

BREEDE-GOURITZ CMA 2022-23 ANNUAL REPORT PRESENTATION

17 October 2023



BREEDE-GOURITZ
CATCHMENT MANAGEMENT AGENCY

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The Breede-Gouritz Water Management Area

Vision

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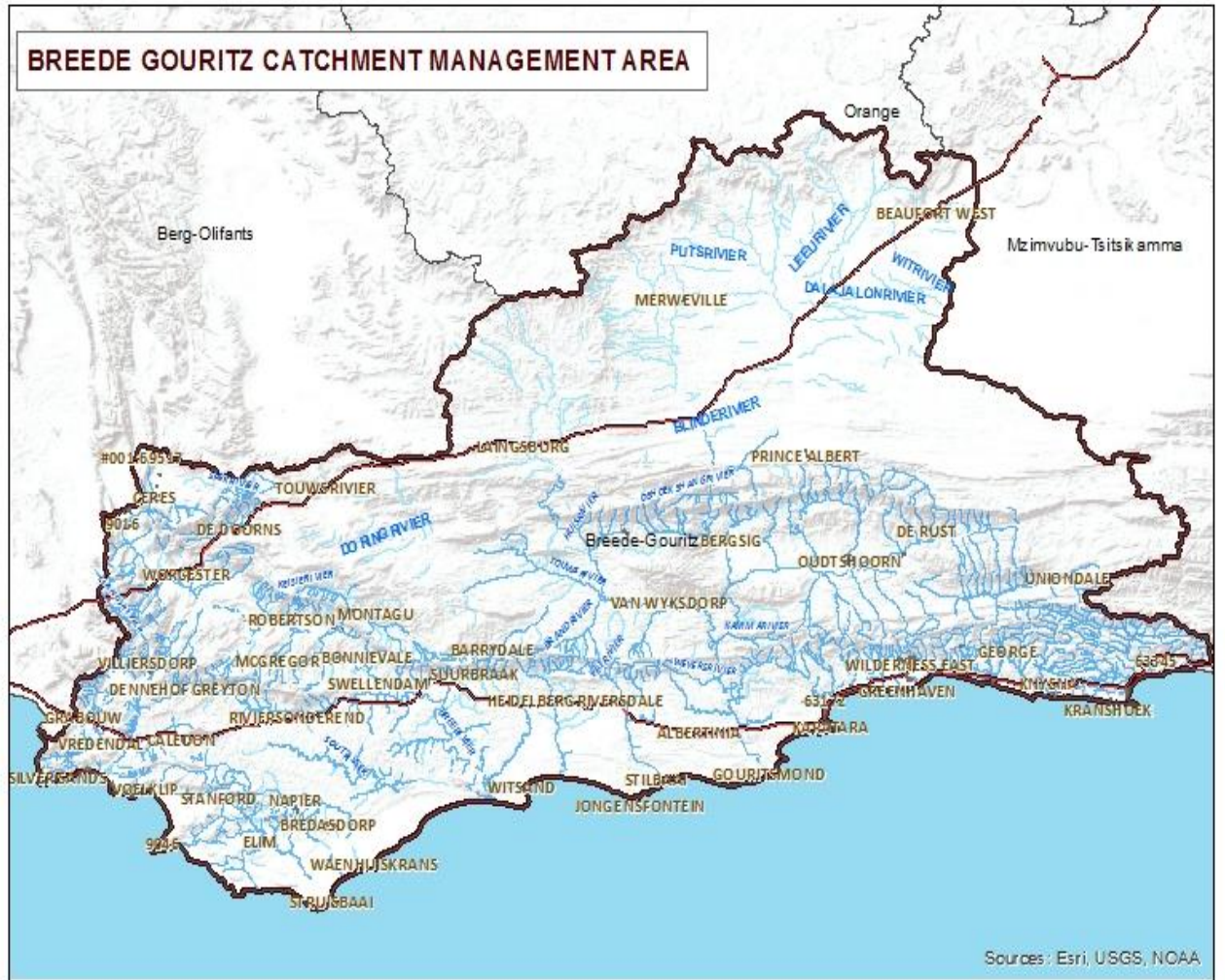
Gender statistics in the BGCMA

BGCMA Community Projects

Annual Financial Statements for the year ended 31 March 2023

Audit outcomes for the 2022/23 financial year

THE BREEDE-GOURITZ CATCHMENT MANAGEMENT AREA

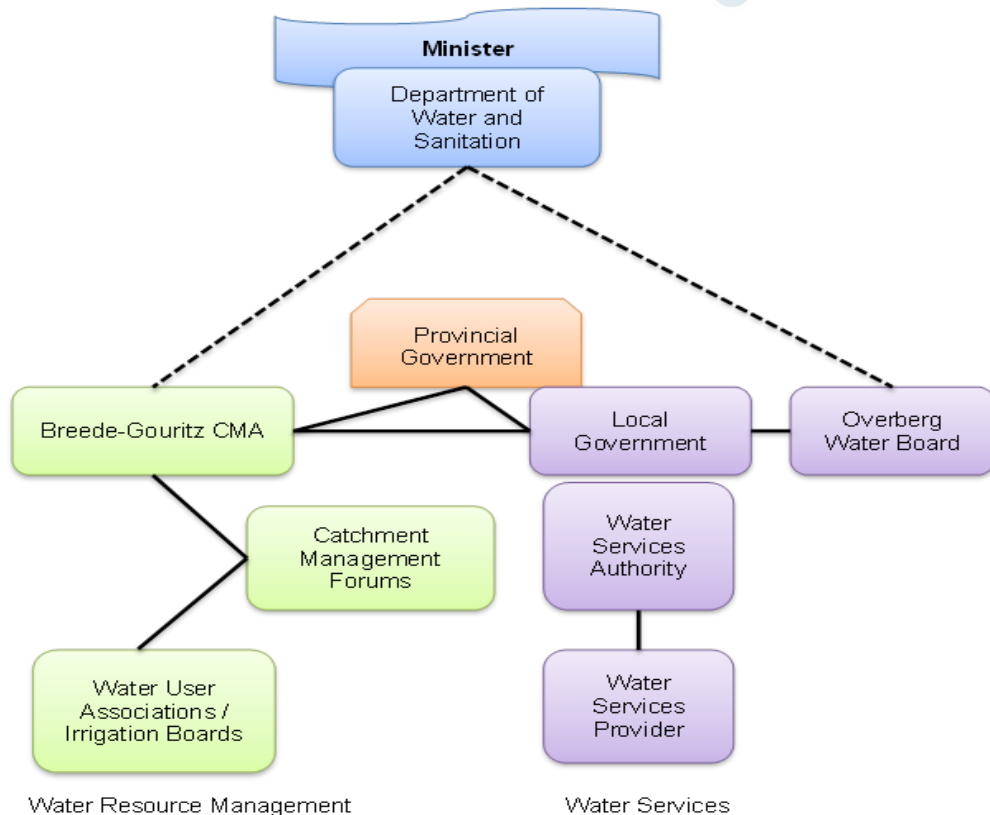


VISION

The Breede-Gouritz Catchment Management Agency (BGCMA) has a vision of:

Quality water for all, forever

INSTITUTIONAL ARRANGEMENTS OF THE BREEDE-GOURITZ WATER MANAGEMENT AREA



MISSION

The Breede-Gouritz Catchment Management Agency exists to:

manage water resources responsibly, through continuous engagement with all stakeholders and to devolve decision making to the lowest level for the benefit of all water users in the Breede-Gouritz Water Management Area, including the environment.

VALUES




Integrity

Accountability

Empowerment

Approachability

Equity



STRATEGIC OBJECTIVES

Water
Resources
planning

Water Use
Management

Institutional &
Stakeholder
Relations

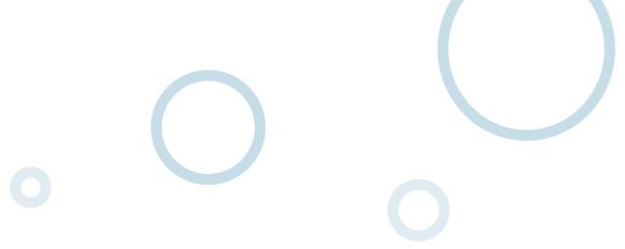
Water
Allocation
Reform

Water
Resources
Protection

Strategic
Support

Management
and
Governance

BGCMA HIGHLIGHTS FOR 2022/23



Unqualified Audit Opinion with Findings:

Previously, it was qualified audit opinion



Improved revenue collection

- Revenue collection increased from 79% in the previous performance year to 89% in 2022/23



BGCMA COMMUNITY PROJECTS

Carpe Diem School for learners with disabilities in George, Overberg Wheelchair Association – Vegetable garden (maintained by people living with disabilities) and Eco-brick Project (making furniture from eco-bricks)



RAINWATER HARVESTING TANKS PROJECT FOR SMALL SCALE IRRIGATION



RIVER REHABILITATION PROJECT

Alien clearing, before & after in the Holsloot river



100% OF WATER LICENSE APPLICATIONS PROCESSED

The Brandvlei canal



ANNUAL PERFORMANCE INFORMATION

1. Water Resources Planning

Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
% of land use planning rezoning applications	90%	93%	More focus was put on this target.
% of water registrations finalised (incoming requests logged)	85%	96.96%	Capacity of the help desk improved
Number of signed and finalised Validation & Verification confirmation letters captured	200	149	This achievement is depended on the number of V& V confirmation letters received from the Service Provider appointed to conduct the V&V project. Therefore, all received letters were finalised

ANNUAL PERFORMANCE INFORMATION

2. Water Use Management contin....

Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
Percentage of water use authorizations captured (licences &GAs)	100%	96.15%	Two applications had discrepancies and were not ready for capturing.
Percentage of licences recommended as per regulation	85%	100%	Target exceeded
Percentage of General Authorisations confirmed	100%	100%	Target met

ANNUAL PERFORMANCE INFORMATION

2. Water Use Management contin....

Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
Number of audit reports completed for water use compliance	80	98	Target exceeded
Number of Water Quality Compliance Reports of Municipal Wastewater Treatment Works (WWTW) that discharges to Water Resources	4	7	Target exceeded
Number of confirmation letters sent.	200	163	Delays in the finalisation of the Validation and Verification project.

ANNUAL PERFORMANCE INFORMATION

3. Institutional and Stakeholder Relations

Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
Number of learners and stakeholders capacitated and awareness in Water Resource Management (WRM	5000	6660	Target exceeded
Number of Intergovernmental Cooperation initiatives facilitated to enhance WRM	4	5	Target exceeded
Number of newsletters compiled and printed	4	4	Target met
Percentage of approved water related community projects funded	100%	100%	Target met
Number of Forums supported in WRM	40	24	The number of forums still fully functioning has reduced, target will be adjusted to align with reality.

ANNUAL PERFORMANCE INFORMATION

4. Water Allocation Reform

Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
Percentage of HDIs and RPF technically supported on water use	100%	100%	Target met
Number of workshops held to capacitate and empower Resource Poor Farmers in WRM	2	4	Target exceeded
Number of Rainwater Harvesting Tanks installed	400	400	Target met

ANNUAL PERFORMANCE INFORMATION

5. Water Resource Protection

Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
Number of BGCMA Water Resource points monitored.	80	106	Target Exceeded
Number of River Rehabilitation Projects funded and technically supported.	3	3	Target met
Percentage of reported non-compliant cases investigated (Investigation reports, administrative notices (Pre-Directive), representation response letters and follow-up investigation reports)	100%	100%	Target met
Percentage of resolved investigated cases (Directive, Criminal process and closing letter)	80%	100%	Target Exceeded

ANNUAL PERFORMANCE INFORMATION

6. Strategic support

Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
Percentage of reports complying with listed financial reporting prescripts	100%	100%	Target met
Number of proposed tariff reports submitted to DWS complying with pricing strategy	1	1	Target met
Number of risk assessment reports	1	1	Target met
Percentage of compliance to audit recommendation	100%	85%	Some of the pending audit findings takes longer to resolve and the Agency is doing its best to finalise them.

ANNUAL PERFORMANCE INFORMATION

6. Strategic support contin...

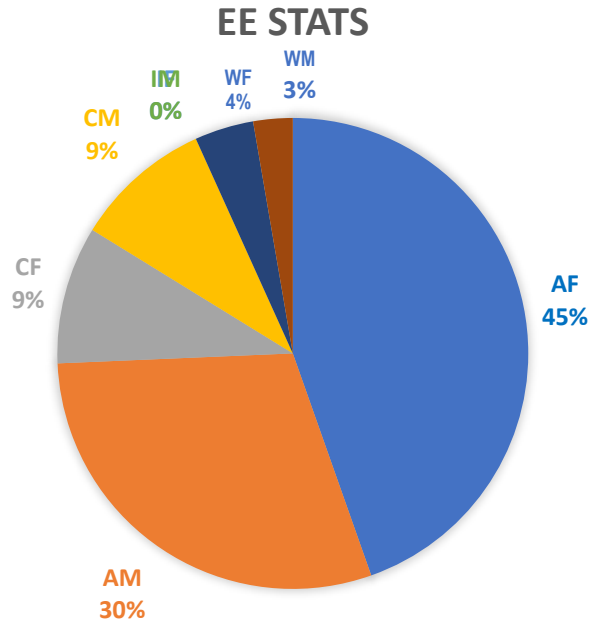
Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
Percentage of targeted procurement budget spent on BBEE.	100%	78%	Difficulties to get the 100% BBEE companies due to the area of demarcation.
Percentage of WRM charges collected.	77%	89%	Target exceeded
Percentage of approved and filled posts on the organogram.	75%	80.4%	Target exceeded

ANNUAL PERFORMANCE INFORMATION

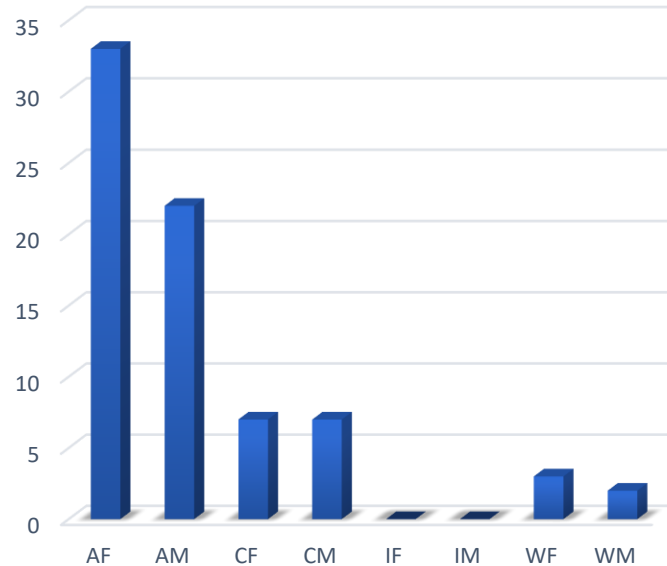
7. Management & Governance

Indicators	Planned Target 2022/23	Actual Achievement 2022/23	Comment on deviations
Percentage of Corporate Compliance reports and non-financial reporting scripts produced	100%	100%	Target met
Number of Shareholder compacts signed	1	1	Target met
Number of agreements signed	1	1	Target met

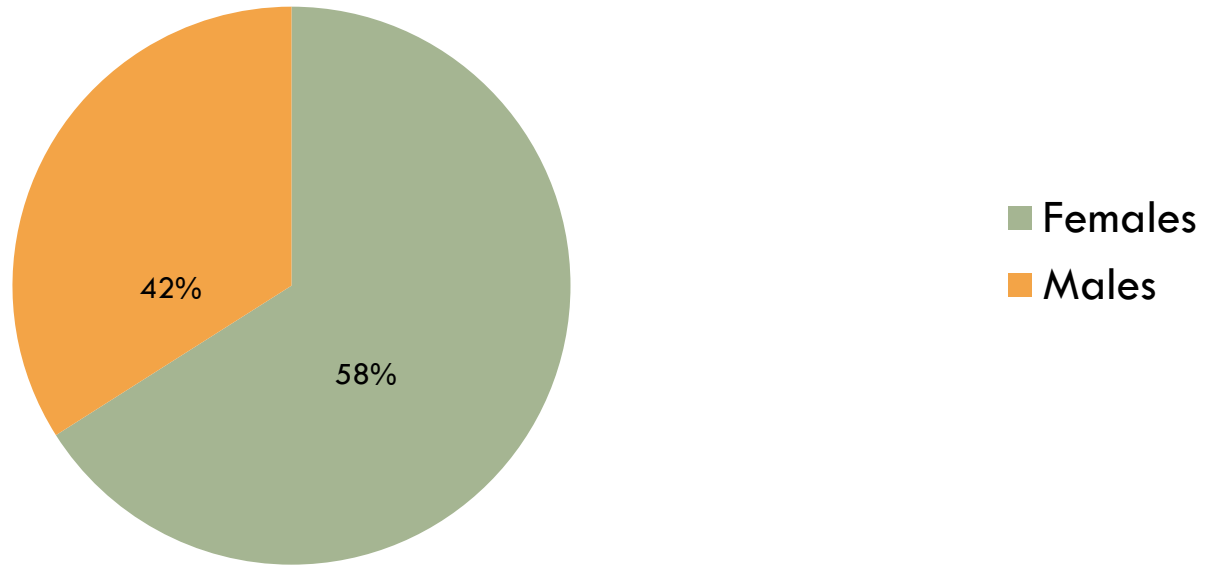
EMPLOYMENT EQUITY STATISTICS 2022-2023



EE STATS 2022/2023



GENDER STATISTICS IN THE BGCMA FOR 2022/23





**FINANCIAL REPORT
AS AT 31 MARCH 2023**

17 October 2023

FINANCES OF THE BREEDE-GOURITZ CATCHMENT MANAGEMENT AGENCY AS AT 31 MARCH 2023

■ **Overview of Total Operating Expenditure:**

The Agency budget for the 2022/23 financial year was R82 million and for the financial year prior to that the budget was R75 106 million (2021/22) .

The Augmentation allocation from DWS for the 2022/23 financial year amounted to R40 173 million which shows a slightly decline of R452 000 as compared to the prior year.

The expenditure during the 2022/23 financial year increased from R78 million to R90 million. The increase is largely attributed to the increase in the provision for doubtful debts.

The annual salary costs increase is due to the number of staff employed as well as cost of living increase. The employee related costs includes salary staff benefits and travel and subsistence costs.

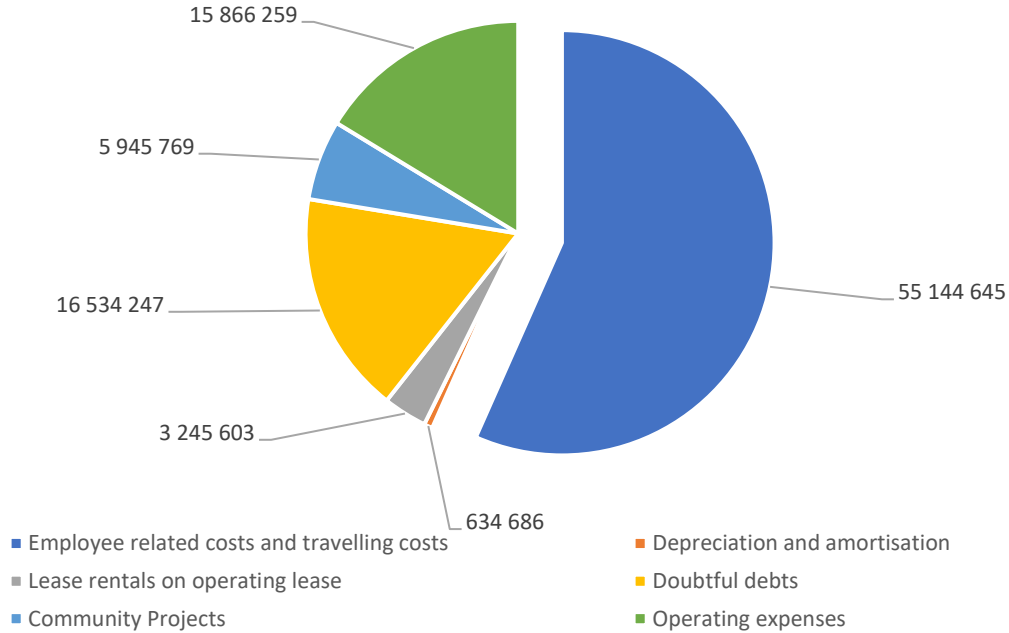
■ **The Water Trading:**

The revenue from catchment management charges reflects an increase of 1% (R48 753million) when compared to the prior year (R49 102 million). This is attributed by the increase on catchment management charges and also the effort by the agency in ensuring efficiency in its billing.

■ **Debtors Collections days:**

Debtors collection days reflects a decrease of 316.6 days in 2022/23 compared to the prior year which reflects 350.1 days 2021/22. The decrease in number of days was caused by putting more effort in collecting revenue from significant customers.

FINANCIAL OVERVIEW OF THE BREEDE-GOURITZ CATCHMENT MANAGEMENT AGENCY AS AT 31 MARCH 2023



**BREED-GOURITZ CATCHMENT MANAGEMENT AGENCY
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

ITEMS	2023	2022	INCREASE/DECREASE
			ASE
ASSETS			
NON-CURRENT ASSETS	R4 125 966	R1 792 994	R2 332 972
CURRENT ASSETS	<u>R182 237 488</u>	<u>R169 646 209</u>	<u>R12 591 279</u>
TOTAL ASSETS	<u>R186 363 454</u>	<u>R171 439 203</u>	<u>R14 924 251</u>
NET ASSETS & LIABILITIES			
ACCUMULATED SURPLUS	R172 438 416	R157 913 821	R14 524 595
TOTAL LIABILITIES	<u>R13 925 038</u>	<u>R13 525 382</u>	<u>R399 656</u>
TOTAL NET ASSETS AND LIABILITIES	<u>R186 363 454</u>	<u>R171 439 203</u>	<u>R14 924 251</u>

BREED-GOURITZ CATCHMENT MANAGEMENT AGENCY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2023

REVENUE	2023	2022
REVENUE FROM EXCHANGE TRANSACTION		
WATER RESOURCE MANAGEMENT	R48 753 852	R49 102 401
OTHER INCOME	R102 705	R78 667
REVENUE - THER PROJECTS	R600 000	
INTEREST RECEIVED	R15 051 106	R9 974 644
GRANT RECEIVED	R40 173 000	R40 625 000
TOTAL REVENUE	R104 680 663	R99 780 712
EXPENDITURE		
LOSS ON DISPOSAL OF ASSETS	-R1 882	-
DEPRECIATION	R406 237	-R944 042
ARMOTISATION	R228 449	-R483 260
EMPLOYEE RELATED CCOSTS	-R55 144 645	-R50 499 734
LEASE RENTALS ON OPERATING LEASE	-R3 245 603	-R3 190 341
OPERATING EXPENSES	-R15 864 377	-R17 481 164
IMPAIRMENT OF DOUBTFUL DEBTS	-R16 534 247	-R5 903 289
TOTAL EXPENDITURE	-R90 156 068	-R78 501 830
SURPLUS FOR THE YEAR	R14 524 595	R21 278 882

**BREED-GOURITZ CATCHMENT MANAGEMENT AGENCY
COMMUNITY PROJECTS FOR THE 2022/23 FINANCIAL YEAR**

Projects 2022/2023	Budget	Actuals
Alien Clearing	1 362 168	1 241 648
Water analysis	980 284	773 579
V&V	791 088	791 087
Social Upliftment (grants and rainwater harvesting tanks)	3 141 120	3 139 455
	6 274 660	5 945 769

**BREEDE-GOURITZ CATCHMENT MANAGEMENT AGENCY
CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

■ **Cash from operating activities:**

The Agency had a positive Net Cashflow from operating activities amounted to R15,0 million in 2022/23 financial year and R17,6 million in the previous year. This decrease is attributed by operational costs increase with the resulting factor of a decrease in net income.

■ **Cash and Cash Equivalent:**

Cash and cash equivalent reflected a positive balance of R112,6 million in 2022/23 financial year and R96,2 million in the prior year (2021/22). The increase of R16,3 million in cash and cash equivalent shows that the Agency has the ability to meet its short term debts obligations. An indication that the Agency has adequate financial resources to continue in operations for the foreseeable future.

**BREDE-GOURITZ CATCHMENT MANAGEMENT AGENCY
AUDIT AOUTCOMES FOR THE 2022/23 FINANCIAL YEAR**

UNQUALIFIED AUDIT OPINION WITH FINDINGS:

Revenue management – Non-compliance:

- Effective and appropriate steps were not taken to collect all revenue due as required by section 51(b)(i) of the PFMA resulting in non- compliance. Long outstanding debtor accounts were identified during the audit. The global gross debtors have increased year on year, with a corresponding increase in the provision for doubtful debts. This directly impacts the effectiveness of the accounts receivable risk management processes and their recoverability strategies.

**BREDE-GOURITZ CATCHMENT MANAGEMENT AGENCY
AUDIT AOUTCOMES FOR THE 2022/23 FINANCIAL YEAR**

IRREGULAR EXPENDITURE:

Non-Compliance with Treasury Regulation 16A6.3(b):

- During the 2022/23 financial year, the irregular expenditure amounting to R1 741 423 was identified with regards to the procurement of travel services where the bid documentation did not include the bid evaluation and adjudication criteria, including the criteria prescribed in terms of the Preferential Procurement Policy Framework Act, 2000 (Act no 5 of 2000) and the Broad Based Black Economic Empowerment Act, 2003 (Act no 53 of 2003). This irregular expenditure originates for the irregular expenditure of 2021/22 financial year.

**BREDE-GOURITZ CATCHMENT MANAGEMENT AGENCY
AUDIT AOUTCOMES FOR THE 2022/23 FINANCIAL YEAR**

Consequence management – Non-Compliance:

- We were unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(i) to (iii) of the PFMA. This was because investigations into irregular expenditure were not performed.
- For all the irregular expenditure incurred there was no Act of fraud, corruption, or other criminal misconduct. There is no financial loss, the value for money was achieved.

INTERVENTION TAKEN TO IMPROVE REVENUE COLLECTION

- **Recovery Plan:** The Agency developed and implemented a recovery plan to support the effective and efficient recovery of debt owed to the Agency.
- **Automated system** for the distribution of invoices and statement to customers to reduce the turnaround time to deliver invoice and statement into our customers
- **Debt incentive scheme:** The Agency has introduced a debt incentive scheme whereby the customers are encouraged to pay a certain percentage of the capital amount and , in return the interest is written off once the capital amount is settled in full or as agreed.

INTERVENTION TAKEN TO IMPROVE REVENUE COLLECTION

- **RT27 – 2019** contract for debt collection which is facilitated by National Treasury: The Agency is participating in this contract and appointed debt collections Agency as another form of strengthening its debt management process.
- **Appointed staff:** The Agency capacitated its Revenue unit to ensure the full recovery of monies owed to the State.
- **Strengthening Customer Relations** - The BGCMA has acknowledged the need to improve all facets of customer experience with the aim of improving debt collection. As a result, a catchment management forum was established to ensure that a strong cohesive team is built with customers.
- **Several meetings** with critical customers were held to resolve long outstanding issues. This contributed positively to the revenue collection



**THANK YOU
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