repairs/ Strip & Quote
1115617	3 426.99	Barloworld Equipment	Urgent Repairs/ Strip & Quote
1115758	4 993.20	Vissers Ingenieurswerekke	Urgent Repairs/ Strip & Quote
1115861	4 876.92	Orchard Supplies	Urgent Repairs/ Strip & Quote
1115824	2 382.60	Vissers Ingenieurswerekke	Urgent Repairs/ Strip & Quote
1115828	5 759.28	Orchard Supplies	Urgent Repairs/ Strip & Quote
1115830	4 075.40	Hydrenco (Pty) Ltd	Urgent Repairs/ Strip & Quote
1116013	3 343.00	Boland Mowers	Urgent Repairs/ Strip & Quote
1116022	28 728.00	Springbok Verkoeling	Urgent Repairs/ Strip & Quote
1116040	5 271.59	Worcester Gearbox Centre	Urgent Repairs/ Strip & Quote
1116042	11 995.40	Hydrenco (Pty) Ltd	Urgent Repairs/ Strip & Quote
[14]	85 807.68		
1116060	2 175.00	Church Street Lodge	Accommodation
1115942	4 635.00	Club Mykonos	Accommodation
1115788	17 515.00	Boland Mowers	Insurance
1115988	14 571.38	Diesel Electric	Insurance
1115870	19 937.46	Ayanda Mbanga Communications	Avert/ Publications

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1116220	5 465.84	Ayanda Mbanga Communications	Advert/ Publications
[6]	64 299.68		
TOTAL	1 497 595.90		
[51]			
DEVIATIONS FOR THE MONTH: FEBRUARY 2014			
Order nr.	Amount	Service Provider	Additional Remarks-if necessary
1116327	3 600.00	FAMSA Boland Overberg	Sole Provider in the region
1116328	3 000.00	FAMSA Boland Overberg	Sole Provider in the region
1116914	16 849.20	Extreme Engineering	sole service provider
1116870	6 800.00	Human Capital Life Coaching	sole service provider
1116346	13 585.43	Geniprint	Sole supplier
1116375	3 461.04	TGS Gear Services	Sole supplier
1116316	5 111.81	AAD Truck and Bus	sole service provider
1116376	9 142.80	Strydom Amature Winders	Sole supplier
1116446	16 670.45	Anatech Instruments (Pty) Ltd	Sole supplier
1116674	8 265.00	SSE Cape	Sole supplier
1116678	28 466.76	Umoya Network Solutions	Sole supplier
1116730	7 911.60	Merck (Pty) Ltd	Sole supplier
1116851	13 653.00	Sure Boland	Sole local service provider
1116854	5 740.00	Sure Boland	Sole local service provider
[14]	142 257.09		
1116952	37 288.26	Ayanda Mbanga Communication	Services Urgently needed
1116953	159 133.74	Skillstrain Distribution	Services Urgently needed
1116874	18 448.85	AC Security	Services Urgently needed
1116281	33 630.00	Red Ray Electrical	Services Urgently needed
1116555	15 817.50	Voltex Worcester	Services Urgently needed
1116438	14 882.70	AH Marais and Sons	Services Urgently needed
1116873	3 203.67	Capital Security	Services Urgently needed
1116426	18 445.20	Speedy	Services Urgently needed
1116840	80 381.09	Showtex Events Textiles SA (Pty) Ltd	Services Urgently needed
1116839	10 377.42	Maxal Projects SA (Pty) Ltd	Services Urgently needed
1116836	29 423.40	Extreme Engineering	Services Urgently needed
230066	3 203.67	Capital Security	Services Urgently needed
116426	18 445.20	Speedy	Services Urgently needed
1116360	21 158.40	Fire Control Systems	Services Urgently needed
1116348	21 147.00	Capital Security	Services Urgently needed
11166438	14 882.70	AH Marais and Sons	Goods urgently needed
[16]	499 868.80		
1116563	4 748.10	Worcester Truck Centre	Strip and Quote/ Emergency Repairs
1116562	3 383.92	Worcester Truck Centre	Strip and Quote/ Emergency Repairs
1116329	9 519.00	BM Power	Strip and Quote/ Emergency Repairs
1116248	4 560.00	Tony's Motor Spares	Strip and Quote/ Emergency Repairs
1116249	2 599.20	Worcester Gearbox Centre	Strip and Quote/ Emergency Repairs
1116250	3 138.09	Caders Auto Electric	Strip and Quote/ Emergency Repairs
1116251	3 088.12	HD Transmission (Pty) Ltd	Strip and Quote/ Emergency Repairs
1116253	12 882.00	JEC Spares cc	Strip and Quote/ Emergency Repairs
1116254	2 462.70	CBS Worcester	Strip and Quote/ Emergency Repairs
1116256	3 420.00	Tony's Motor Spares	Strip and Quote/ Emergency Repairs
1116257	5 416.58	JEC Spares cc	Strip and Quote/ Emergency Repairs
1116258	2 642.78	Worcester Nissan	Strip and Quote/ Emergency Repairs
1116259	4 841.44	JEC Spares cc	Strip and Quote/ Emergency Repairs
1116260	6 200.00	Worcester Amature Winders and Refrigeration	Strip and Quote/ Emergency Repairs
1116261	3 599.45	JEC Spares cc	Strip and Quote/ Emergency Repairs
1116262	4 640.99	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs
1116263	2 009.25	Caders Auto Electric	Strip and Quote/ Emergency Repairs
1116267	66 120.00	Strydom Amature Winders	Strip and Quote/ Emergency Repairs
1116266	3 180.00	Strydom Amature Winders	Strip and Quote/ Emergency Repairs
1116280	2 236.68	Worcester Gearbox Centre	Strip and Quote/ Emergency Repairs
1116313	4 953.30	Midas	Strip and Quote/ Emergency Repairs
1116374	6 315.30	Cutters	Strip and Quote/ Emergency Repairs
1116377	50 695.80	Fiab Mechanical Installations	Inspections to aerators in De Doorns
1116378	8 122.50	Fiab Mechanical Installations	Repairs to slip ring
1116427	19 132.02	AAD Truck and Bus - Worc	Scheduled service to cw14384
1116428	7 791.90	Worcester Gearbox Centre	Strip and Quote/ Emergency Repairs
1116429	2 595.00	Boela's Auto Services	Strip and Quote/ Emergency Repairs
1116430	4 422.06	JEC Spares cc	Strip and Quote/ Emergency Repairs
1116431	25 934.87	JEC Spares cc	Strip and Quote/ Emergency Repairs
1116432	12 152.40	Worcester Brake and Clutch cc	Strip and Quote/ Emergency Repairs
1116433	26 064.96	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs

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APPENDIX K

DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1116434	22 298.40	Hydrenco (Pty) Ltd	Strip and Quote/ Emergency Repairs
1116435	9 519.00	Cutters	Strip and Quote/ Emergency Repairs
1116501	41 175.66	Strydom Amature Winders	Strip and Quote/ Emergency Repairs
1116502	11 907.30	Maxal Projects SA (Pty) Ltd	Strip and Quote/ Emergency Repairs
1116503	10 374.00	Extreme Engineering	Strip and Quote/ Emergency Repairs
1116672	20 520.00	Brandwacht Bespoiring	Strip and Quote/ Emergency Repairs
1116675	4 379.11	GRW Service Worcester	Strip and Quote/ Emergency Repairs
1116676	10 090.32	GRW Service Worcester	Strip and Quote/ Emergency Repairs
1116834	35 910.00	Strydom Amature Winders	Strip and Quote/ Emergency Repairs
1116835	3 944.97	Syntell (Pty) Ltd	Strip and Quote/ Emergency Repairs
1116774	2 918.40	Worcester Enjinsentrum	Strip and Quote/ Emergency Repairs
1116797	3 526.18	Caders Auto Electric	Strip and Quote/ Emergency Repairs
1116798	5 188.20	Hydrenco (Pty) Ltd	Strip and Quote/ Emergency Repairs
1116799	14 197.09	Barloworld Equipment	Strip and Quote/ Emergency Repairs
1116800	6 534.18	Orbit Motors Boland	Strip and Quote/ Emergency Repairs
1116805	7 102.71	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs
1116806	9 743.58	Worcester Brake and clutch	Strip and Quote/ Emergency Repairs
1116871	6 380.24	Orchard Supplies	Strip and Quote/ Emergency Repairs
116914	16 849.20	Extreme Engineering	Strip and Quote/ Emergency Repairs
1116938	2 642.52	Worcester Brake and Clutch cc	Strip and Quote/ Emergency Repairs
1116939	2 067.96	Worcester Brake and Clutch cc	Strip and Quote/ Emergency Repairs
1116940	4 237.50	Cutters	Strip and Quote/ Emergency Repairs
1116941	4 127.94	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs
[54]	574 502.87		
1116616	6 440.06	M&N Body Works	Insurance
1116866	11 746.01	Fire Raiders Cape (Pty) Ltd	Insurance
1116720	6 384.00	Capital Security	Insurance
1116349	3 504.15	Marais Bakwerke	Insurance
1116919	10 087.73	At Work Health and Safety	Insurance
[5]	38 161.95		
1116696	53 397.40	BP Atlantic	Impractical to follow the normal proc process
1116695	53 397.40	BP Atlantic	Impractical to follow the normal proc process
1116648	50 706.00	BP Atlantic	Impractical to follow the normal proc process
1116647	34 927.00	BP Atlantic	Impractical to follow the normal proc process
1116566	126 765.00	BP Atlantic	Impractical to follow the normal proc process
1116874	18 448.85	AC Security	Impractical to follow the normal proc process
1116420	8 400.00	Omega Process Server	Impractical to follow the normal proc process
1116421	8 540.00	Slebbert en Theron Proses Servers	Impractical to follow the normal proc process
1116420		Omega Process Server	Impractical to follow the normal proc process
1116507	8 680.00	Omega Process Server	Impractical to follow the normal proc process
1115949	6 330.00	Dezigner Dides	Impractical to follow the normal proc process
230061	2 348.70	Conradie Incorporated	Impractical to follow the normal proc process
230152	6 800.00	Human Capital Life Coaching	Exceptional case where it is impractical to ff a normal proc process
1116857	2 348.70	Conradie Incorporated	Impractical to follow the normal proc process
1116809	2 100.00	Muller Terblanche & Beyers	Exceptional case where it is impractical to ff a normal proc process
1116881	3 420.00	Rode and Associates	Exceptional case where it is impractical to ff a normal proc process
[16]	386 609.05		
1116237	3 788.20	Southern Sun Cape sun	Accommodation
1116448	2 467.10	Protea Hotel Knysna	Accommodation
1116452	2 417.10	Protea Hotel Knysna	Accommodation
1116557	9 400.00	Windsor Hotel	Accommodation
1116558	2 874.10	Southern Sun Cape sun	Accommodation
1116852	2 882.16	Protea Hotel OR Tambo	Accommodation
1116853	910.00	Brenton on Sea Chalets	Accommodation
1116902	1 440.00	The Russell Hotel	Accommodation
[6]	26 178.66		
1116449	19 723.14	Media24 Publikasies	Advert
1116450	25 075.00	Media24 Publikasies	Advert

Appendix K

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APPENDIX K

DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1116878	3 080.39	Media 24 Publikasies	Advert
1116879	3 245.81	Independent Newspapers	Advert
[4]	51 125.34		
TOTAL	1 718 703.76		
[115]			
DEVIATIONS FOR THE MONTH: MARCH 2014			
Order nr.	Amount	Service Provider	Additional Remarks-if necessary
1117052	14 341.20	National Laboratory Association	Sole Provider in the region
1116965	9 462.00	New Horizon Computer Training	Sole Service Provider
1117271	8 391.54	Syntell (Pty) Ltd	Sole Service Provider
1117741	17 500.00	Worcester Compressor Verhuring	Sole supplier
1117717	48 632.89	Fire Raiders (Pty) Ltd	Sole supplier
1117551	45 600.00	Hamilton Hydraulic Services cc	Sole Service Provider
1117064	2 319.00	Prodiba	Sole provider
1116964	21 945.00	New Horizon Computer Training	Sole Service Provider
1117055	5 614.50	Non Pareil Garage (Pty) Ltd	Sole Provider in the region
1117075	3 467.27	Gene Louw Traffic	Sole Provider in the region
1117306	23 422.28	Patch Industrial Supplies & Cons (Pty) Ltd	Sole supplier
230912	5 985.00	Strong Message Consultants	Sole supplier
230911	23 552.40	Farananai Facilitation Services	Sole supplier
230661	3 284.10	Frama (Pty) Ltd	Sole supplier
230655	11 593.80	Frama (Pty) Ltd	Sole supplier
1117700	197 402.74	Patch Industrial Supplies & Cons (Pty) Ltd	Sole supplier
1117701	41 327.28	Anatech Instruments	Sole supplier
1117704	11 039.76	Drager SA	Sole supplier
1117562	23 552.40	Farananai Facilitation Services	Sole supplier
230595	3 467.27	Gene Louw Traffic	Sole Provider in the region
1117301	7 695.00	Fire Raiders Cape (Pty) Ltd	Sole provider
[21]	529 595.43		
1117045	7 803.30	Bouplan	services urgently required
1117835	6 395.50	Quenets Pharmacy	Services Urgently needed
230871	2 500.00	Perrang Taxis	Services Urgently needed
1117042	7 547.99	Babcock	Services Urgently needed
1117552	3 795.00	Juta and Company	Goods urgently required
1117180	3 050.75	Kaap Agri Bedryf Beperk	Goods urgently required
1117172	2 335.40	Capital Security	Services Urgently needed
1117322	13 338.00	Rainbow Planthire	Services Urgently needed
1117380	25 184.19	FG Uniforms	Goods urgently required
1117397	5 380.52	Kaap Agri Bedryf Beperk	Goods urgently required
1117441	6 920.00	Beirowplas Recycling	Services Urgently needed
1117453	43 314.71	Capital Security	Services Urgently needed
230883	14 580.00	Golden Rewardes 1727cc	Services Urgently needed
231199	17 500.00	Worcester Compressor	Services Urgently needed
1117754	45 114.36	HSM Amanzi Pump & Sewerage Engineering	Services Urgently needed
1117755	27 045.28	Kaap Agri Bedryf Beperk	Services Urgently needed
[16]	231 805.00		
1117094	8 173.80	Boland Hydraulics	Strip and Quote/ Emergency Repairs
1117095	4 778.88	Boland Hydraulics	Strip and Quote/ Emergency Repairs
1117102	14 015.14	Babcock Equipment	Strip and Quote/ Emergency Repairs
1117502	9 439.20	Penninsula Water Treatment	Strip and Quote/ Emergency Repairs
1117103	5 365.19	Wynland Enjinherbouer	Strip and Quote/ Emergency Repairs
1117104	4 236.19	Wynland Enjinherbouer ????	Strip and Quote/ Emergency Repairs
1117105	4 236.19	Wynland Enjinherbouer ????	Strip and Quote/ Emergency Repairs
1117117	4 052.51	Caders Auto Electric	Strip and Quote/ Emergency Repairs
1117118	4 088.67	Orchard Supplies	Strip and Quote/ Emergency Repairs
1117119	5 262.50	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs
1117165	7 980.00	Extreme Engineering	Strip and Quote/ Emergency Repairs
1117215	16 165.70	Hydrenco (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117216	13 001.90	Hydrenco (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117217	15 048.00	Boland Hydraulics	Strip and Quote/ Emergency Repairs
1117265	23 642.46	Mobiele Pomp Dienste	Strip and Quote/ Emergency Repairs
1117347	2 379.86	Worcester Auto Clinic	Strip and Quote/ Emergency Repairs
1117348	2 734.58	Worcester Auto Clinic	Strip and Quote/ Emergency Repairs
1117367	8 333.40	Vissers Ingenieurswerke	Strip and Quote/ Emergency Repairs
1117382	5 563.20	Extreme Engineering	Strip and Quote/ Emergency Repairs
1117420	3 805.15	Cutters	Strip and Quote/ Emergency Repairs
1117421	4 389.30	Cutters	Strip and Quote/ Emergency Repairs
1117422	35 568.00	Worcester Injinsentrum	Strip and Quote/ Emergency Repairs
1117425	8 093.41	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1117567	4 531.50	Cutters	Strip and Quote/ Emergency Repairs
1117697	18 146.36	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs
1117694	8 753.10	Hydrenco (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117815	188 319.79	Hypower Heavy Current Maintenance (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117818	45 832.16	Hypower Heavy Current Maintenance (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117816	186 946.09	Hypower Heavy Current Maintenance (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117817	211 839.42	Hypower Heavy Current Maintenance (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117567	4 531.50	Cutters	Strip and Quote/ Emergency Repairs
[31]	879 253.15		
1117179	33 600.00	Distinctive Choice 1136	Insurance
1116984	18 950.00	Distinctive Choice 1136	Insurance
1117391	2 303.71	Patch Industrial Supplies (Pty) Ltd	Insurance
1117053	71 415.29	VolteX Cape Town	Insurance
[4]	126 269.00		
1117092	77 202.51	Balju Worcester	Impractical to follow the normal proc process
1117080	4 200.00	SM Consultants	Impractical to follow the normal proc process
1117364	71 519.60	Conradie Incorporated	Impractical to follow the normal proc process
1117266	4 760.00	SM Consultants	Impractical to follow the normal proc process
1117269	5 915.00	Slabert Theron & Partners	Impractical to follow the normal proc process
1117314	10 080.00	Omega Process Servers	Impractical to follow the normal proc process
230592	196 000.00	Select A Skill cc	Exceptional case where it is impractical to ff a normal proc process
1117365	180 576.00	Muller Terblanche & Beyers	Impractical to follow the normal proc process
1117284	43 538.90	AC Security	Impractical to follow the normal proc process
1117237	53 379.00	BP Atlantic	Impractical to follow the normal proc process
1117240	59 310.00	BP Atlantic	Impractical to follow the normal proc process
1117241	131 654.80	BP Atlantic	Impractical to follow the normal proc process
1117750	30 316.06	BP Atlantic	Impractical to follow the normal proc process
1117751	46 165.00	BP Atlantic	Impractical to follow the normal proc process
1117824	40 620.00	BP Atlantic	Impractical to follow the normal proc process
1117825	134 933.70	BP Atlantic	Impractical to follow the normal proc process
1117826	26 380.00	BP Atlantic	Impractical to follow the normal proc process
1117827	54 837.00	BP Atlantic	Impractical to follow the normal proc process
1117533	101 945.00	Andrews Watt & Nel	Impractical to follow the normal proc process
230469	69 238.37	Global Force Security	Exceptional case where it is impractical to ff a normal proc process
230470	351 320.15	Global Force Security	Exceptional case where it is impractical to ff a normal proc process
230468	71 489.23	Future Security Services	Exceptional case where it is impractical to ff a normal proc process
1117366	8 260.00	Omega Process Servers	Exceptional case where it is impractical to ff a normal proc process
1117426	73 009.95	Balju Worcester	Impractical to follow the normal proc process
1117402	196 000.00	Select A Skill cc	Exceptional case where it is impractical to ff a normal proc process
1117403	3 640.00	Slabert Theron & Partners	Impractical to follow the normal proc process
1117436	32 339.16	Bradley Conradie Attorneys	Impractical to follow the normal proc process
230915	19 116.66	Ayanda Mbanga Communications	Impractical to follow the normal proc process
1117460	12 273.24	De Vries De Wet Krouwkam	Impractical to follow the normal proc process
1117461	4 371.90	De Vries De Wet Krouwkam	Impractical to follow the normal proc process
1117481	12 180.00	SM Consultants	Impractical to follow the normal proc process
1117562	23 552.40	Faranani Facilitation Services	Impractical to follow the normal proc process
1117719	21 013.62	Ayanda Mbanga Communications	Impractical to follow the normal proc process
[33]	2 171 137.25		
1117108	3 700.00	Media24 Publikasies	Advert
1117109	1 404.48	Media24 Publikasies	Advert
1117110	2 106.72	Media24 Publikasies	Advert
1117186	4 329.08	Independent Newspapers Cape	Advert
1117187	2 464.32	Media24 Publikasies	Advert
1117280	6 320.16	Media24 Publikasies	Advert
1117281	3 511.20	Media24 Publikasies	Advert

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1117282	3 160.08	Media24 Publikasies	Advert
1117433	4 329.08	Independent Newspapers Cape	Advert
1117434	2 053.60	Media24 Publikasies	Advert
1117559	4 797.99	Media24 Publikasies	Advert
1117676	5 411.35	Independent Newspapers Cape	Advert
1117677	2 875.03	Media24 Publikasies	Advert
[12]	46 463.09		
1117069	3 160.80	Road Lodge Randburg	Accommodation
1117176	2 457.00	Bayview Hotel	Accommodation
1117177	2 290.00	Clanwilliam Lodge	Accommodation
1117213	34 318.05	Southern Sun Cape Sun	Accommodation
1117278	2 190.00	Church Street Lodge	Accommodation
1117459	3 900.00	The Dunes Resort	Accommodation
1117674	3 040.00	Bellvista Lodge/Herberg	Accommodation
[7]	51 355.85		
TOTAL	4 035 878.77		
[124]			

DEVIATIONS FOR THE MONTH: APRIL 2014

Order nr.	Amount	Service Provider	Additional Remarks-if necessary
1117868	2 347.26	Jojo Tanks	Sole Provider in the region
1117880	18 146.36	AAD Truck and Bus - Worcester	Sole Provider in the region
1117886	6 302.98	Fire Raiders (Pty) Ltd	Sole Provider in the region
1117929	6 651.90	Vision Elevators	Sole supplier
1117944	19 522.50	SSE Cape	Sole supplier
1117948	20 000.00	Discover travel Spectrum (Pty) Ltd	Sole supplier
1117972	4 488.75	Logo Clothing	Sole supplier
1117866	6 568.16	Worcester Nissan	Sole service provider
1118078	3 277.50	Forms Media Independent	Sole supplier
1118118	459 556.80	Pragma Products (Pty) Ltd	Sole supplier
1118273	2 262.44	CSX Customer Services	Sole supplier
1117846	5 215.50	Capital Security	Sole supplier
1118301	4 400.00	Sure Boland	Sole supplier
1118408	2 111.28	AAD Truck and Bus - Worc	Emergency
1118564	46 660.20	Fire Raiders (Pty) Ltd	Sole Provider in the region
1118202	550 000.00	Durabump cc	Sole provider
1118149	12 000.00	De Kock Lloyd Eindomsaardeer	Sole supplier
1118498	4 997.50	Boland Sports cc	Sole supplier
1117835	6 395.50	Quenets Pharmacy	Sole supplier
[19]	1 180 904.63		
1118186	10 573.50	Breerivier Kommunikasie	Services Urgently needed
1117943	29 424.54	TGS Gear Services	Services Urgently needed
1117971	2 850.00	Beulah Funerals	Services Urgently needed
1118008	23 370.00	USA Drilling	Services Urgently needed
1118249	180 120.00	Rainbow Planthire	Services Urgently needed
1118496	27 680.00	Beirrowplas Recycling cc	Services Urgently needed
[6]	274 018.04		
1117847	22 184.40	Vissers Ineniurswerke	Strip and Quote/ Emergency Repairs
1117866	6 568.16	Worster Nissan	Strip and Quote/ Emergency Repairs
1117867	3 591.00	Orchard Supplies	Strip and Quote/ Emergency Repairs
1117869	22 572.00	Boland hydraulics	Strip and Quote/ Emergency Repairs
1117870	31 297.30	Orbit Boland	Strip and Quote/ Emergency Repairs
1117871	3 296.39	Worcester Auto Clinic	Strip and Quote/ Emergency Repairs
1117872	6 850.00	Harry Upholtery	Strip and Quote/ Emergency Repairs
1117873	4 080.00	Harry Upholtery	Strip and Quote/ Emergency Repairs
1117874	3 998.44	Orbit Boland	Strip and Quote/ Emergency Repairs
1117876	2 267.01	Orchard Supplies	Strip and Quote/ Emergency Repairs
1117877	5 301.00	Worcester Brake and Clutch	Strip and Quote/ Emergency Repairs
1117878	3 651.28	Speedy	Strip and Quote/ Emergency Repairs
1117879	3 544.73	Jafees Ford	Strip and Quote/ Emergency Repairs
1117881	10 463.60	Boland hydraulics	Strip and Quote/ Emergency Repairs
1117882	3 876.00	Worcester Injinsentrum	Strip and Quote/ Emergency Repairs
1117883	2 422.50	Vissers Ineniurswerke	Strip and Quote/ Emergency Repairs
1117884	5 985.00	Vissers Ineniurswerke	Strip and Quote/ Emergency Repairs
1117885	2 314.20	Vissers Ineniurswerke	Strip and Quote/ Emergency Repairs
1117887	6 475.20	Vissers Ineniurswerke	Strip and Quote/ Emergency Repairs
1117888	4 147.32	Worcester Brake and Clutch	Strip and Quote/ Emergency Repairs

BREEDE VALLEY MUNICIPALITY

APPENDIX K

DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1117889	5 616.46	Worcester Brake and Clutch	Strip and Quote/ Emergency Repairs
1117890	4 495.00	Autozone	Strip and Quote/ Emergency Repairs
1117891	12 500.00	Autozone	Strip and Quote/ Emergency Repairs
1117892	4 160.00	Visser's Inenieurswerke	Strip and Quote/ Emergency Repairs
1117941	11 023.80	Flab Mechanical Installations cc	Strip and Quote/ Emergency Repairs
1117942	5 107.20	JEC Spares	Strip and Quote/ Emergency Repairs
1117945	3 354.56	JEC Spares	Strip and Quote/ Emergency Repairs
1117946	3 819.00	Visser's Inenieurswerke	Strip and Quote/ Emergency Repairs
1118337	6 707.16	Orbit Boland	Strip and Quote/ Emergency Repairs
1118329	7 755.05	Cutters	Strip and Quote/ Emergency Repairs
1118330	10 365.05	JEC Spares	Strip and Quote/ Emergency Repairs
1118331	2 210.39	Speedy	Strip and Quote/ Emergency Repairs
1118327	3 733.50	Worcester Gearbox Centre	Strip and Quote/ Emergency Repairs
1118406	3 040.38	Worcester Brake and Clutch	Strip and Quote/ Emergency Repairs
1118407	73 755.00	Hydrenco (Pty) Ltd	Strip and Quote/ Emergency Repairs
1118462	37 068.24	Strydom Amature Winders	Strip and Quote/ Emergency Repairs
1118478	43 520.64	HSM Amanzi Pump and Sewerage Engineerscc	Strip and Quote/ Emergency Repairs
1118479	13 641.24	HSM Amanzi Pump and Sewerage Engineerscc	Strip and Quote/ Emergency Repairs
1118480	31 094.64	HSM Amanzi Pump and Sewerage Engineerscc	Strip and Quote/ Emergency Repairs
1118482	48 605.04	HSM Amanzi Pump and Sewerage Engineerscc	Strip and Quote/ Emergency Repairs
1118484	24 625.99	HSM Amanzi Pump and Sewerage Engineerscc	Strip and Quote/ Emergency Repairs
1118486	8 048.40	Strydom Amature Winders	Strip and Quote/ Emergency Repairs
1118487	49 965.06	HSM Amanzi Pump and Sewerage Engineerscc	Strip and Quote/ Emergency Repairs
[43]	569 097.33		
1118409	4 278.06	Audensberg Toyota	Strip and Quote/ Emergency Repairs
1118410	2 185.60	Cutters	Strip and Quote/ Emergency Repairs
1118411	2 166.00	Orchard Supplies	Strip and Quote/ Emergency Repairs
1118412	6 840.00	Springbok Verkoeling	Strip and Quote/ Emergency Repairs
1118404	3 250.00	Distinctive Choice	Insurance
1118523	47 579.00	BP Atlantic	Impractical to follow the normal proc process
1118574	47 579.00	BP Atlantic	Impractical to follow the normal proc process
1117987	6 750.00	drs Abel & Muller	Impractical to follow the normal proc process
1118131	195 624.00	Muller terblanche and Beyers	Impractical to follow the normal proc process
1118271	15 820.00	ODS Consultants cc	Impractical to follow the normal proc process
1118010	264 907.91	Global Force Security Services	Exceptional case where it is impractical to ff a normal proc process
1117926	44 477.10	AC Security	Exceptional case where it is impractical to ff a normal proc process
1117927	218 545.20	Global Force Security Services	Exceptional case where it is impractical to ff a normal proc process
1117928	71 335.49	Global Force Security Services	Exceptional case where it is impractical to ff a normal proc process
1118235	62 474.80	Global Force Security Services	Exceptional case where it is impractical to ff a normal proc process
1118313	8 190.00	Slabbert and theron Process Bedieners	Impractical to follow the normal proc process
1118106	6 090.00	Slabbert and theron Process Bedieners	Impractical to follow the normal proc process
1118302	49 818.06	Balju-Worcester	Impractical to follow the normal proc process
1118311	8 680.00	Omega Process Servers	Impractical to follow the normal proc process
1118317	8 400.00	Omega Process Servers	Impractical to follow the normal proc process
1118318	9 380.00	SM Consultants cc	Impractical to follow the normal proc process
1118500	157 320.00	Loxton Irrigation (Pty) Ltd	Extension of order 1114815
1118568	8 180.00	Human Life Capital Life Coaching	Impractical to follow the normal proc process
[23]	1 249 870.22		
1117922	3 511.20	Media24 Publikasies	Advert/ Publications
1117924	3 511.20	Media24 Publikasies	Advert/ Publications
1118319	4 329.08	Independent Newspapers	Advert/ Publications
1118320	2 053.60	Media 24	Advert/ Publications
1118497	11 381.76	Sunday Times	Advert/ Publications
1117988	15 322.74	Ayanda Mbanga Communications	Advert/ Publications
[6]	40 109.58		
TOTAL	3 313 999.80		
[90]			
DEVIATIONS FOR THE MONTH: MAY 2014			
Order nr.	Amount	Service Provider	Additional Remarks-if necessary
1118886	60 000.00	Rabe Bestuurskool	Sole Provider in the region
1118990	13 884.32	SABS Commercial Soc Ltd	Sole Provider
1119029	4 357.00	Sure Boland Tours	Sole supplier
1119180	3 638.50	Worcester Minerals	Sole supplier
1119181	3 838.00	Boland Sports cc	Sole supplier

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1119132	28 605.33	Anatech Instruments (Pty) Ltd	Sole supplier
1119148	2 850.00	Boland Sports cc	Sole supplier
1119318	27 714.62	Specialised Industrial Distribution	Sole supplier
1119193	28 728.00	Fire Raiders (Pty) Ltd	Sole supplier
1119194	15 675.00	Kaltron	Sole supplier
1118675	18 684.60	Bytes Systems Intergration	Sole supplier
1118690	4 171.04	Windeed Systems	Sole supplier
1118761	3 792.00	Maxal Projects SA (Pty) Ltd	Sole supplier
1118790	11 264.34	CSX Customer Services	Sole supplier
1118793	6 037.44	Fire Raiders (Pty) Ltd	Sole supplier
1118795	2 217.30	Vision Elevators	Sole supplier
1118803	2 028.20	Jaffe's Ford	Sole supplier
1119242	10 413.29	SABS Commercial Soc Ltd	Sole supplier
1119266	6 944.06	Orbit Motors Boland (Pty) Ltd	Sole supplier
1119287	8 832.72	Audensberg Toyota	Sole supplier
1119356	3 078.00	Boland Badge and Engraving	Sole supplier
1119373	12 643.17	Pragma Products (Pty) Ltd	Sole supplier
1119374	155 571.24	Pragma Products (Pty) Ltd	Sole supplier
1119375	83 711.34	Pragma Products (Pty) Ltd	Sole supplier
1119388	9 758.40	Idexx Laboratories	Sole supplier
[25]	528 437.91		
1119276	4 132.50	SSE Cape	Strip and Quote/ Emergency Repairs
1119269	3 816.00	Speedy	Strip and Quote/ Emergency Repairs
1119267	2 733.72	Worcester Brake and clutch	Strip and Quote/ Emergency Repairs
1118805	18 547.80	JEC Spares cc	Strip and Quote/ Emergency Repairs
1118804	4 252.43	Boela Auto Repairs	Strip and Quote/ Emergency Repairs
1118802	15 101.07	Worcester Truck Centre	Strip and Quote/ Emergency Repairs
1118800	5 684.04	Orchard Supplies	Strip and Quote/ Emergency Repairs
1118799	20 936.22	Worcester Truck Centre	Strip and Quote/ Emergency Repairs
1118651	2 029.20	Visser's Ingeneurswerke	Strip and Quote/ Emergency Repairs
1118764	12 084.00	Strydom's Armature and Winders	Strip and Quote/ Emergency Repairs
1118948	22 982.97	Worcester Gearbox Center	Strip and Quote/ Emergency Repairs
1119031	2 280.00	Winterbach Broers	Strip and Quote/ Emergency Repairs
1118999	16 899.36	HSM Amanzi Pump and Sewerage Engineers cc	Strip and Quote/ Emergency Repairs
1119023	10 434.99	AAD Truck and Bus -Worcester	Strip and Quote/ Emergency Repairs
1119024	4 884.85	Caders Auto Electric	Strip and Quote/ Emergency Repairs
1119049	34 017.60	Fire Raiders (Pty) Ltd	Strip and Quote/ Emergency Repairs
1119069	14 634.40	Hydrenco (Pty) Ltd	Strip and Quote/ Emergency Repairs
1119157	15 361.50	Non-Pareil Garage	Strip and Quote/ Emergency Repairs
1118806	2 348.63	Worcester Auto Clinic	Strip and Quote/ Emergency Repairs
1119177	32 534.91	Non-Pareil Garage	Strip and Quote/ Emergency Repairs
1119070	4 012.80	Breerivier Kommunikasie	Strip and Quote/ Emergency Repairs
1119093	10 434.99	AAD Truck and Bus -Worcester	Strip and Quote/ Emergency Repairs
1119158	81 769.92	HSM Amanzi Pump and Sewerage Engineers cc	Strip and Quote/ Emergency Repairs
1119097	2 150.88	Worcester Brake and clutch	Strip and Quote/ Emergency Repairs
1119098	2 047.44	Worcester Brake and clutch	Strip and Quote/ Emergency Repairs
1119099	22 164.80	Hydrenco (Pty) Ltd	Strip and Quote/ Emergency Repairs
1119100	4 822.78	Caders Auto Electric	Strip and Quote/ Emergency Repairs
1119349	2 998.20	CS Traffic Engineering & Consultant	Strip and Quote/ Emergency Repairs
1118705	4 474.50	CS Traffic Engineering & Consultant	Strip and Quote/ Emergency Repairs
1118713	10 294.20	cutters	Strip and Quote/ Emergency Repairs
1118747	18 069.00	Boland Gearbox Centre	Strip and Quote/ Emergency Repairs
1118748	3 519.18	Worcester Brake and clutch	Strip and Quote/ Emergency Repairs
1118749	3 570.57	Speedy	Strip and Quote/ Emergency Repairs
1118963	7 918.44	Emerald Infrastructure Solutions	Strip and Quote/ Emergency Repairs
1119071	2 929.80	Extreme Engineering	Strip and Quote/ Emergency Repairs
[35]	426 873.69		
1119376	60 498.00	BP Atlantic	Impractical to follow the normal proc process
1119121	60 498.00	BP Atlantic	Impractical to follow the normal proc process
1118955	51 006.15	BP Atlantic	Impractical to follow the normal proc process
1118954	127 807.00	BP Atlantic	Impractical to follow the normal proc process
1118940	60 498.00	BP Atlantic	Impractical to follow the normal proc process
1118843	54 376.00	BP Atlantic	Impractical to follow the normal proc process
1118842	40 782.00	BP Atlantic	Impractical to follow the normal proc process
1119116	26 500.00	Bronwin Meter Reading and Cleaning	Impractical to follow the normal proc process
1119106	2 992.50	Capital Security	Impractical to follow the normal proc process
1118831	70 646.36	Future Security Services	Impractical to follow the normal proc process
1118794	2 335.40	Capital Security	Impractical to follow the normal proc process
1118712	24 770.00	Eltob Shortles Prokureurs	Impractical to follow the normal proc process
1118711	57 000.00	Pricewaterhouse Coopers	Impractical to follow the normal proc process
1118860	22 944.86	Conradie Incorporated	Impractical to follow the normal proc process

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1118868	3 718.95	AC Security	Impractical to follow the normal proc process
232544	2 103.30	De Vries, De Wet & Kroukam	Impractical to follow the normal proc process
232530	2 992.50	Capital Security	Impractical to follow the normal proc process
1118602	382 977.34	Global Force Security Services	Impractical to follow the normal proc process
1118653	70 680.00	ODS Consultants cc	Impractical to follow the normal proc process
1118880	8 400.00	Omega Process Servers	Exceptional case where it is impractical to ff a normal proc process
1118692	10 500.00	Omega Process Servers	Exceptional case where it is impractical to ff a normal proc process
1118881	8 400.00	Omega Process Servers	Exceptional case where it is impractical to ff a normal proc process
1118882	5 460.00	Omega Process Servers	Exceptional case where it is impractical to ff a normal proc process
1119140	7 700.00	Omega Process Servers	Exceptional case where it is impractical to ff a normal proc process
1119141	8 470.00	Slabbert and Theron Process Servers	Impractical to follow the normal proc process
1118392		Omega Process Servers	Exceptional case where it is impractical to ff a normal proc process
1119329	63 865.15	Balju-Worcester	Exceptional case where it is impractical to ff a normal proc process
1119399	6 160.00	Slabbert and Theron Process Servers	Exceptional case where it is impractical to ff a normal proc process
1119410	539 391.19	Global Force Security Services	Exceptional case where it is impractical to ff a normal proc process
1119411	48 749.10	AC Security	Exceptional case where it is impractical to ff a normal proc process
[30]	1 832 221.80		
1119176	3 299.72	National Auto Glass	Insurance
1118792	41 906.40	Big Box Containers (Pty) Ltd	Services urgently required
1118938	6 270.72	MAN Engineering Services	Services urgently required
1119185	2 800.00	TS Bushwana Taxis	Services urgently required
11190771	2 929.80	Extreme Engineering	Services urgently required
1119112	2 700.00	J Ntutu System Hiring Services	Services urgently required
1118839	4 500.00	J Ntutu System Hiring Services	Services urgently required
1118826	2 500.00	Perrang Taxis	Services urgently required
1119111	2 400.00	J Ntutu System Hiring Services	Services urgently required
1119110	2 600.00	DJ X-Zito	Services urgently required
1118838	6 700.00	DJ X-Zito	Services urgently required
1119355	2 500.00	DJ X-Zito	Services urgently required
1119109	3 600.00	TG Mayeki Taxi Services	Services urgently required
1119103	2 992.50	Capital Security	Services urgently required
1119159	19 620.54	Kaltron	Services urgently required
1119185	2 800.00	TS Bushwana Taxis	Services urgently required
1118789	4 500.00	Inyameko Trading 230cc	Services urgently required
1118797	2 400.00	TG Mayeki Taxi Services	Services urgently required
[17]	113 719.96		
1118832	14 227.20	Sunday Times	Adverts/ Publications
1118840	4 107.19	Media24 Publikasies	Adverts/ Publications
1118841	6 493.62	Independent Newspapers	Adverts/ Publications
1119034	2 500.02	Media24 Publikasies	Adverts/ Publications
1119102	6 320.16	Media24 Publikasies	Adverts/ Publications
1119174	5 331.55	Media24 Publikasies	Adverts/ Publications
1119182	4 329.08	Independent Newspapers	Adverts/ Publications
1119183	3 285.75	Media24 Publikasies	Adverts/ Publications
1119243	2 984.52	Media24 Publikasies	Adverts/ Publications
1119353	4 620.59	Media24 Publikasies	Adverts/ Publications
1119354	5 218.24	Independent Newspapers	Adverts/ Publications
[11]	59 417.92		
1119184	11 600.00	JR Accommodation	Accommodation
1119030	17 172.00	Kalahari Sands Hotel And Casino	Accommodation
1119263	3 120.00	Capetonian Hotel	Accommodation
1119416	2 800.00	The Lord Milner Hotel	Accommodation
[4]	34 692.00		
TOTAL	2 998 663.00		
[123]			
DEVIATIONS FOR THE MONTH: JUNE 2014			

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
Order nr.	Amount	Service Provider	Additional Remarks-if necessary
1119500	2 217.30	Vision Elevators	Sole provider
1119888	8 019.90	Drager SA (Pty) Ltd	Sole provider
1119899	151 200.00	University of Stellenbosch	Sole provider
1119913	29 571.60	TGS Gear Services	Sole provider
1119927	4 271.01	Spectrum Trabscription Services cc	Sole provider
1119972	4 160.00	Boland Sports	Sole provider
1120034	108 878.78	Syntel (Pty) Ltd	Sole provider
1120139	2 502.38	Agrico	Sole provider
1120143	3 600.00	Sure Boland	Sole provider
1120202	7 904.89	Windeed Systems	Sole provider
1120257	3 367.60	Tata Worcester	sole service provider in Worcester
1120258	5 178.78	Fire Raiders (Pty) Ltd	sole service provider
1120259	5 061.49	Fire Raiders (Pty) Ltd	sole service provider
1120260	2 496.37	Orbit Motors Boland (pty) Ltd	sole service provider in Worcester
1120266	5 690 603.79	ABB South Africa	sole supplier
1120307	98 040.00	The Valuator Group	sole supplier
1119454	3 833.89	Jaffes Ford	sole service provider in Worcester
1119641	11 400.00	Jan Palm Consulting Engineers	sole provider Nationally
1119657	7 157.08	AAD Truck and Bus - Worcester	sole service provider in Worcester
1119661	2 054.99	Audensberg Toyota	sole service provider in Worcester
1119671	63 612.00	Umoya Software	sole supplier
1119701	72 276.00	Industrial Safety services	sole supplier
1120283	3 306.00	Winterbach Broers	sole service provider in De Doorns
1120310	47 402.34	ESRI South Africa	sole provider
	147 097.75	Witels Grondverskuiwing	sole service provider within the Worcester municipal area with the needed combo
[24]	6 485 213.94		
1119660	2 760.02	Agrico (Pty) Ltd	Strip and Quote/ Emergency Repairs
1119659	5 124.30	Boland Hydraulics	Strip and Quote/ Emergency Repairs
1119658	2 473.80	Worcester Enjinsentrum	Strip and Quote/ Emergency Repairs
1120203	2 400.00	Harry Upholstery	Strip and Quote/ Emergency Repairs
1119513	5 748.80	Cutters	Strip and Quote/ Emergency Repairs
1119514	5 461.40	Cutters	Strip and Quote/ Emergency Repairs
1119515	6 625.68	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs
1119516	2 507.89	Orbit Motors Boland	Strip and Quote/ Emergency Repairs
1119531	9 849.85	TFM Transtech	Strip and Quote/ Emergency Repairs
233093	8 014.20	Extreme Engineering	Strip and Quote/ Emergency Repairs
1119575	5 221.00	Extreme Engineering	Strip and Quote/ Emergency Repairs
1119559	9 582.84	Maxal Projects SA (Pty) Ltd	Strip and Quote/ Emergency Repairs
1119843	4 588.50	Boland Hoeddrukspuite	Strip and Quote/ Emergency Repairs
1119854	4 444.00	Boland Mowers	Strip and Quote/ Emergency Repairs
1119855	5 275.08	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs
1119856	4 145.90	Cutters	Strip and Quote/ Emergency Repairs
1119857	3 566.49	AAD Truck and Bus - Worc	Strip and Quote/ Emergency Repairs
1119858	2 622.00	Boland Gearbox Centre	Strip and Quote/ Emergency Repairs
1119859	11 786.27	Agrico (Pty) Ltd	Strip and Quote/ Emergency Repairs
1119863	7 524.00	Worcester Brake and Clutch	strip and Quote/ Emergency Repairs
1119864	3 519.18	Worcester Brake and Clutch	Strip and Quote/ Emergency Repairs
1119865	6 477.95	JEC Spares	Strip and Quote/ Emergency Repairs
1119866	2 594.70	Worcester Nissan	Strip and Quote/ Emergency Repairs
1119867	2 553.87	Frank Vos Motors	Strip and Quote/ Emergency Repairs
1119868	5 563.32	JEC Spares	Strip and Quote/ Emergency Repairs
1119872	2 811.96	JEC Spares	Strip and Quote/ Emergency Repairs
1119928	3 154.95	Fire Raiders (Pty) Ltd	Strip and Quote/ Emergency Repairs
1119962	6 564.70	Orbit Motors Boland	Strip and Quote/ Emergency Repairs
1119963	3 510.99	JEC Spares	Strip and Quote/ Emergency Repairs
1119964	4 824.10	Caders Auto Electric	Strip and Quote/ Emergency Repairs
1119965	2 445.07	Worcester Auto Clinic	Strip and Quote/ Emergency Repairs
1119966	15 998.04	Worcester Nissan	Strip and Quote/ Emergency Repairs
1120028	44 180.05	Babcock Equipment	Strip and Quote/ Emergency Repairs
1120118	3 220.72	CBS Worcester	Strip and Quote/ Emergency Repairs
1120119	5 130.00	Auto Repair Import (Pty) Ltd	Strip and Quote/ Emergency Repairs
1120120	2 764.72	Jaffe's Ford	Strip and Quote/ Emergency Repairs
1120140	2 267.01	Orchard Supplies	Strip and Quote/ Emergency Repairs
1120141	5 832.24	Worcester Brake and Clutch	Strip and Quote/ Emergency Repairs
1119906	23 713.25	WM Spilhaus Hexvallei BK	Strip and Quote/ Emergency Repairs
1120273	4 868.95	Spectrum Communications (Pty) Ltd	Strip and Quote/ Emergency Repairs
1119860	10 290.00	Boela's Auto Repairs	Strip and Quote/ Emergency Repairs
1119861	5 494.80	Worcester Brake and Clutch	Strip and Quote/ Emergency Repairs
1119862	6 156.00	Worcester Brake and Clutch	Strip and Quote/ Emergency Repairs
[43]	283 658.59		

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1120293	9 918.00	Breerivier Kommunikasie	Impractical to follow the normal proc process
1120287	3 500.00	Terence Harker Architekt	Impractical to follow the normal proc process
1119690	10 687.54	Avis Van Rental	Impractical to follow the normal proc process
1119884	75 240.00	Muller Terblanche & Beyers	Impractical to follow the normal proc process
1119496	7 200.00	Muller Terblanche & Beyers	Impractical to follow the normal proc process
1119806	8 718.26	Werksmans Incorporated	Impractical to follow the normal proc process
1119626	133 558.32	BP Atlantic	Impractical to follow the normal proc process
1119627	60 498.00	BP Atlantic	Impractical to follow the normal proc process
1119817	57 809.20	BP Atlantic	Impractical to follow the normal proc process
1120129	52 896.00	BP Atlantic	Impractical to follow the normal proc process
1120130	56 863.20	BP Atlantic	Impractical to follow the normal proc process
1120131	22 781.54	BP Atlantic	Impractical to follow the normal proc process
1120142	129 914.98	BP Atlantic	Impractical to follow the normal proc process
1120285	50 179.60	BP Atlantic	Impractical to follow the normal proc process
1120286	53 543.98	BP Atlantic	Impractical to follow the normal proc process
1119808	36 754.00	JJ Beyers and Vennote	Impractical to follow the normal proc process
1119936	10 920.00	Omega Process Servers	Impractical to follow the normal proc process
1120012	19 500.00	Traffic Management Technology	Impractical to follow the normal proc process
1120037	14 560.00	SM Consultants	Impractical to follow the normal proc process
1120105	6 315.60	V & S Verkoeling	Impractical to follow the normal proc process
1119496	7 200.00	Muller Terblanche & Beyers	Impractical to follow the normal proc process
1119494	36 480.00	Transnet	Exceptional case where it is impractical to ff a normal proc process
1119840	89 704.88	HSM Amanzi Pump & Sewerage Engineers	Exceptional case where it is impractical to ff a normal proc process
1120156	48 864.96	Wilna Roux Attorneys	Exceptional case where it is impractical to ff a normal proc process
1120158	10 360.00	SM Consultants	Impractical to follow the normal proc process
1120159	6 055.00	Slabbert en Theron Proses Bedieners	Impractical to follow the normal proc process
1120306	44 339.34	AC Security	Impractical to follow the normal proc process
[27]	1 064 362.40		
1120064	36 941.40	Capital Security	Insurance
1119801	2 650.00	Breerivier Kommunikasie	Insurance
1119800	14 279.93	Breerivier Kommunikasie	Insurance
1120077	33 863.38	Breerivier Kommunikasie	Insurance
1120078	9 848.68	CSS Tirsano Computer Systems (Pty) Ltd	Insurance
1119633	21 685.00	Tellyfonics	Insurance
1119635	21 685.00	Tellyfonics	Insurance
1119637	8 470.20	Cemotech (Pty) Ltd	Insurance
1119638	21 227.94	Rapid Instrumentation cc	Insurance
1119732	14 091.95	Boland Skryfbehoeftes	Insurance
1119733	19 645.86	Masjienburo	Insurance
1119734	17 196.56	Diesel Electric	Insurance
1119735	5 145.00	Leadars Meubeleerders	Insurance
1119736	3 895.00	Quenets Pharmacy	Insurance
1119800	14 279.93	Breerivier Kommunikasie	Insurance
[15]	244 905.83		
1119469	5 700.00	Beirrowplas Recycling cc	Services urgently required
1119765	2 500.00	Perrang M	Services urgently required
1119887	21 768.30	Fire Control Systems	Services urgently required
1119890	2 827.20	De La Rosa Trailers & Engineers	Services urgently required
1119891	35 374.20	HSM Amanzi Pump and Sewerage Engineers	Services urgently required
1119991	4 375.00	Curtain & Linen Centre	Services urgently required
1119955	2 200.00	A Karriem Transport	Services urgently required
1119994	5 625.00	Tony's Truck Centre (Pty) Ltd	Services urgently required
1120124	2 300.00	A Karriem Transport	Services urgently required
1120217	5 150.00	Damas restaurant	Services urgently required
1120200	15 289.00	Tellyfonics	Services urgently required
1119576	8 014.20	Extreme Engineering	Services urgently required
1119621	4 104.00	Strand Tool and Toilet Hire	Services urgently required
1119669	658 093.50	Iron Meter Solutions	Services urgently required
1119801	2 650.00	Breedenet (Pty) Ltd	Services urgently required
1119998	28 088.46	Logo Clothing	Services urgently required
1119999	21 176.64	Logo Clothing	Services urgently required
1120012	5 625.01	CW Towing Services	Services urgently required
1120030	18 500.00	The Kokkerboom Restaurant	Services urgently required
1120212	5 150.00	Damas restaurant	Services urgently required
1120214	15 000.00	TH Traders	Services urgently required
[21]	869 510.51		
1119619	8 117.03	Independent Newspapers Cape	Advert

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DEVIATIONS FOR THE MONTH: JULY 2013

Order nr.	Amount	Service Provider	Reason
1119620	722.08	Media24 Publikasies	Advert
1119622	6 982.23	Media24 Publikasies	Advert
1119841	3 511.20	Media24 Publikasies	Advert
1119842	3 511.20	Media24 Publikasies	Advert
1119881	5 266.80	Media24 Publikasies	Advert
1119988	17 500.00	Media24 Publikasies	Advert
1120199	5 776.61	Media24 Publikasies	Advert
[8]	51 387.15		
1119442	2 140.00	Protea Hotel Mosselbay & Garne	Accommodation
1119785	3 519.39	Protea Hotel Tyger Valley	Accommodation
1119815	2 250.00	Church Street Lodge	Accommodation
[3]	7 909.39		
	9 006 947.81		
TOTAL	34 113 178.79		
[142]			
Deviations for the 2013 2014 financial year - order cancelled at year end and also not yet paid:			
1110976	2 653.46	Orchard Suppliers	Urgent Repairs/ Strip & Quote
1111049	6 078.63	Worcester Nissan	Sole agent in Worcester
1110914	6 671.18	A.April Boukontrakteur	Insurance
1111349	52 440.00	Rainbow Developments	Services urgently required
1111468	3 353.00	CW Mowers	Urgent Repairs/ Strip & Quote
1111499	2 552.59	Technologies Acceptance	Services urgently required
1112373		Orchard Suppliers	Sole service provider in the De Doorns town
1112669	3 353.00	Boland Mowers	Urgent Repairs/ Strip and Quote
1113956	51 094.81	Global Force Security Services	Impractical to follow a normal proc process
1115473	5 328.41	AAD truck & bus	Sole local service provider
1115106	3 420.00	Rode & Associates	Services urgently required
1114936	15 960.00	ODS Consultants	Impractical to follow a normal proc process
1116678		Umoya Network Solutions	Sole supplier
1116280	2 236.68	Worcester Gearbox Centre	Strip and Quote/ Emergency Repairs
1116435	9 519.00	Cutters	Strip and Quote/ Emergency Repairs
230595	3 467.27	Gene Louw Traffic	Sole Provider in the region
1117102	14 015.14	Babcock Equipment	Strip and Quote/ Emergency Repairs
1117105	4 236.19	Wynland Enjinherbouer ????	Strip and Quote/ Emergency Repairs
1117815	188 319.79	Hypower Heavy Current Maintenance (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117816	186 946.09	Hypower Heavy Current Maintenance (Pty) Ltd	Strip and Quote/ Emergency Repairs
1117817	211 839.42	Hypower Heavy Current Maintenance (Pty) Ltd	Strip and Quote/ Emergency Repairs
1118249	180 120.00	Rainbow Planthire	Services Urgently needed
1117882	3 876.00	Worcester Injinsentrum	Strip and Quote/ Emergency Repairs
1118411	2 166.00	Orchard Supplies	Strip and Quote/ Emergency Repairs
1118675	18 684.60	Bytes Systems Intergration	Sole supplier
1119287	8 832.72	Audensberg Toyota	Sole supplier
1119927	4 271.01	Spectrum Transcription Services cc	Sole provider
1120266	5 690 603.79	ABB South Africa	sole supplier
1119454	3 833.89	Jaffes Ford	sole service provider in Worcester
1119641	11 400.00	Jan Palm Consulting Engineers	sole provider Nationally
1120310	47 402.34	ESRI South Africa	sole provider
1119854	4 444.00	Boland Mowers	Strip and Quote/ Emergency Repairs
1119806	8 718.26	Werksmans Incorporated	Impractical to follow the normal proc process
1120012	19 500.00	Traffic Management Technology	Impractical to follow the normal proc process
1120012	5 625.01	CW Towing Services	Services urgently required
1119994	5 625.00	Tony's Truck Centre (Pty) Ltd	Services urgently required
1120217	5 150.00	Damas restaurant	Services urgently required
	6 793 737.28		
	27 319 441.51	Actual deviations for the 2013 2014	

Appendix L

BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

APPENDIX L: INVESTMENT

Date Invested	Name of Institution	ID	Account number	Interest	Period	Amount Invested	Expiry Date	Amount Receipt	Date Receipt	Receipt Number	Interest	Actual Interest	Difference
19/Apr/13	NEDBANK	4	3/7881531576/166	5.30%	91	10 000 000	19/Jul/13	10 000 000	22/Jul/13	4000322999	132 136.99	132 136.99	0.00
19/Apr/13	INVESTEC	5	DB MM13041933618	5.40%	123	10 000 000	20/Aug/13	10 000 000	21/Aug/13	1300170225	181 972.60	181 972.60	0.00
19/Apr/13	INVESTEC	6	DB MM13041933619	5.45%	154	10 000 000	20/Sep/13	10 000 000	25/Sep/13	5000324680	229 945.21	229 945.21	0.00
13/Sep/13	ABSA	8	2073715565	5.21%	31	10 000 000	14/Oct/13	10 000 000	14/Oct/13	4000327090	44 249.32	44 249.32	0.00
13/Sep/13	NEDBANK	10	3/7881531576/167	5.25%	32	20 000 000	15/Oct/13	20 000 000	15/Oct/13	6000159522	92 054.79	92 054.79	0.00
13/Sep/13	ABSA	9	2073715581	5.22%	61	10 000 000	13/Nov/13	10 000 000	13/Nov/13	4000328017	87 238.36	87 238.36	0.00
13/Sep/13	NEDBANK	11	3/7881531576/168	5.25%	61	10 000 000	13/Nov/13	10 000 000	13/Nov/13	4000328052	87 739.73	87 739.73	0.00
30/Oct/13	NEDBANK	15	3/7881531576/169	5.25%	33	10 000 000	2/Dec/13	10 000 000	2/Dec/13	5000328680	47 465.75	47 465.75	0.00
13/Sep/13	INVESTEC	13	DB MM13091343321	5.15%	91	10 000 000	13/Dec/13	10 000 000	18/Dec/13	1100059175	128 397.26	128 397.26	0.00
30/Oct/13	INVESTEC	16	DB MM13103146408	5.25%	64	10 000 000	2/Jan/14	10 000 000	3/Jan/14	6000164781	92 054.79		92 054.79
				9.00%	1		3/Jan/14		3/Jan/14	6000164781	2 488.45	94 543.24	-92 054.79
30/Oct/13	NEDBANK	17	3/7881531576/170	5.35%	91	5 000 000	29/Jan/14	5 000 000	29/Jan/14	3000320649	66 691.78	66 691.78	0.00
30/Oct/13	ABSA	18	2073847754	5.26%	92	10 000 000	30/Jan/14	10 000 000	30/Jan/14	6000166194	132 580.82	132 580.82	0.00
30/Oct/13	STANDARD	19	088786943-002	5.20%	92	5 000 000	30/Jan/14	5 000 000	30/Jan/14	6000166195	65 534.25	65 534.25	0.00
13/Sep/13	STANDARD	12	088786943-001	5.50%	153	10 000 000	13/Feb/14	10 000 000	13/Feb/14	4000332256	230 547.95	230 547.95	0.00
21/Nov/13	ABSA	20	2073902924	5.32%	91	5 000 000	20/Feb/14	5 000 000	20/Feb/14	4000332514	66 317.81	66 317.81	0.00
21/Nov/13	NEDBANK	21	3/7881531576/171	5.40%	91	5 000 000	20/Feb/14	5 000 000	20/Feb/14	4000332515	67 315.07	67 315.07	0.00
5/Feb/14	ABSA	24	2074092356	5.69%	33	5 000 000	10/Mar/14	5 000 000	10/Mar/14	4000333287	25 721.92	25 721.92	0.00
5/Feb/14	NEDBANK	25	3/7881531576/173	5.75%	33	10 000 000	10/Mar/14	10 000 000	10/Mar/14	4000333288	51 986.30	51 986.30	0.00
13/Sep/13	INVESTEC	14	DB MM13091343322	5.55%	182	10 000 000	14/Mar/14	10 000 000	17/Mar/14	3000322413	276 739.73	276 739.73	0.00
21/Nov/13	STANDARD	22	088786943-003	5.50%	120	5 000 000	21/Mar/14	5 000 000	27/Mar/14	3000322786	90 410.96	90 410.96	0.00
				5.50%	1		24/Mar/14		27/Mar/14	3000322787	767.05	767.04	0.01
				5.50%	1		24/Mar/14		4/Apr/14	5000333972	767.16	767.16	0.00
21/Nov/13	NEDBANK	23	3/7881531576/172	5.70%	123	5 000 000	24/Mar/14	5 000 000	24/Mar/14	3000322589	96 041.10	96 041.10	0.00
5/Feb/14	STANDARD	27	088786943-004	5.675%	59	5 000 000	5/Apr/14	5 000 000	7/Apr/14	5000334175	45 866.44	45 866.44	0.00
				5.675%	2		7/Apr/14		7/Apr/14	5000334175	1 569.06	1 554.79	14.27
							14/Apr/14		15/Apr/14	4000334934	0.00	14.27	-14.27
5/Feb/14	ABSA	26	2074092372	5.72%	61	5 000 000	7/Apr/14	5 000 000	7/Apr/14	5000334176	47 797.26	47 797.26	0.00
5/Feb/14	INVESTEC	28	DB JP14020552616	5.80%	62	5 000 000	8/Apr/14	5 000 000	9/Apr/14	3000323456	49 260.27	49 260.27	0.00
				5.35%	1		9/Apr/14		9/Apr/14	3000323456	740.10	740.10	0.00
25/Mar/14	INVESTEC	37	DB MM14032455804	5.80%	30	10 000 000	24/Apr/14	10 000 000	25/Apr/14	6000170789	47 671.23	47 671.23	0.00
24/Mar/14	ABSA	31	2074225789	5.72%	32	10 000 000	25/Apr/14	10 000 000	25/Apr/14	6000170790	50 147.95	50 147.95	0.00
25/Mar/14	NEDBANK	38	3/7881531576/177	5.83%	31	10 000 000	25/Apr/14	10 000 000	25/Apr/14	6000170791	49 515.07	49 515.07	0.00
5/Feb/14	NEDBANK	29	3/7881531576/174	5.95%	92	5 000 000	8/May/14	5 000 000	8/May/14	3000324640	74 986.30	74 986.30	0.00
5/Feb/14	INVESTEC	30	DB JP14020552617	5.90%	92	5 000 000	8/May/14	5 000 000	8/May/14	3000324639	74 356.16	74 356.16	0.00
24/Mar/14	INVESTEC	32	DB MM14032455805	5.85%	60	5 000 000	23/May/14	5 000 000	23/May/14	3000325532	48 082.19	48 082.19	0.00
24/Mar/14	NEDBANK	33	3/7881531576/176	5.90%	63	5 000 000	26/May/14	5 000 000	26/May/14	3000325644	50 917.81	50 917.81	0.00
25/Mar/14	STANDARD		088786943-006	5.70%	2		27/May/14		28/May/14	6000173068	3 123.29	3 123.29	0.00
27/Mar/14	STANDARD	39	088786943-007	5.70%	61	10 000 000	27/May/14	10 000 000	28/May/14	6000173067	95 260.27	95 260.27	0.00
9/May/14	ABSA	40	2074328810	5.75%	31	5 000 000	9/Jun/14	5 000 000	9/Jun/14	4000337522	24 417.81	24 417.81	0.00
9/May/14	STANDARD	41	088786943-008	5.675%	32	5 000 000	10/Jun/14	5 000 000	10/Jun/14	4000337669	24 876.71	22 294.52	2 582.19
									10/Jun/14	4000337692	0.00	2 582.19	-2 582.19
9/May/14	NEDBANK	42	3/7881531576/178	5.90%	32	5 000 000	10/Jun/14	5 000 000	10/Jun/14	4000337668	25 863.01	25 863.01	0.00
24/Mar/14	ABSA	34	2074225666	5.80%	91	5 000 000	23/Jun/14	5 000 000	23/Jun/14	5000338508	72 301.37	72 301.37	0.00
24/Mar/14	INVESTEC	35	DB MM14032455806	6.00%	92	5 000 000	24/Jun/14	5 000 000	24/Jun/14	4000338015	75 616.44	75 616.44	0.00
24/Mar/14	STANDARD	36	088786943-005	5.75%	93	5 000 000	25/Jun/14	5 000 000	25/Jun/14	4000338088	73 253.42	73 253.42	0.00
9/May/14	ABSA	43	2074328739	5.80%	61	5 000 000	9/Jul/14				48 465.75		48 465.75
9/May/14	NEDBANK	44	3/7881531576/179	5.95%	61	10 000 000	9/Jul/14				99 438.36		99 438.36
9/May/14	STANDARD	45	088786943-009	5.775%	62	5 000 000	10/Jul/14				49 047.95		49 047.95
28/May/14	NEDBANK	50	3/7881531576/181	5.95%	61	5 000 000	28/Jul/14				49 719.18		49 719.18
28/May/14	STANDARD	51	088786943-011	5.825%	61	5 000 000	28/Jul/14				48 674.66		48 674.66
9/May/14	STANDARD	46	088786943-010	5.800%	90	5 000 000	7/Aug/14				71 506.85		71 506.85
9/May/14	ABSA	47	2074328810	5.85%	91	5 000 000	8/Aug/14				72 924.66		72 924.66
9/May/14	INVESTEC	48	DB MM14050958928	5.90%	91	10 000 000	8/Aug/14				147 095.89		147 095.89
28/May/14	ABSA	52	2074375231	5.88%	90	5 000 000	26/Aug/14				72 493.15		72 493.15
28/May/14	NEDBANK	53	3/7881531576/182	6.00%	91	5 000 000	27/Aug/14				74 794.52		74 794.52

Appendix L

BREEDÉ VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2014 (2013 Restated)

APPENDIX L: INVESTMENT

[illegible]



Annexure B

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Breede Valley Municipality set out on pages 7 to 81 of Annexure A which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

The 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), the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (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 these 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 entity'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 entity'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 Breede Valley Municipality as at 30 June 2014, and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2013-14 in the financial statements of the Breede Valley Municipality at, and for the year ended, 30 June 2013.

Material impairments

9. As disclosed in notes 7, 9 and 11 to the financial statements, the municipality has provided for impairment of long-term receivables, other receivables from non-exchange transactions and consumer debtors from exchange and non-exchange transactions of R7 million, R29,6 million and R29,8 million respectively, as management's impairment assessment indicated that these debtors would default on their accounts.

Additional matters

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

Unaudited disclosure notes

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 82 to 124 of Annexure A did not form part of the financial statements and was presented as additional information. I have not audited these appendices and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for the selected strategic objective presented in the annual performance report, compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected strategic objective presented in the annual performance report of the municipality for the year ended 30 June 2014:
- Strategic objective F: To provide and maintain basic services and ensure social upliftment of the Breede Valley community on pages 96 to 101.
15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned strategic objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected strategic objective.

Additional matters

19. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected strategic objective, I draw attention to the following matters:

Achievement of planned targets

20. Refer to the annual performance report on pages 96 to 101 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of strategic objective F: To provide and maintain basic services and ensure social upliftment of the Breede Valley community. As management subsequently corrected the misstatements, I did not raise any material findings on the reliability of the reported performance information.

Compliance with legislation

22. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with the specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

23. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

OTHER REPORTS

Investigations in progress

24. An investigation into allegations of misappropriation of heritage assets is ongoing. The investigation covers the period 1 July 2012 to 30 June 2013. The outcome of the investigation is expected by 30 June 2016.

Auditor - General

Cape Town

28 November 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure C

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

The Committee submits its report as required by section 166 Municipal Finance Management Act, 56 of 2003 (MFMA).

Audit committee responsibility

The committee is governed by formal terms of reference, which have been approved by the management and which are regularly reviewed. It fulfils its responsibilities in terms of the Municipal Finance Management Act, 56 of 2003 (MFMA) and its terms of reference. The committee has an independent role with accountability to both the management and the stakeholders. It does not assume the functions of management, which remain the responsibility of the Mayor, Municipal Manager, the executive directors and other members of senior management. The committee acts in an advisory and oversight capacity and makes objective and independent recommendations to the management of directors; it does not relieve management of its responsibilities but makes objective and independent recommendations.

Composition of the committee

The committee currently comprises three non-executive directors with appropriate qualifications and experience, nominated by the management and appointed by the Council of Breede Valley Municipality. A quorum for meetings is prescribed as per the approved Audit Committee Charter.

<i>Name of committee member</i>	<i>Qualifications</i>
BJ Lodewyk (Chairman)	B.Com (Acc.); Hons B. Compt; CA (SA)
Dr. B. Van Rensburg	Doctorate in Economics
Ms. N. Salie	B Com(Finance) Hons

Attendance at meetings

The committee meets at least four times per year and its meetings are attended by the Municipal Manager, Executive Directors and representatives of the internal and external auditors.

Key functions and responsibilities of the committee

The legal responsibilities of the Performance and Audit Committee are set out in the Audit Committee Charter and the Municipal Finance Management Act, 56 of 2003.

The Audit Committee

- makes submissions to the Council and advises the accounting officer and the management of the municipality on matters relating to internal financial control and internal audit; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management and evaluation; effective governance, compliance with the MFMA and other applicable legislation and any other issues referred to it by the management;
- ensures that the combined assurance received is appropriate to address all the significant risks facing the municipality; and monitors the relationship between the external assurance providers and the municipality;
- oversees and reviews the expertise, resources and experience of the municipality's finance function;
- oversees the internal audit function and which reports directly to the audit committee; reviews and approves the internal audit plan, and monitors the effectiveness of the internal audit function in terms of its scope, progress with execution, coverage and independence;
- expresses a view on the effectiveness of the internal control environment by monitoring internal controls for effectiveness;

- oversees the external audit process and in this regard the committee approves the terms of engagement and remuneration for the external audit engagement, reviews the effectiveness of the external audit process. Any significant issues arising from the annual audit are brought to the committee's attention;
- oversees financial reporting risks; internal financial controls; fraud risks as they relate to financial reporting; and information technology risks as they relate to financial reporting;
- forms an integral part of the risk management process and specifically oversees financial reporting risks, internal financial controls, fraud risk in relation to financial reporting and information technology risks as they relate to financial reporting;
- assists the management in ensuring that the municipality has implemented an effective policy and plan for risk management which will enhance the municipality's ability to achieve its strategic objectives;
- oversees the development and annual review of the municipality's risk management action plan and ensures that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- monitors implementation of the risk management action plan and ensures that risk management assessments are performed on a continuous basis and reports to the management in this regard ;
- makes recommendations to the management concerning levels of tolerance and risk appetite;
- performs such additional oversight functions as may be determined by the management from time to time.

The Performance Audit Committee

- Reviews the quarterly reports to Council on its assessment of the Municipality's performance management system for the 2013/2014 year conducted by the Internal Audit department.
- The committee further oversees the bi annual performance reviews of executives and the municipal manager of which the Chairperson is invited as an independent observer and that the process is fair.
- The committee recommends corrective action and assist in finding effective implementation strategies that are aligned to the Performance Management Policy Framework for Managing Programme Performance Information (FMPPI, 2007)
- ensures that the combined assurance received is appropriate to address all the significant risks facing the municipality; and monitors the relationship between the external assurance providers and the Municipality;
- performs such additional oversight functions as may be determined by the Council from time to time;

Discharge of responsibilities

The committee has a detailed work plan, which is formally adopted to support its effective functioning during the period. The committee is satisfied that it has, during the past financial year met its responsibilities as stipulated in its terms of reference and that it has complied with all its legal, regulatory and other responsibilities.

Internal control

The committee has, during the period under review:

- reviewed the expertise, resources and experience of the municipality's finance function and found it to be adequate;

- reviewed the quarterly and annual financial results, statements and reporting for proper and complete disclosure of timely, reliable and consistent information;
- evaluated on an ongoing basis the appropriateness, adequacy and efficiency of accounting policies and procedures, compliance with Standards of Generally Recognised Accounting Practice (GRAP) and overall accounting standards as well as any changes thereto;
- discussed and resolved any significant or unusual accounting issues;
- reviewed and monitored the effectiveness, efficiency and the management as well as reporting of tax related matters;
- reviewed the effectiveness of the municipality's system of internal financial controls including receiving assurance from management, internal audit and external audit;
- reviewed relevant municipality procedures for preventing and detecting fraud;
- reviewed the significant issues raised by the internal and external auditors;
- had oversight of the IT governance gap analysis to identify possible areas for improvement as recommended by the Auditor General's desktop review process;

The committee has extensively reviewed quarterly financial and performance reporting together with findings from the Auditor General and Internal Audit. These findings have been discussed with management. Based on the processes and assurances obtained, the committee believes that the significant internal financial controls are generally effective and that accounting practices are appropriate.

Risk management

The committee has, during the period under review:

- exercised oversight in respect of the enterprise risk management function, which remains management's responsibility;
- monitored implementation of the municipality's policy and plan for risk management by means of the risk identification and management processes which are in place in the municipality;
- monitored implementation of the municipality's risk management action plan and made recommendations regarding improvement of reporting thereon.

External audit

The audit committee is satisfied that the auditors were independent of the municipality.

Annual financial statements and conclusion

The committee has reviewed the year-end financial statements and annual report and is satisfied with its integrity. The committee recommended approval thereof to the management. The financial statements are prepared in accordance with the basis of accounting determined by the National Treasury as set out in accounting policy note 1 and in a manner required by the MFMA. The committee has reviewed the external auditors' management letter and management's response thereon.

The committee is confident of the combined assurance approach with the continued support of the management and key stakeholders in the new financial year.

A handwritten signature in black ink, appearing to be 'BJ Lodewyk', written in a cursive style.

BJ Lodewyk CA(SA)
Audit & Performance Audit Committee Chairman
19 January 2015