



# **ANNUAL REPORT**

---

## **2016/17**

**BREEDE-GOURITZ**

Catchment Management Agency  
Opvanggebied Bestuursagentskap  
I-Arhente yoLawulo lomMandla nokungqongileyo

*Quality water for all, forever*







# BGCMA'S VISION

## THE MISSION STATEMENT OPERATIONALISES THE VISION AS FOLLOWS:

The Breede-Gouritz Catchment Management Agency exists to manage our 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 Catchment, including the environment.

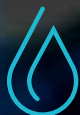
BGCMA will:

- ensure quality water for all people and the environment;
- address water allocation reform;
- ensure good administration of registration and licensing;
- inspire change in attitudes towards the environment; and
- promote economic growth in a sustainable way.

So that:

- we can address the developmental needs of the people and contribute to the eradication of poverty;
- ensure fair, equitable and well controlled water allocation, while maintaining the integrity of the natural resource;
- manage the ecosystem in a sustainable manner; and
- allow all stakeholders a voice in how we manage our water resources.

4 elements



water drop



fire flame



tree leaf

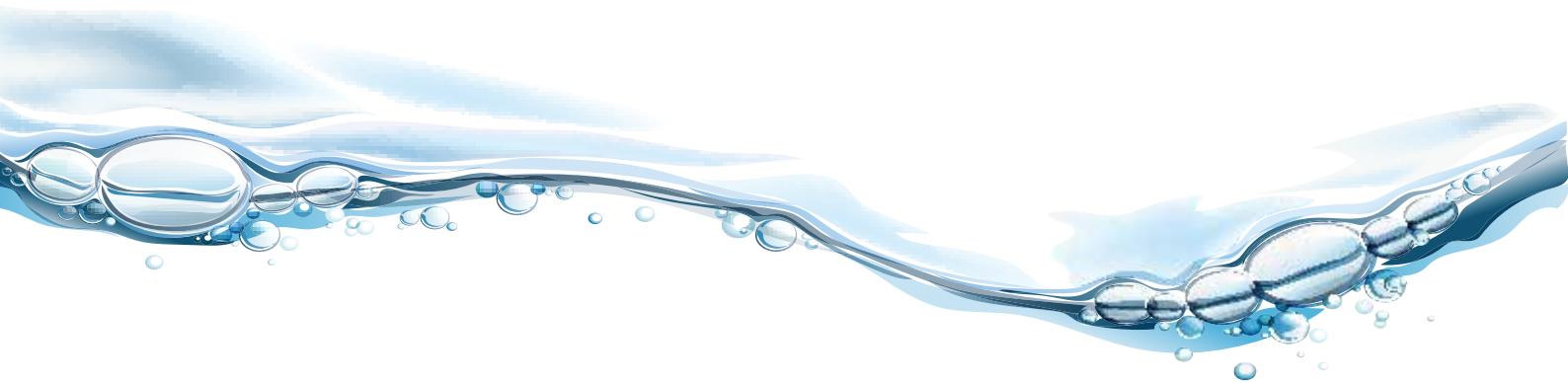


wind flow

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# THE LINKAGES



## INSTITUTIONAL ARRANGEMENTS OF THE BREEDE-GOURITZ WATER MANAGEMENT AREA

The Breede-Gouritz Catchment Management Agency (the BGCMA) was established by the then Minister of Water Affairs and Forestry (now replaced by the Department of Water and Sanitation) in July 2005, in terms of the National Water Act (36 of 1998). The Governing Board was appointed in October 2007 and the CMA became operational with the appointment of the CEO and subsequent personnel. The BGCMA plays a key role in protecting, using, developing, conserving, managing and controlling water resources in a cooperative manner. This requires that the BGCMA play a central and coordinating role with regards to water use, linking national, provincial and local government as well as a host of sector partners and stakeholders.

The Government Gazette Notice NO. 37677 of 23 May 2014 established the Breede-Gouritz Catchment Management Agency through extending the boundary and area of operation of the Breede-Overberg Catchment Management Agency in terms of section 78(4) of the National Water Act, 1998 (Act No. 36 of 1998). The CMA is accountable to the Minister of Water and Sanitation. In order to play that coordinating and regulatory role, the BGCMA has a close cooperative relationship with the DWS, largely with the DWS Regional Office, but also with key line

functions at the National Office. As the BGCMA develops its capacity, the DWS Regional Office will increasingly play an oversight and regulatory role, and is in the process of withdrawing its operational presence in the former Gouritz WMA in support of the BGCMA's development process. As the central hub for water resource management in its water management area, the BGCMA accepts responsibility for performing both initial functions, inherent functions and delegated functions. As the BGCMA develops capacity, and as the DWS' role shifts away from implementation towards one of oversight and regulation, the BGCMA will receive more delegations and possibly assignments.

The delegated functions support the broad functional areas of:

- Localised management activities related to local management, conservation, protection and monitoring activities.
- Registration and water use verification in support of improved water use authorisation processes and improved understanding of water resource availability.
- Institutional development with emphasis on water user association establishment processes.

## The BGCMA works closely with the following municipalities:

### CAPE WINELANDS DISTRICT MUNICIPALITY

- Breede Valley LM
- Langeberg LM
- Witzenberg LM

### OVERBERG DISTRICT MUNICIPALITY

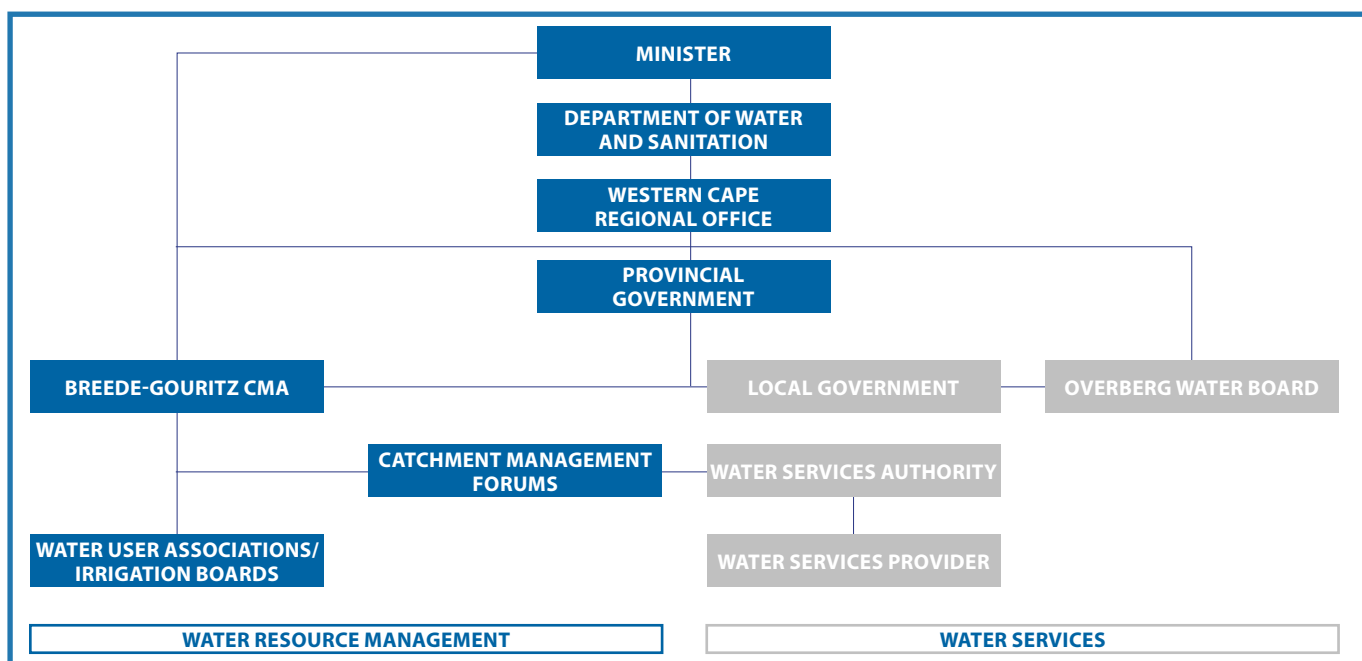
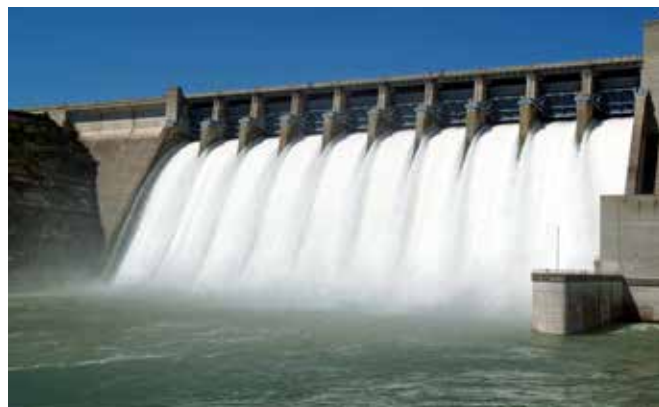
- Cape Agulhas LM
- Overstrand LM
- Swellendam LM
- Theewaterskloof LM

### EDEN DISTRICT MUNICIPALITY

- Bitou LM
- George LM
- Hessequa LM
- Kannaland LM
- Knysna LM
- Mosselbay LM
- Oudtshoorn LM

### CENTRAL KAROO DISTRICT MUNICIPALITY

- Beaufort West LM
- Laingsburg LM
- Prince Albert LM





# MINISTER'S MESSAGE

BY HONOURABLE  
MINISTER NP MOKONYANE

## INTRODUCTION

It is with great pleasure to present to you the Breede-Gouritz Catchment Management Agency's (BGCMA) Annual Report for the 2016/17 financial year. The BGCMA is one of the water public entities reporting to me as the Executive Authority. It exists to strengthen the service delivery arm of my Department. Also, it has to ensure that water resource management is done within sound principles including integrated water resources management (IWRM). The BGCMA has developed through its own organic growth and I am pleased to note that since inception the organisation has been receiving unqualified reports. The 2016/17 financial year is no difference as the BGCMA has once again received an unqualified audit report. Despite the drought challenges, I would like to thank the BGCMA Governing Board and staff for continuously putting a lot of effort in their respective roles. It is through such collective efforts that enable institutions such as the BGCMA to improve the living conditions of the water users.

## COLLECTIVE EFFORTS

One of the South African proverbs precisely describes our success as a people. Simply put: "Umuntu ngumuntu ngabantu". This proverb which can also be loosely translated as "our success are inter and intra-dependent on other people". It is through the same proverb that the BGCMA and other water public entities have walked tall in their respective roles. If it was not for the support of the Parliamentary Water & Sanitation Portfolio Committee and my Department, the Province, the water user associations / irrigation boards, municipalities, water users and interested parties such as various Estuaries Forums, it would have been a steep mountain to

climb in order to realise the good results such as receiving unqualified report on the following programmes: water resource planning; water use management, water resource protection; water allocation reform, institutional & stakeholder relations, strategic support and governance & administration. Importantly, the audited Annual Finance Statements are essential in realising and providing proof that there are sound internal control systems at the BGCMA. This goes hand-in-hand with the BGCMA's attempts on institutional partnerships.

## INSTITUTIONAL PARTNERSHIPS

It is worth noting the efforts made by the BGCMA in forging institutional partnerships. The BGCMA is accountable to the Executive Authority. It is my localised water management institution that has to play both the coordinating and regulatory role. This requires a close cooperative relationship with my Department of Water & Sanitation, mainly with the DWS Provincial office, but largely with key line functions at the National Office. In addition, the BGCMA has been working well with the Western Cape Provincial Departments such as Agriculture, Environmental Planning & Economic Development, Overberg Water Board, municipalities and the academic institutions such as the Cape Peninsula University of Technology including the University of the Western Cape. I am pleased by the Living Laboratory Concept that came into the offing as a result of the cooperative arrangement between the BGCMA and these academic institutions. The focus is on providing practical solutions whilst building the BGCMA research capacity. I am expecting more of these examples throughout the country. The focus must be on improving the management of water resources and promoting innovation at the same time.



## WATER RESOURCE MANAGEMENT

As the Annual Report indicates, the BGCMA embarked on a number of strategic projects such as the Validation & Verification, water quality monitoring points, rainwater harvesting tanks, supporting Resource Poor Farmers on a range of issues such as coordinating support of various government's departments, emerging farmers, rainwater harvesting tanks and regular advice to all water users and institutions. The primary objective is to ensure that the health of the resource remains pristine and that water quality is maintained throughout the catchment. Fundamentally, water availability is essential to the catchment especially during the drought – the BGCMA's stakeholder engagements processes have ensured that everyone plays his / her part in using water wisely and applying sound water efficiency principles. BGCMA's interventions are in line with the National Water Act of 1998 which amongst other things calls for active participation for all water users in continuously improving water quality and quantity. Whilst, there is still room for improvement every effort was made on improving the quality of the resource and sharing the knowledge with other institutions. Knowledge-sharing even went beyond the boundaries of South Africa as they were countries like South Sudan that came to exchange knowledge on practical water resource management systems.

Furthermore, the involvement of the BGCMA in national and international priority initiatives such as the Water Stewardships further demonstrates that it was not a mistake to promulgate the new National Water Act of 1998 replacing the old Water Act of 1956. The National Water Act of 1998 intends to achieve the following: meet the basic needs of present

and future generations, promote equitable access to water, redress the results of past racial and gender discrimination and facilitate social & economic development. This fits well with my Department's National Water Resource Strategy and my determination that the Catchment Management Agency's water resource management approach must involve other water management institutions and local communities in the decision-making processes. I am pleased that the BGCMA has been working hand-and-glove with its local water user associations / irrigation boards and local communities in clearing alien vegetation along the Breede River riparian zone. Since the alien removal there has been an improvement of water quantity flowing in the river which also benefited ecology. Water resource management is central to leading the case for change.

## THE CASE FOR CHANGE

The involvement of the BGCMA in other local strategic initiatives such as the PALS projects which aims to speed up the involvement of the black people in agriculture and accelerate water allocation reforms shall continue to be a matter of interest. I would like to see the BGCMA showing exemplary role in areas of water access for all, water allocation reforms, management of pollution and illegal water use, accelerating transformation through its water related grants projects.



**Ms NP Mokonyane**

Minister of Water and Sanitation

# PRESENTATION OF THE ANNUAL REPORT

**Dear Honourable Minister**

I have pleasure in presenting to you the 2016-2017 Annual Report of the Breede-Gouritz Catchment Management Agency for the year ended 31 March 2017.

Yours faithfully



**MR B.E. MNISI**

Chairperson



# THE CHAIRPERSON'S REPORT

## INTRODUCTION

The 2016/17 financial year is yet another year if not a monumental occasion. The BGCMA Governing Board unanimously voted me in as its second Chairperson of the Governing Board after the retirement of my esteemed colleague Mr Neil Hamman from the chairpersonship position. I was indeed further humbled by the Minister's appointment as the new Chairperson of the BGCMA Governing Board. Having been a Board member and Deputy-Chairperson before, there is a lot that I can write if not encrypting on the walls of the BGCMA. Like most of my other fellow members, CEO, executive team, and staff the BGCMA has made its footprints. In my language we say "mintirho ya vulavula" – actions speak louder than words.

The BGCMA is an action oriented public entity of the Department of Water and Sanitation. As a collective team we managed to improve the water quality through various initiatives such as the water monitoring points, alien clearing and most importantly believing as well as working with our stakeholders. The conclusion of the V&V project and remarkably, the completion of the first Catchment Management Strategy (CMS) draft have shown that through partnership with a purposeful mind, the impossibilities become possibilities. The ever growing interest by fellow water management institutions from countries like South Sudan is a mirror of hope that there is future in the water resource management regime. At times the BGCMA remains speechless for the kind words and appreciation for what it offers to the African continental water institutions. Our BGCMA's understanding is that the real beneficiaries are the South Africans through a period of negotiations have produced

strategic pieces of legislation such as the National Water Act, Act 36 of 1998. This is the same legislation that gave birth to the establishment of the CMAs and specifically, the BGCMA.

It is not only about managing the resources that shape a performing organisation, the internal controls coupled by sound financial management sustains the organisation. It is like the small part of the body that is called the heart that defines us as the living human beings. If the heart stops working there is no life. We have seen this over a period of nine years by receiving unqualified audit reports. This 2016/17 is one of those years that have proven that the Minister of Water and Sanitation, Ms Nomvula Monkonyane is on the ball with her water institutions. I fully concur with the CEO in his report; the oversight role played by our Parliamentary Water & Sanitation Committee is appreciated to its maximum benefit.

As of today, there is no doubt that the Breede-Gouritz Catchment Management Agency is responding to the national, provincial and local government imperatives. The CEO's Report has shown that BGCMA is indeed an epitome for rallying stakeholders to take charge in the management of water resources. I am therefore writing this Annual Report having observed a number of achievements and tribulations both as a board member and the chairperson of the Governing Board. The success that has made the BGCMA to be what it is today never followed a straight line approach. It was necessary to go through "not-so-straight" line since all of us were in a learning curve. We have all learnt that South Africa is indeed a water scarce country and requires everyone to get involved in the management of water resources





at a local level. It is for the same reason that the Government took a pragmatic approach by enacting the National Water Act in 1998. It is the very same legislation that gave birth to the BGCMA. In the following section there is brief background information on how the legislation had made it possible to have a catchment management agency in the Breede River water management area.

## THE BACKGROUND

The board of the BGCMA was the first board appointed by the then Minister of Water Affairs and Forestry. It was appointed in 2007 firstly to set up this water management institution and secondly to provide oversight and guidance to the organisation. We were all appointed on the original three year term which has been extended by the Minister as it is legally permissible to do so. The BGCMA is now an operational organisation that is geared towards enhancing the role of the Department of Water and Sanitation. There is a high level of confidence that BGCMA shall continue to be synonymous with accelerated service delivery.

It is worth noting that when we all started as the board there was nothing in place. For example; there was literally no office or perhaps no infrastructure to run such an important water management institution. Today we are equipped with the basic means to run our institution. Starting from a zero-based background to where we are today is indeed a sense of self-actualisation especially if one considers that most of our board members did not have any corporate governance experience before.

Today the BGCMA is continuously discharging its responsibilities than ever before. It is a fully fledged operational arm of the Department of Water and Sanitation. I am grateful for the role played by the Department of Water and Sanitation. I further acknowledge our strategic partnership with the Western Cape academic institutions, namely; the Cape Peninsula University of Technology (CPUT) and the University of Western Cape (UWC). The same goes to our Dutch counterparts through the Kingfisher Programme. Learning from those who have walked the water management journey like the Netherlands does make positive contributions towards sound integrated water resource management principles.

The issues of water resource management within a catchment are also guided by the South African Constitution (1996) and other acts such as the National Environmental Management Act, Act 107 of 1998, the National Environmental Management: Biodiversity Act, Act 10 of 2004, the Water Services Act, Act 30 of 2004, Conservation of Agricultural Resources Act, Act 43 of 1983, Marine Living Resources Act, Act 18 of 1998, the National Environmental Management: Coastal Zone Act, Municipal Systems Act, Act 32 of 2000, Development Facilitation Act, Act 67 of 1995 and Mineral & Petroleum Development Act, Act 28 of 2002.

**MR B.E. MNISI**  
Chairperson



# THE CHIEF EXECUTIVE OFFICER'S REPORT

## INTRODUCTION

South Africa is a beautiful country with a number of initiatives such as establishing sectorial water management institutions, namely; the Catchment Management Agencies (CMAs). The CMAs are the authority on water resource management. With the establishment of the Breede-Gouritz Catchment Management Agency (BGCMA) in the Western Cape Province, there is no doubt that there is a continual improvement on water quality and service delivery to all the water users in the BGCMA's area of responsibility. South Africa being a water scarce country with an average of about 450mm precipitation per annum compared to the world average of about 850mm per annum, it is a matter of necessity to have localised water resource management institutions and specific public entities. These entities amongst other things are playing a major role in managing water resource management through integrated water resource management (IWRM) principles. The BGCMA is a national water management institution which is a 3A Public Entity in terms of the Public Finance Management Act of 1999 as amended.

## BGCMA EXISTENCE

The BGCMA is the first CMA established in the Western Cape Province and the second in the country. It falls under the Ministry of Water and Sanitation. It has its Governing Board appointed by the Minister and in turn the Governing Board appointed its Chief Executive Officer who oversees the operational business of the organisation. This year of 2017 the Breede-Gouritz Catchment Management Agency is ten

(10) years old. It came into being after the May 2015 amalgamation of the former Breede River Water and Gouritz Water Management Areas. Since inception the BGCMA has been consistently building its own information reservoir whilst discharging its mandate. The age of the organisation has surpassed its existence. It has achieved so much within a short space of time. In recognising our role as a key water management institution, it is also befitting to appreciate the support from our parent organisation, the Department of Water and Sanitation as well as the oversight role of the Parliamentary Water & Sanitation Portfolio Committee. The BGCMA exists to support the Minister of Water and Sanitation in her commitment in terms of the water mandate including the development of the National Water & Sanitation Master Plan.

## BGCMA IN ACTION

There is no doubt that the BGCMA within its water management area is the centre of water resource management. Hence, there is a mountain of activities that were carried out in the financial years under review. These activities include the development of the Catchment Management Strategy – which is the five year stakeholder driven water plan, water use authorisation licence applications, implementing & monitoring water quality points – to ensure water quality throughout the water management area, supporting resource poor farmers & emerging farmers with the technical advice, implementing SAP system as part of preparing the BGCMA for revenue collection, human resource development of policies, data capturing, performance monitoring & evaluation, ensuring sound internal and financial controls, continuously compiling the quarterly



newsletters which are very informative, etc. These activities talk to the following BGCMA's strategic priority areas:

- water resource planning,
- water use management,
- institutional development,
- water resource protection,
- water allocation reform,
- strategic support, and
- management & governance.

The BGCMA team has used the above-mentioned strategic priority areas as a focal point that has shaped the rendering of services.

Flowing from an old proverb that says "ingwe idla ngamabala" which is loosely translated to mean the strength of a leopard lies on its colourful skin's spots, the BGCMA has used its strength to build partnerships with all concerned and interested parties. These include academic institutions such as the Cape Peninsula University of Technology and the University of the Western Cape. The BGCMA is keen in developing further partnerships with all the Western Cape academic institutions as part of broadening its knowledge reservoir that will also assist in innovatively managed, conserve, promote and develop water resource management. It was exciting to see the CPUT/ UWC and BGCMA partnership taking its shape with the introduction of the living laboratory concept. This was accompanied by research driven activities with an intention to provide practical solutions and formulate scientific approaches to water management. Inevitably, this must continue as another layer that contributes to the BGCMA research capacity.

## UNIQUENESS OF THE BGCMA

There is something unique about a catchment management agency / organisation like the BGCMA. It requires a stakeholder involvement and participation in the water value chain management. There has been a deliberate biasness towards the water users as they are our main stakeholders. All the processes are geared towards meeting and where humanely possible exceeding the expectations. It is part of our initial and delegated functions. In terms of the National Water Act the BGCMA is mandated to do the following initial functions:

- (a) Investigate and advise interested persons on the protection, use, development, conservation, management and control of the water resources;
- (b) Develop a catchment management strategy;
- (c) Co-ordinate the related activities of water users and of the water management institutions within our water management area;
- (d) Promote the co-ordination of our implementation with the implementation of any applicable development plan established in terms of the Water Services Act, Number 108 of 1977; and
- (e) Promote community participation in the protection, use, development, conservation, management and control of the water resources in our water management area.

The afore-said is not exhaustive, as the BGCMA do more than those five initial functions. The BGCMA is an operational organisation that



believes in sharing information with all the interested and affected parties. We therefore present this Annual Report as a mirror of reflection in supporting the work of the Department of Water and Sanitation. The BGCMA team has always been believing in the teamwork and working as a collective to meeting the mandate.

## DROUGHT

The Western Cape Province similar to other parts of South Africa has been seeing a water shortage due to the drought. In the Western Cape Province particularly to the BGCMA water management area the dam levels have been increasingly becoming low as a result of below average winter rainfalls for two consecutive years since 2014/15 up to 2017. Instead of doing nothing, the BGCMA was proactive by having the following response to drought:

- Awareness campaigns in schools
  - Coordinating activities and raising awareness around the operating rules that were determined for the operation of schemes during of drought.
- Continual interaction with water users and other water management institutions
  - Coordination activities around the management of drought rules and the implementation thereof.
- Active participation in farmers days with the Department of Agriculture to further create awareness on water scarcity and support of water use efficiency
  - Investigating possible water resources for certain local authorities.

Having embarked on a number of drought awareness campaigns, the following as part of our Water Conservation & Demand Management has to continue regardless whether there is an increase in water quantity:

- Improve water efficiency through rehabilitation of rivers (alien vegetation removal within the riparian zones).
- Invest in rain water harvesting tanks to schools and community projects to assist with efficient water use methodologies.
- Continue with the verification of water use to determine the availability of water for future water resource development.
- Promote partnerships with municipalities to develop and determine water resource such as: desalination of sea water, effective use of ground water and re-use of treated sewerage water.

## CONCLUSION

In quoting the well-known African proverb that says “umuntu ngumuntu ngabantu” – which means that all of us owe our success through actions of others. Therefore, it will be erroneous not to acknowledge, appreciate and pass a vote of thanks to those who have walked the journey with us and supported the BGCMA to discharge its legislative mandate. Firstly and foremost, the BGCMA colleagues who burnt the mid-night oil, the Governing Board for stepping up, the Department of Water & Sanitation for robustness, academic institutions, namely: CPUT & UWC in working with the right water resource management partner, the Dutch colleagues for extending their supportive arms and finally all our water users / associations for believing in the BGCMA brand. We say dankie, enkosi, thank you and siyabonga kakhulu. Nikhule nize nikhokhobe – be progressive until you reach.

I thank you!



**Phakamani Buthelezi**

Chief Executive Officer

# STATEMENT OF RESPONSIBILITY



## 1. COMPLIANCE WITH APPROPRIATE LEGISLATION

The Breede-Gouritz Catchment Management Agency is responsible for all information and representations contained in the statement of financial position as at 31 March 2017 and the related statement of financial performance, statement of changes in net and cash flow statement for the year ended 31 March 2017.

These financial statements have been prepared in conformity with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standard Board replacing the equivalent Generally Accepted Accounting Practices (GAAP) standard.

## 2. BASIS USED TO PREPARE THE ANNUAL FINANCIAL STATEMENT

In this regard senior management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorised and recorded, assets

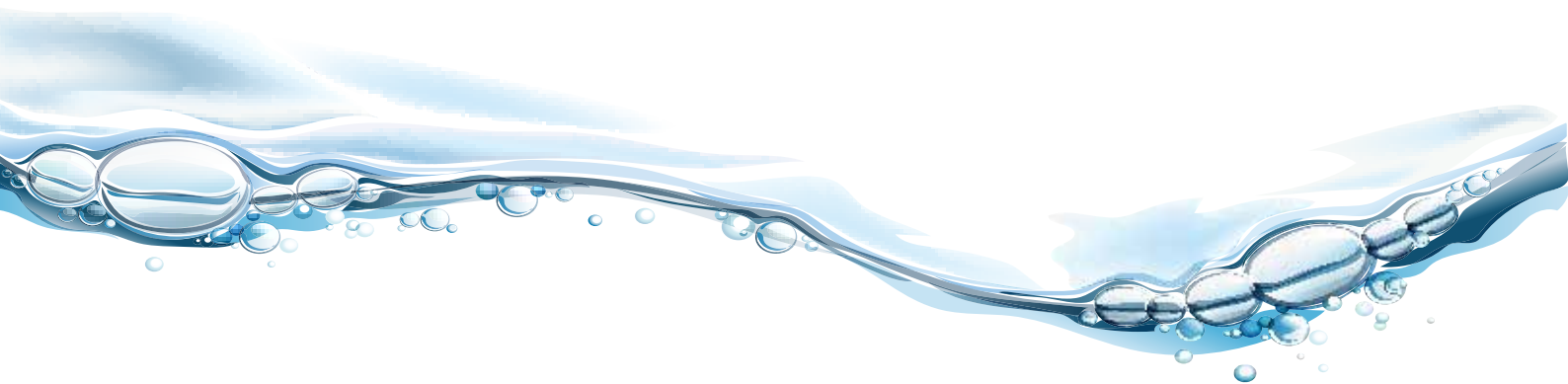
are safeguarded against unauthorised use or disposition and liabilities are recognised. The management likewise discloses to the CEO and Audit & Risk Committee and its external auditors:

- Significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process and report financial data;
- Material weaknesses in the internal controls; and
- Any fraud that involves management or other employees who exercise significant roles in internal controls.

## 3. MEASUREMENT OF BGCMA'S FINANCIAL POSITION AS A GOING CONCERN (BUSINESS)

The BGCMA receives its funding from the Department of Water and Sanitation on an annual basis to cover the entity's operations expenses. Funds received for the financial year amount to R47 876 000.

# BOARD MEMBERS



## BGCMA Governing Board

Mr BE Mnisi (Chairperson)  
Mr TE Abrahams (Deputy Chairperson)  
Mr AP Barnes  
Mr NH Hamman  
Dr O Curtis  
Ms B Damane  
Mr MJ Delport  
Ms EM Palmer  
Mr HM Rossouw  
Mr CJU Swart  
Mr P Buthelezi (Chief Executive Officer, Ex Officio member)  
Mr K Masindi (DWS Ex Officio member)

## BGCMA COMMITTEES

### AUDIT AND RISKS COMMITTEE

Mr MJ Delport (Chairperson)  
Mr NH Hamman  
Ms B Damane  
Mr CJU Swart

### TECHNICAL COMMITTEE

Dr O Curtis (Chairperson)  
Mr AP Barnes  
Mr HM Rossouw  
Mr CJU Swart

### HUMAN RESOURCES AND REMUNERATION COMMITTEE

Mr TE Abrahams (Chairperson)  
Mr HM Rossouw  
Mr BE Mnisi  
Ms EM Palmer

### WATER USE AUTHORISATION COMMITTEE

Mr NH Hamman (Chairperson)  
Mr BE Mnisi  
Dr O Curtis  
Mr TE Abrahams

## APPLICABLE ACTS AND OTHER INFORMATION

This report is submitted in compliance with the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996) read with section 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004), the Public Finance Management Act 1999 (Act 1 of 1999) amended by Act 29 of 1999; the Standards of Generally Recognised Accounting Practice (GRAP), Standards of Generally Accepted Accounting Practice (GAAP); Treasury Regulations, 2001; the Equity Act (Act 55 of 1999) and other applicable Acts and Regulations.





**Mr BE Mnisi (Chairperson)**



**Mr TE Abrahams (Deputy Chairperson)**



**Mr MJ Delpont**



**Dr O Curtis**



**Mr NH Hamman**



**Mr AP Barnes**



**Ms B Damane**



**Mr CJU Swart**



**Ms EM Palmer**



**Mr HM Rossouw**



# MANAGEMENT COMMITTEE



FROM LEFT: Ms Bonita Mdoda (Data Manager), Ms Prudence Mahlaba (Water Use Manager),  
Ms Malehlohonolo Mlabateki (Public Relations & Marketing Officer),  
Mr Jan van Staden (Senior Manager-Water Resources), Mr Phakamani Buthelezi (Chief Executive Officer)



FROM LEFT:  
Mr Gerhard de Bruijn (Finance Manager - Expenditure),  
Mr Langa Twaise, IT/Strategic Support Manager)



FROM LEFT: Ms Zanele Mngoma (Chief Financial Officer), Ms Sylvia Mbombo  
(Performance & Planning Coordinator), Ms Elmarie van Rooyen (Institutional &  
Stakeholder Relations Manager), Mr Ogwang Okoth (Human Resources Manager)



# PERFORMANCE INFORMATION



## 1. WATER RESOURCE PLANNING

Water resources planning includes the initialising of the development of the Breede-Gouritz Catchment Management Strategy ("CMS"), as well as conducting other assessments and actions that supports the monitoring, control and management of water resources in the Water Management Area.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
1.1 Catchment Management Strategy	% of CMS completed	80% of CMS completed (Situational report & visioning report completed)	80%	Planning
1.2 Water Resource Planning Processes	Percentage of land use planning and rezoning applications commented on (letters sent)	80%	83% (average)	
	Number of Water Quality Objective Reports completed	1	Palmiet River, Grabouw	

## 2. WATER USE MANAGEMENT

Water use management includes activities such as licensing, registration of water users, pollution control and ensuring water use compliance and enforcement for the 11 prescribed water uses. The BGCMA highlighted the urgency of fast-tracking the registration and licensing process to address the backlog. The water quality management priority included the registration of waste discharge together with effective resource protection and compliance monitoring.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
2.1 Registered Waste Use	% of Water Registrations finalised	80% of Water registration received will be finalised	38% (average)	<ul style="list-style-type: none"> <li>Capacity (personnel) to attend to the workload is insufficient. In dire need of additional staff.</li> <li>System Functionality and connectivity greatly hindered productivity and was 4 months' before financial year end.</li> <li>The increasing backlog takes up a huge chunk on the production line.</li> </ul>
2.2 Processed Water Use Applications	% of Licenses finalised	85% of licenses finalised	93%	
	% of General Authorisations and enquiries dealt with	100% of General Authorisation queries dealt with	100%	
2.3 Water Use complied with Water use License / General Authorisation conditions	Number of Audit Reports completed for water use compliance	60 Audit Reports completed	60	
2.4 Water Users validation and verified in selected priority catchments	Number of confirmation letters sent	200 confirmation letters sent	205	

### 3. INSTITUTIONAL AND STAKEHOLDER RELATIONS

The BGCMA communicated with stakeholders through various stakeholder forums, awareness drives such as Water Week. Identified Social Responsibility projects were supported and capacity building provided where necessary.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
3.1 Communication with stakeholders	Number of learners reached during water campaigns (Water Week / Land Care etc.)	2250 learners reached during various campaigns	6482	The number of people reached exceeds the planned target because more effort had been made to also reach learners during the course of the year and not only during Water Week.
3.2 Social responsibility projects financially supported	Number of social responsibility projects supported	10	3	Only 3 of the Applications received by the BGCMA qualified and were approved by the Grant Assessment Committee
3.3 Forums maintained	Number of existing water related forums technically and administratively supported	18 Water related Forums maintained	30	The inclusion of the Gouritz WMA and the fact that the BGCMA is now more familiar in the area are the two main reasons why the number of Forums supported were exceeded.

### 4. WATER ALLOCATION REFORM

The BGCMA has prioritised programmes promoting water allocation reform (and equity arrangements) giving assistance to resource-poor farmers, particularly in terms of the DWS subsidy and with license applications.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
4.1 Resource Poor Farmers (RPF) supported	% of RPF technically assisted with water use  Number of RPF assisted with completing financial applications for Government subsidies	100%  30 RPF Financial applications assisted with	100%  35 RWHT	1 x application for Capital Costs and O&M costs  List of 35 RWHT applications submitted to DWS



## 5. RESOURCE PROTECTION

The BGCMA monitored water resources for water quality at 112 monitoring points and assisted with the NEMP monitoring for the DWS. Pollution incidents were acted on timeously to prevent any lasting damage to water resources. The DWS Control, Management and Enforcement unit were provided with assistance. Implementation of Memorandums of Agreement with the Department of Agriculture lead to approximately 240ha of alien invasive plants being removed from water resources as well as the rehabilitation with indigenous species of these sites.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
5.1 Protected Resources	Number of DWS Water Quality monitoring projects sampled	2 DWS monitoring projects will be sampled	1	NMMP – Contract for the CMA/DWS sampling remained unresolved
	Number of BGCMA water quality points monitored	70 Water resource points monitored	103	Incorporation of the Gouritz area.
	Number of River Rehabilitation Projects supported	4 (Breede River)	4 Projects: <ul style="list-style-type: none"> <li>Breede River Project (Wydersdrift)</li> <li>Upper Breede River</li> <li>Breede River Project (N1)</li> <li>Central Breede River Project</li> </ul>	
	% of Reported non-compliance cases dealt with	100% of Reported non-compliant cases dealt with	100%	

## 6. INFORMATION SYSTEMS

The BGCMA has prioritised information acquisition, management and sharing/dissemination as key to its role as the apex water management institution in the WMA. This programme will focus on providing comprehensive and consistent information at an organisational and catchment level, through effectively functioning systems, including interfaces with the DWS information systems where necessary.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
6.1 Information Systems planned and maintained	Enterprise Resource Planning System (SAP) implemented	30% of SAP implementation	30% of the SAP system implementation	
	Electronic Document Management System Implemented?			

## 7. STRATEGIC SUPPORT: FINANCIAL MANAGEMENT

The strategic support of the BGCMA is the backbone of the financial management and administration for the organisation, with the priority of ensuring financial viability through water user charges and effective organisational development.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
7.1 Financial Statutory reporting documents	Percentage of compliance with listed financial reporting prescripts	100%	100%	
	Number of proposed tariffs report submitted complying with pricing strategy	1	1	
7.2 Effective risk management	Number of risk assessment reports	2	2	
7.3 Effective internal controls	Percentage of audit recommendations implemented according to action plan	100%	100%	
	Number of audit strategies developed (internal and external audit)	2	2	

### STRATEGIC SUPPORT: Human Resources Management

The Human Resources is located within the strategic support function of the Agency. Its main function is to plan, co-ordinate and manage the Human Resources function of the Agency through the design, development, formulation, and implementation of policies, procedures and systems in line with all applicable legislations and prescripts. It is further responsible for the provision of accurate and correct human resources advice on a regular basis.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
7.4 Effective organisational development	Number of Human Resources Development Plan (Strategic Plan developed and revised)	Nil	Nil	To be developed & reviewed in the 2017/18 financial year
	Percentage of occupancy rate of approved posts	90%	71%	Cautious approach to recruitment
7.5 Organisational strengthening	Percentage of personal development plans for staff developed	100%	100%	Achieved

## 8. MANAGEMENT AND GOVERNANCE

This programme represents the executive and board management of the CMA, together with the aspects required for good corporate governance and relationships with the Minister as the executive authority and the Department of Water and Sanitation (DWS). The governance priority is to sign and mainstream the Memorandum of Understanding (MoU) with DWS RO and other relevant Chief Directorates into the operation of the CMA together with DWS.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	Planned Targets 2016/2017	Actual Achievement 2016/2017	Comment on deviations
8.1 Strategic Management provided	Percentage of Corporate compliance reports produced	100%	100%	None
	Signing of the Shareholder Compact	1	1	None
8.2 Governance provided	Percentage compliance with non-financial reporting scripts as per the technical descriptive	100%	100%	None
8.3 Social responsibility	Number of corporate social investment programmes implemented	4	4	None
8.4 Institutional cooperation	Number of new agreements signed	2	2	None



# WATER RESOURCE MANAGEMENT



## INTRODUCTION

The Water Resources Management (WRM) unit is responsible for the management and co-ordination of functions performed by the Breede-Gouritz Catchment Management Agency for the implementation of the National Water Act, (Act 36 of 1998) to ensure integrated water resources management in an equitable, efficient and sustainable manner.

The WRM Unit gives effect to the powers and duties as required by the Department of Water and Sanitation (through three main divisions namely the Data Management, Water Use Regulation and Institutional and Stakeholder Relations). The three divisions enhance the efficiency of service delivery to the stakeholders through cooperative actions.

The Data Management division supports water resources management through constant updating and upgrading of water databases such as the Water Use Authorisation and Registration Management System and Geographical and Spatial Information Systems.

The Water Use Regulation division is responsible for, but not limited to, the functions relating to the Water Resource Planning, Water Use Management and Monitoring and Water Use Authorisations.

The Institutional and Stakeholder Relations division is responsible for engagement with stakeholders as well as maintaining and improving Inter-Governmental Relations.

This report discusses the key highlights for the financial year 2016/2017 under the following headings:

1. Water Resources Planning
2. Water Resource Management
3. Institutional and Stakeholder Relations
4. Water Allocation Reform
5. Water Resource Protection

## 1. WATER RESOURCES PLANNING

### Catchment Management Strategy

The process to develop the Breede-Gouritz CMS has been initiated. The CMS has been 80% completed (Planning).

### Land use applications

The BGCMA monitored and managed water resources within the Breede-Gouritz catchment. An average of 83% land use planning and rezoning applications were assessed and commented on within the regulated timeframes.

### Water Quality Objective Reports

The Palmiet River in Grabouw Water Quality Objective Report was finalised.

## 2. WATER USE MANAGEMENT

### Registered Water Use

The target set for the water registrations finalised was 80%. The BGCMA confirmed the water registrations of 38% average on the Water Authorisation and Registration Management System (WARMS), which is 42% less than the target. The three major causes were:

- Capacity (personnel) to attend to the workload is insufficient. The unit is in dire need of additional staff to enable the BGCMA to increase the quantity of registrations confirmed.
- The WARMS system functionality and connectivity greatly hindered productivity and wasted 4 months' before financial year end.
- The additional functions and requests for preference of validated registrations, licenses and General Authorisations, increased backlog as these tasks takes up a huge portion of the work throughput of the unit as a whole.

### Water Use Authorisations

The BGCMA assessed 57 Water Use License Applications of which 53 were presented and recommended by WUAAAC. 1 was deferred and 3 were not finalised within this financial year. This supports the target of 93% being achieved.

The BGCMA reviewed and confirmed 100% of the General Authorisations for water use requests, which is achieving the 100% target.

### Water Use compliance audits

Compliance audits and site visits were conducted during the financial year for 60 cases. This included the investigation into pollution incidents, the follow up on rehabilitation after such incidents and the liaison with the authorities where necessary. Inspections on water users with valid permits/licenses were carried out and are an ongoing process as part of the delegations received by the BGCMA. Areas identified as "pollution hotspots" were included in the current sampling programmes of the BGCMA to increase the monitoring of these areas. This will also enable the BGCMA to be pro-active in timeously mitigating pollution incidents.

### Validation and Verification of water use in selected priority areas

Validation is the process to confirm whether the volume of water registered coincides with the volume of water required for crops cultivated. On the other hand verification is the process to check the lawfulness of the volume of water actually used under previous legislation, so as to clarify the extent of Existing Lawful Use (ELU). The BGCMA further rolled out the Validation and Verification process for targeted quaternaries in the Gouritz Water Management Area. The water use of 205 properties was verified. Applications outside of these areas were also dealt with by the BGCMA staff on an ad-hoc basis.

## 3. INSTITUTIONAL AND STAKEHOLDER RELATIONS

### Stakeholder Engagement, Marketing and Communication

The set target to reach 2250 learners during water campaigns was exceeded during 2016/2017. Actual figure is 6482 of people that were reached through several awareness days and campaigns throughout the year and not only during Water Week activities.

- School Holiday Programmes
- School Water Awareness activities
- Youth Day and Women's Day activities

### Social Responsibility Projects Financially Supported

Three New Social Responsibility Projects were funded. These projects include a community garden project, facilitated by a youth group and supported by a local school. The Trust for Community Outreach Education NGO and Mayibuye Land Rights forum are implementing backyard food gardens, community gardens, nurseries and Aquaponics fishery projects in various towns within the Langeberg and Overberg Municipal areas. Another project focuses on the implementation of food security gardens within an informal settlement benefiting an old age home and ECD. Existing funded Social Responsibility Projects were supported through regular site visits, meetings and advice given where necessary. These existing projects include Overberg Wheelchair Association who focuses on capacitating disabled people by elevating the food gardens, making it possible for people in wheelchairs to work in the gardens.

## Water Related Forums support

The BGCMA provided assistance, support and advice to most water related forums. These forums included community forums, Water User Associations, Inter-governmental Forums, etc. which include the Upper Breede Collaborative Extension Group (UBCEG), Coordinating Committee on Agricultural Water Use (CCAW) and several Steering committees within Local Municipalities. Thirty (30) forums were supported during this financial year.

## 4. WATER ALLOCATION REFORM

The BGCMA gave support to Resource Poor Farmers through knowledge sharing, financial and administrative assistance. During the 2016/2017 financial year, the BGCMA received 1 application for Operation & Maintenance and Capital Cost assistance (DWS Financial Support to RPF Policy). The BGCMA coordinated task team meetings with relevant departments assisted with the application submissions and presented the application at the CCAW. The application was recommended for approval after being presented to the CCAW. A list of 35 rain water harvesting tank applications was submitted to the DWS.

The BGCMA has prioritised programmes promoting water allocation reform (and equity arrangements) giving assistance to resource-poor farmers, particularly in terms of the DWS subsidy and with license applications. 2 Roadshows, in collaboration with Cape Peninsula University of Technology and University of Western Cape, were held for RPFs where the different departments explained their roles and what assistance they can offer to RPFs. A RPF guideline, highlighting the departmental assistance with contact details of responsible officials was developed and distributed to the RPFs for future reference.

## 5 WATER RESOURCE PROTECTION

The National Microbiology Monitoring Programme (NMMP) points were not sampled as the contract issues with the Department of Water and Sanitation remained unresolved.

The BGCMA assisted with the National Eutrophication Monitoring Programme (NEMP) monitoring for the DWS.

A total of 103 Water quality monitoring points were sampled for quality analysis to give effect to the delegation to monitor and manage water resources. These included sampling points for pollution incidents and ad-hoc sampling.

Pollution incidents were acted on timeously to prevent any lasting damage to water resources. The DWS Control, Management and Enforcement unit were provided with assistance where necessary with non-compliance cases. The BGCMA actively assisted with the Department of Water and Sanitation with enforcement cases through initial investigations and confirmations of illegal activities. DWS as the Regulator of water resources is responsible for issuing of directives.

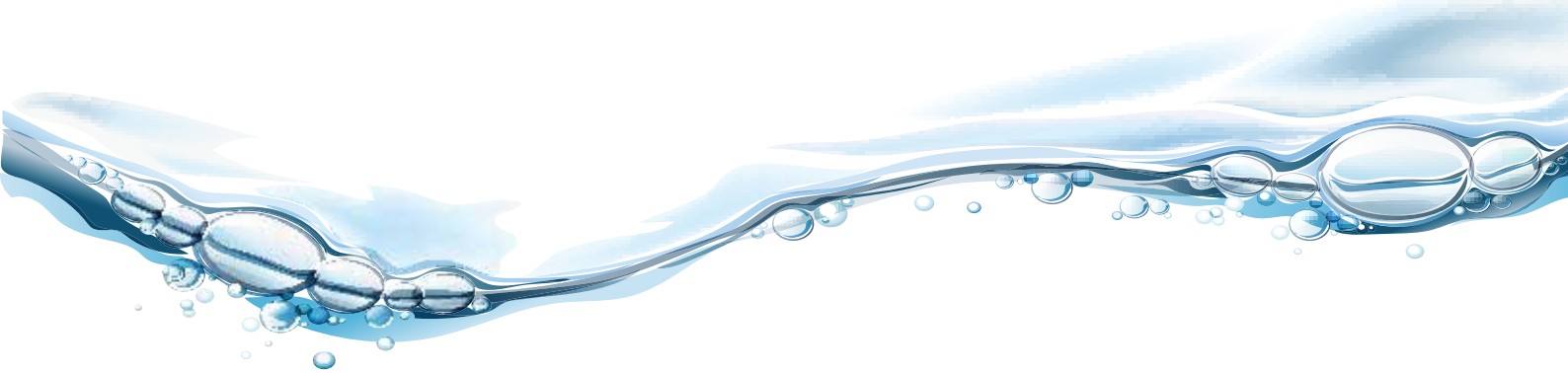
The Alien Clearing and River Rehabilitation programmes initiated in previous financial years continued throughout this financial year in support of the various MOAs with the Department of Agriculture and Water User Associations in the Breede Water Management Area. With the finalisation of this project, a total of 959 hectares of Alien Invasive tree species were removed and similarly through the commitment of the farmers / land owners, the Department of Agriculture and the Department of Environmental Affairs rehabilitated through seeding of the area with indigenous grass and plant species and the planting of indigenous tree species. These projects were successful due to the level of commitment from the aforementioned partners and stakeholders.

The BGCMA initiated the WWF-Casidra Riviersonderend Riparian rehabilitation project in the previous financial year but is proud to advise that this project is continuing on its own with alternative funding.

The BGCMA actively assisted with the Department of Water and Sanitation with enforcement cases through initial investigations and confirmations of illegal activities. DWS as the Regulator of water resources is responsible for issuing of directives, priority of ensuring financial viability through water user charges and effective organisational development.



# HUMAN RESOURCE MANAGEMENT



The Breede-Gouritz Catchment Management Agency (BGCMA) operates in an aggressively competitive and challenging environment regarding human capital acquisition. To respond positively to this challenge, it became imperative that the organisation continue to build its reputation as a preferred employer.

In previous financial years, including the year under review, the most important area of focus in building the organisation as a preferred employer has been to rebuild the basics of human resources (HR). This included among others, reviewing and developing employment policies, strategies, procedures and systems to support business requirement, to be legislatively compliant and to be transformative and tightened organisational Performance Management. There was also a drive to cultivate and create a culture of discipline and accountability within the BGCMA.

The general water sector is faced with finding new ways of competing for skilled talent in a very competitive global economy and the BGCMA is no exception. This is as a result of the “baby boomers” and generation X cohorts, who possess critical skills and expertise, leave the general skills pool and the youthful millennials, who lack experience take over and ready talent therefore continues to pose a serious challenge for the organisation. Available talent within the water sector, whether as employees or independent contractors, is in high demand and it is becoming clear that organisations need talented people more than talented people need organisations. This means that conventional ways of working are becoming less important in favour of greater mobility and flexibility in working arrangements and these are key to decision-making of new recruits on whether to join or not to join an organisation.

The Agency's human resources strategy has been challenged to respond to these issues by raising the bar, innovating and continuing to step outside of traditional roles and proactively seek opportunities to find new systems and processes that strategically impact talent sourcing, development, and retention. The HR strategy has focused on creating and delivering value aligned to the organisation's mandate. The way in which HR responded to the challenges of continually making the Agency the preferred employer for all talents including the critical ones and anchoring the HR basics led to some of the following successes:

- a) Reviewing some of the employment policies;
- b) Improving organisational Performance Management;
- c) The agency has invested and continues to invest substantially in employee development with funding dedicated to training in support of the Agency's mandate.

However, technical skills remain important during the year under review and will continue to be so in the future because the water sector is constantly evolving given the challenges of climate change. Secondly, legislative changes in response to the imbalances of the past in order to address water allocation reform.

The Human Resources as a strategic business partner contributes to the creation, enforcement and inculcation of a high performance culture. The employee life cycle from entry to exit is managed by the human resources. Therefore, it is critical to ensure that there is value proposition for human resource as a service which translates to organisational performance through its human capital.

People are our passion and greatest asset and remain a priority to the BGCMA. The Agency recognises that it is the talent and commitment of each and every individual employee that the BGCMA continues to drive success. The Human Resources unit plays a strategic and cardinal role in ensuring integration and synergy of the human resources activities into the business strategy of the BGCMA. The diagram below shows how the human resources management as a strategic support partner is aligned with and/or to the strategic objectives and business imperatives of the Agency.

Government Gazette Notice No. 37677 of 23 May 2014 established the BGCMA through extending the boundary and area of operation

of the Breede-Overberg Catchment Management Agency (BOCMA) in terms of Section 78(4) of the National Water Act, 1998 (Act No. 38 of 1998). The area of the new entity increased significantly from approximately 20, 000 square kilometres to approximately 72 000 square kilometres. In order to deliver adequate and quality service to such a vast geographical area, the Agency embarked on a business improvement initiative for the year under review. The overall objective is proper alignment of the human capital, business processes and continuity and strategy that is more responsive to the needs of the institution and the entire Water Management Area given the organic growth and development of the Agency.



## THE VALUE OF PEOPLE IN THE AGENCY

People are a key element in achieving the strategic objectives of the Agency. It is through their efforts that the mandate of the Agency is realised and that value-adding services are provided to citizens. In order to ensure sustained improvement in the way the Agency conducts its business, it is important that suitable people with the appropriate skills, competence and understanding of the Water Sector service delivery imperatives, are employed.

Planning for the consistent availability of the appropriate skills, at the right place at the right time is often complex, as the Agency has to contend with increasing budgetary constraints and dire skills shortages especially in the highly technical and specialised occupations. By means of workforce planning, the Agency has identified the current and future workforce needs and flagged the potential challenges that could impact on the achievement of the Agency's strategic objectives. The 21<sup>st</sup> Century workforce is global, highly mobile, connected, technologically savvy, is youthful, ambitious and highly demanding. These dynamics impact on the proper and effective human resources planning and pose challenges in the implementation of the Agency's strategies.

The successful existence of the BGCMA is dependent on the degree to which it is able to attract, acquire, maintain and retain the correct workforce with the right attitude and skills at the right time. In order for the BGCMA to be an employer of choice in a relatively competitive environment and sector, it requires both tactical and long term human resources planning.

## RECRUITMENT

The BGCMA, through its Staffing Policy, has committed to an undertaking of ensuring that all employees and/or people seeking employment regardless of their race, colour, creed, national origin, sex, age, and disability will be treated equitably when it comes to appointments and promotions. This is in line with the Constitution of the Republic of South Africa and the Bill of Rights. The Agency has also made a commitment to establish and follow fair and objective procedure to attract job candidates who have the requisite skills; expertise, qualities, attitudes and potential needed to enable and drive the organisation achieve its objectives. In furtherance of these ideals, the human resources unit facilitated the filling of the available vacant and funded posts during the period under review as informed by table 1 below.

**Table 1:**

Post/s	Post Level/s	Gender		Race	Date of employment
		M	F		
IT Technician	9	M	-	A	01 November 2016
Water Use Officer	Linked to OSD	-	F x 2	A	01 November 2016
Water Use Officer	Linked to OSD	M	-	A	01 December 2016
Executive Secretary (PA) Office of the CEO	7	-	F	A	03 January 2017
		2	3		

NOTE: A= African; C=Coloured; F= Female; M= Male.



It was not easy to fill some of the critical vacancies speedily because some potential applicants were reluctant to take up offered job opportunities and cited the location as their main reasons for declining. Such scarce and critical skills are mainly for the core business of the Agency (Water Resources Management) e.g. Professional Engineers, hydrologists, Geo-hydrologists etc. to assist improve universal access to “quality water for all, forever” and to fast track water allocation reform. Recruitment is an integral function of the human resources Unit in the provision of the requisite human capital.

The year under review, witnessed a staff turnover of two (02) officials which is far below the national water sector average. The Chief Executive Officer is very instrumental in ensuring that the BGCM's recruitment and selection process is aligned to both the Annual Performance Plan (APP) and Strategic Plan which in turn is aligned to the key Government priority areas and the National Development Plan (NDP), vision 2030 and the blue print for South Africa.

## EMPLOYEE VALUE PROPOSITION (EVP)

The critical workforce segment was identified by the business and the EVP model. This will be followed by the creation of an EVP implementation plan which will first be geared towards attracting critical and scarce talent for core business and retaining existing talent in the Agency's critical areas. The talent management strategy of the Agency is focussed on ensuring that its brand and values are reflected in every aspect of the talent management value chain and in every employee experience to maximum attraction and retention of critical talent thereby remaining one of the most attractive employers. Together with improved career progression, the EVP process is benchmarked to the best practice in order to help the Agency create a strong “people brand”. This is critical in order to secure the best talent in an increasingly complex and difficult global talent market.

## PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

South Africa continues to experience the triple challenges of inequality, poverty and very high levels of unemployment together with infrastructure backlog and inequitable access to basic services. To respond to these inequities, government put in place mechanisms and measures to turn the situation around. One of these measures is a performance management instrument and/or system.

Performance management is critical for the effective management of both the individual employee and organisational goals and performance. Organisational performance is the ability of the Agency to use its resources efficiently, to produce outputs that are consistent with its goals and relevant for its clients and stakeholders and in addition, the outputs (results) must lead to the desired outcomes and have the required impact.

The Performance Management Development System (PMDS) Policy framework of the Agency enables the setting of targets aligned to the institution, divisional goals and integrates employee developmental needs. The PMDS Policy framework is not just to drive accountability for the results by the Agency but also acts as leverage on learning and development platform to among others: coaching, mentoring and training of personnel. The PMDS policy framework further dictates and spells out who the role players are and how and when performance bonuses are paid to qualifying employees. Therefore, it is the fulcrum and pivot around which many of the human resources activities rotate.

## WORKPLACE SKILLS PLAN (WSP)

The 2016/17 Workplace Skills Plan (WSP) continued to focus on addressing the skills gaps identified during the crafting of the 2016/17 Performance Agreements as well as the challenges that continue to be posed by the changing world of work and pace of technological advancement. The WSP provides important information to the Energy Sector Education and Training Authority (ESETA) on employee profiles, skills needs and the skills development intervention. The information in turn assists in the development of ESETA's Sector Skills Plan (SSP) which then makes a contribution to the national skills development agenda and the national skills framework for South Africa.

## LEARNING, TRAINING AND DEVELOPMENT

Employee development is crucial and of cardinal importance in any organisation that is positioned for growth and development. The Agency's investment in learning and development activities reflects its commitment to invest in people and to create opportunities for

building depth of technical, operational and other relevant skills. The focus of the BGCMA is to develop the capacity of its workforce in order to meet the demands of the ever changing pace of work as a result of both technological advancement and legislative changes. To this end, the Agency invested tremendous resources in developing its Human Capital in order to have a competitive edge given the turbulent and unpredictable global environment in which organisations operate and the BGCMA is no exception.

The technical nature of our environment makes it imperative for the Agency to prioritise learning, training and development programmes so as to complement and uplift the existing skills within the Agency. Training is provided to all levels of employment within the Agency and is aligned to the skills development priorities of the organisation. The Agency remains committed to ensuring that adequate talent pool is created to enable it to compete favourably and to ensure that it successfully delivers on its mandate.

During the period under review, the BGCMA supported the following officials with bursary schemes in line the Agency's Board approved bursary policy directive as informed by table 2 below:

**Table 2**

Categories of employees	Course	Gender
Full-time employees	Master of Business Management (MBA)	F
	Master of Business Management (MBA)	M
	BA Arts: Supply Chain Management	F
	BSc Honours in Geography	M
	BA Arts: Public Administration	F

NB: F = Female and M = Male

All studies are on part-time basis and it shows the total commitment of the Agency towards the skills development of its workforce. Secondly, it prepares officials for a broader role within the Agency and the country at large as it "leads from the front" in Water Resource Management within the Water Sector locally, nationally and globally. The Agency's ongoing concern is to create the competence and capacity to improve service delivery within the Water Management Area as enshrined in both the APP and Strategic Plan and is further

aligned to the government priority and the National Development (NDP), vision 2030, the blue print for South Africa. In this regard, the Agency's objective is to embed a work ethic that supports ongoing employee education and training in line with key result areas.

The following are the learning and developmental courses undertaken by officials for the period under review, 1 April 2016 to 31 March 2017 as informed by table 3 below:

**Table 3**

Occupational level	Gender	Number of employees	Skills programme & short courses	Conferences & workshops	Total
Senior Management	Female	1	0	1	1
	Male	2	0	4	4
Professionally qualified	Female	32	29	8	37
	Male	13	24	4	28
Unskilled	Female	1	0	0	0
	Male	0	0	0	0
<b>TOTAL</b>		<b>49</b>	<b>53</b>	<b>17</b>	<b>70</b>



## CODE OF CONDUCT

The BGCMA fully subscribes to the King Code of Good Practice and to any governance instrument geared towards good cooperative governance in the organisation. The BGCMA has an approved Code of business conduct and ethics. The aim is to ensure that every employee of the organisation shares the same values and levels of accountability. The Fraud and Prevention Plan Strategy clearly indicates the Agency's stance against fraud, corruption, theft and maladministration. The strategy is applied in conjunction with the Anti-Fraud and Corruption Policy. The Agency has invested heavily in the internal control environment within which the business operates to ensure it is sound and effective for protecting the assets of the organisation, as well as ensuring quality service delivery in line mandate. This initiative is envisaged to extend over a period of three years. It involves business process mapping (standard operating procedure), gap analysis, and risk and control identification and documentation.

Fraud and corruption risk assessment are used to identify potential fraud and corruption risk exposure to the organisation. The process ensures that actions to address the identified fraud and corruption risk exposures are implemented to mitigate and/or reduce the adverse effects on the organisation's performance. These documents are available to all employees who are expected to adhere to and behave in a manner that is consistent with ethical standard of a public servant.

Management is working very hard each year to ensure that ethics and risks are addressed timeously, high ethical standards are upheld and that anti-fraud and corruption continues to be part of the Agency strategy. The essential principals of the code of conduct and ethics feature in most training sessions and risk discussions that are conducted annually. The Chief Executive Officer is a very strong advocate and proponent of a transparent, corrupt free and clean administration. Thus setting the bar and all officials are expected and required to adhere to such strict ethical conduct.

## INTERNAL CONTROLS

The Agency has a number of human resources internal controls to ensure that it complies with statutory and legislative obligations and fiduciary responsibilities. The Agency has appropriate controls in place to identify, place and implement legislative and regulatory frameworks which impact on its operations. The internal controls assist the Agency in identifying, evaluating, mitigating, and monitoring the business risks that the Agency faces during the course of its operations, the exposure to significant risk, and the adequacy of the identification of the risk. Secondly, it assists in reviewing the Agency's risk appetite and

future risk strategy, particularly for operational and reputational risks, and to make recommendations on risk appetite to the Governing Board for it to review the principal risk register and to approve the material changes to the risks. The internal controls enable the review of the risk profile against its risk appetite and strategy and review the drivers of the changes, if any, in the risk profile and their implications as a growing concern to the Agency. The internal controls enable the Agency to evaluate the risk of exposure to fraud, review policies and procedure in place so as to maintain and/or detect fraud, and make recommendations to the Board to enhance such policies and procedures.

## INDUCTION

The new employees were first given general induction during the 2017/2018 Annual Performance Plan (APP) implementation session (integration with the strategic plan) which was conducted on the 23<sup>rd</sup> and 24<sup>th</sup> of January 2017 respectively. All Agency personnel were in attendance as it is a very critical phase in the "awareness campaign" of the APP. The APP is the barometer and yardstick upon which the Agency's performance is measured at the end of the financial year. It is therefore imperative to include and involve all personnel so that everyone is on board as the delivery of the APP is a collective responsibility.

In order to ensure that new employees settled down quickly, become more rapidly productive and are fully integrated into the organisation, they were put through a comprehensive induction programme which covered specific and general functioning and operations of the Agency. Secondly, the induction was carried out to make the new employees avoid the fear commonly associated with failure when one joins a new organisation. Thirdly, new employees were introduced to the work ethics and ethos of the Agency. Fourthly, to assist new employees establish relationship with co-workers including subordinates and supervisors and/or line managers. The Induction was further intended to create a sense of belonging among employees by showing them how their job fits into the overall function of the Agency. During the induction, new employees get acquainted with the goals of the organisation and the preferred means by which organisational goals are achieved. Finally, new employees were inducted on the basic responsibilities of their respective jobs and the required behaviour patterns for effective job performance.

## COMPENSATION AND EMPLOYEE BENEFITS

Compensation is the key in attracting and retaining the best employees while ensuring that the organisation has the competitive edge in an increasingly competitive world of work. Compensation management enables the Agency to control bottom-line expenditures and offer competitive and motivating remuneration and benefits. The remuneration and benefit structure of the BGCMA is aligned with that of the Department of Public Service and Administration (DPSA / General Public Service). The alignment of the Agency's remuneration and associated benefits with that of the general Public Sector (DPSA) enables the Agency to attract, acquire, maintain and retain the much needed human capital to drive the Agency forward.

## HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The BGCMA is committed to safeguarding all its employees against any injury and risk to their health arising from any operations associated with the BGCMA's mandate. The Agency enforces health, safety and environmental standards in the workplace, as prescribed by the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), its regulations and related safe work practices.

The Agency's vision for occupational health and safety of the workplace is zero tolerance to on-the-job fatalities, injuries and diseases. The effective implementation of the Occupational Health and Safety Programmes, Fire Safety Programmes, health and safety policies and awareness programmes assisted in keeping injuries at zero level for the year under review. In combination, these initiatives have resulted in the creation of a conducive work environment. During the 2016/2017 fiscal year, the BGCMA had zero injuries on duty. The Agency was then subsequently issued with a letter of Good Standing in terms of sections: 80, 82, 86 and 89 of the Compensation for Occupational Injuries and Diseases Act, (COIDA) Act 130 of 1993 (as amended) for the year under review. It is for effectively managing injuries on duty at zero level as required by COIDA.

During the year under review, the fire equipment for the entire premises housing the Agency was serviced as per related legislation. Pest control is also well managed and there were no serious reports of infestations in our premises. During the second quarter, the Agency conducted evacuation drills with the sole objective of responding to an emergency in the event of one. No injuries or fatalities were reported during the drill and overall for the year under review.

The BGCMA is committed to creating a healthy work environment for all its employees. Smoking in the Agency building is restricted to designated areas in line with the requirements of the Tobacco Products Control Amendment Act, 1993 (Act No. 83 of 1993). The Agency ensures that its activities and processes do not impact negatively on the environment by complying with the relevant legislation/s, adopting the best health, safety and environmental practices and procedures.

Once more, the BGCMA is happy to report that during the period under review, there were neither accidents nor incidents. This is because occupational health and safety remains a priority to the Agency. The BGCMA however, commemorates International Aids Day, every 01 December annually. It is in solidarity with the rest of South Africa and the International Community on the devastating impact of the HIV/AIDS pandemic. It does so with partners from the health sector, another testimony that the BGCMA cares about the well-being of its workforce.

## POLICY DEVELOPMENT AND AWARENESS

The project of policy formulation and development including procedures and strategies that are relevant to the operations of the business continued during the year under review. The organisation-wide consultation process on most revised and new policies gained momentum during the year under review. Workshops were held on Human Resources policy awareness.

New policies and procedures were developed and others reviewed in order to strengthen the basics of human resources and these included the Staffing Policy, the Human Resources Development (HRD) Policy, the Employment Equity Policy, the HR & Remuneration Committee Charter, the Technical Committee Charter, the Audit and Risks Committee Charter and the Governing Board Charter. The aim of policy development within the BGCMA is fourfold. Firstly, it is to foster accountability, promote good corporate governance in line with the King Code of corporate governance practice. Secondly, to establish a professional effective organisation while providing consistency for its personnel. Thirdly, policy development within the BGCMA helps to prevent ambiguity about how particular situations / issues should be handled within the establishment and finally, policies promote harmony among the staff and the way things are done.

## LOOKING FORWARD

The basics of HR have now been addressed and going forward human resource support will move towards providing significantly strategic support to the business. The focus will be on the professionalisation of the human resources team, the use of information technology to create useful data for decision making, talent development and retention and accelerating the creation of a "virtual learning environment". The Agency aims to revolutionise learning in the organisation through the WSP and building a "Learning Anywhere, Anytime culture". The aim is to provide learning on demand with just-in-time skills sourced and provide improved accessibility to learning and fit-for-purpose effective learning interventions.

While multiple skills are required to successfully build the BGCMA, the focus will be biased towards enhancing strategic capability in the leadership and management levels as well as building critical technical skills to support the core mandate and service delivery imperatives of the Agency. The organisation deliberately continues to predispose itself towards the development and enhancement of critical skills in areas of the business. The BGCMA will continue strengthening the core function of the Agency in support of mandate.

## HUMAN RESOURCES OVERSIGHT STATISTICS:

**Table 4: Training Costs**

Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel cost	No. of employees trained	Average training cost per employee
HR	1 937 845	35 605	1.8	2	17 802.50
Finance	6 150 560	58 504	1.0	7	9 176
WRM	13 817 642	47 041	1.5	17	6 847
IT	1 282 765	00.00	0.0	00	0.0
CEO's Office	3 298 527	100 745	3.0	3	33 581.60
ISRM	3 169 476	51 160	1.6	5	10 231.80

**Table 5: Employment and Vacancies**

Programme	No. of employees beginning FY	Approved post	No. of employees end of FY	% of vacancies
Senior Management	3	3	3	100%
Professionally qualified	42	65	44	68%
Unskilled	1	1	1	100%
<b>Total</b>	<b>46</b>	<b>69</b>	<b>49</b>	

**Table 6: Employment Changes**

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Senior Management	3	Nil	Nil	03
Professionally qualified	42	5	2	45
Unskilled	1	Nil	Nil	01
<b>Total</b>	<b>46</b>	<b>5</b>	<b>2</b>	<b>49</b>

**Table 7: Reasons for staff leaving**

Reason	Number	% of total no. of staff leaving
Death	Nil	Nil
Resignation	2	4%
Dismissal	Nil	Nil
Retirement	Nil	Nil
Ill health	Nil	Nil
Expiry of contract	Nil	Nil
Other	Nil	Nil
<b>TOTAL</b>	<b>2</b>	<b>4%</b>



**Table 8: Employment Equity Status**

Current Employment Equity				Data						
	BF	BM	CF	CM	IF	IM	WF	WM	Total number of staff	
CEO		1								
CFO	1									
Senior Manager : WR								1		
IT / strategic Support Manager		1								
IT Technician		1								
Performance & Planning Coordinator	1									
Executive PA to CEO	1									
Human Resources Manager		1								
Human Resources Admin	2									
Finance Manager: Expenditure								1		
Finance Officer: Expenditure	1		1							
Finance Officer: Revenue	2									
Payroll Clerk	1									
Finance Administration Clerk	1									
Administration Officer	2									
Data Manager	1									
ISR Manager							1			
Water Liaison Officer x 2		1	1							
Principal Water Liaison Officer			1							
Principal Data Capturer				1						
Data Capturer X 4	2		2							
Water Data (GIS) Officer	1									
Water Use Specialist X 4				2			1	1		
Water use Officer X 8	4	3		1						
Water Licensing Clerk	1						1			
PR & Marketing Officer	1									
Receptionist			1							
Cleaner	1									
Geohydrologist		1								
Water Use Manager	1									
<b>TOTAL</b>	<b>24</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>49</b>	

Note: BF = Black Females; BM=Black Males; CF=Coloured Females; CM=Coloured males; IF=Indian Females; IM=Indian Males; WF=White Females; WM=White Males

# ANNUAL FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT

## Independent auditor's report to the Accounting Authority of the Breede-Gouritz Catchment Management Agency

### Report on the audit of the financial statements

#### Opinion

1. We have audited the financial statements of the Breede-Gouritz Catchment Management Agency set out on pages 47 to 70, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Breede-Gouritz Catchment Management Agency as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standard of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999)(PFMA).

#### Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.
4. We are independent of the entity in accordance with the Independent Regulatory Board for Auditors' Code of professional conduct for registered auditors (IRBA code) and other independence requirements applicable to performing audits of the financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (parts A and B).

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the accounting authority

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.



## Report on the audit of the annual performance report

### Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA) and the general notice issued in terms thereof we have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. We performed procedures to identify findings but not to gather evidence to express assurance.
11. Our procedures address the reported performance information which must be based on the approved performance planning documents of the entity. We have not evaluated the completeness and appropriateness of the performance indicators/measures established and included in the planning documents. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information relating to future periods that may be included as part of the reported performance information. Accordingly our findings do not extend to these matters.
12. We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the Performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2017:

Programmes	Pages in the annual report
Programme 1 – Water resources planning	16
Programme 2 – Water use management	17
Programme 3 – Institutional Stakeholders relations	18
Programme 4 – Water allocation reform	18
Programme 5 – Resources protection	19

13. We performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were

measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. We did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 1 – Water resources planning
  - Programme 2 – Water use management
  - Programme 3 – Institutional Stakeholders relations
  - Programme 4 – Water allocation reform
  - Programme 5 – Resources protection

### Other matters

15. We draw attention to the matter below. Our opinions are not modified in respect of this matter.

### Achievement of planned targets

16. Refer to the annual performance report on pages 1 to 6 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof we have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance. We did not identify any material findings on compliance with legislation.

### Other information

18. The Breede-Gouritz Catchment Management Agency's accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the chief executive officer's report. The other information does not include the financial statements, the auditor's report thereon and those selected

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

19. Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.
20. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### Internal control deficiencies

21. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with legislation, however the objective is not to express any form of assurance thereon. We did not identify any significant deficiencies in internal control.

### Auditor tenure

22. In terms of the IRBA rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Breede-Gouritz Catchment Management Agency for 9 years.



**Nexia SAB&T**

**Registered Auditors**

**Per Director: Myburgh Wessels**

**31 July 2017**



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## Annexure – Auditor’s responsibility for the audit

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the entity’s compliance with respect to the selected subject matters.

### Financial statements

In addition to our responsibility for the audit of the financial statements as described in the auditor’s report, we also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
- conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation

of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Breede-Gouritz Catchment Management Agency’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a entity to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also confirm to the accounting authority that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence, and where applicable, related safeguards.

## GENERAL INFORMATION

<b>Type of entity</b>	Schedule 3A Public Entity
<b>Governing board members</b>	Mr BE Mnisi (Chairperson) Mr TE Abrahams(Deputy-Chairperson) Mr NH Hamman Mr AP Barnes Dr O Curtis Ms B Damane Mr MJ Delport Ms EM Palmer Mr HM Rossouw Mr CJU Swart Mr TE Abrahams Mr P Buthelezi (Chief Executive Officer, Ex Officio member) Mr K Masindi (DWS Ex Officio member)
<b>Registered office</b>	Breede-Gouritz CMA 51 Baring Street Private Bag X3055 Worcester 6850
<b>Business address</b>	Breede-Gouritz CMA 51 Baring Street Worcester 6850
<b>Postal address</b>	The Chief Executive Officer Breede-Gouritz CMA Private bag X3055 Worcester 6850
<b>Bankers</b>	ABSA Bank Limited
<b>Auditors</b>	Nexia SAB&T Chartered Accountants (SA) Registered Auditors



# STATEMENT OF RESPONSIBILITY AND APPROVAL

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In accordance with the National Water Act 36 of 1998, and Public Finance Management Act, Act 1 of 1999, as amended the Board is required to prepare annual financial statements that comply with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) and the Public Finance Management Act (PFMA).

The Accounting Authority is responsible for ensuring that complete, accurate and reliable accounting records for the basis of preparing annual financial statements. The financial statements include judgements and estimates that are reasonable and prudent, made by management, reviewed and accepted by the Board. The Board also ensures that accounting policies are appropriate to the agency's circumstances. In order to achieve this objective, the Board rely on the system of internal controls set up and maintained by management.

These controls are monitored throughout the agency and all employees are required to maintain the highest ethical standards in ensuring that the agency business is conducted in a manner in all reasonable circumstances above reproach.

The Board is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Accounting Authority have reviewed the agency's cash flow forecast for the year to March 31, 2017 and, in the light of this review and the current financial position, they are satisfied that the agency has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the agency's annual financial statements. The annual financial statements have been examined by the agency's external auditor and their report is presented on pages 38 to 40.

The annual financial statements set out on pages 47 to 70, which have been prepared on the going concern basis, were approved by the Audit and Risks Committee together with the Board of directors and were signed.



**MR B.E MNISI**

Chairperson



**Phakamani Buthelezi**

Chief Executive Officer

# REPORT OF THE ACCOUNTING AUTHORITY

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The members of the Governing Board submit their report for the year ended 31 March 2017.

## 1. Review of activities

### Main business and operations

The Breede-Gouritz Catchment Management Agency is responsible for the integrated management of the water resource in the Breede-Gouritz Catchment Management Area (BGCMA).

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

## 2. Going concern

The Board believes that the agency has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The Board is satisfied that the agency is in a sound financial position and that it has access to sufficient resources to meet its foreseeable cash requirements. The Board is not aware of any new material changes that may adversely impact on the agency. The Board is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the agency.

## 3. Events after the reporting period

The members are not aware of any matter or circumstance arising since the end of the financial year.

## 4. Governing Board

The members of the Governing Board during the year and to the date of this report are as follows:

Mr BE Mnisi (Chairperson)

Mr TE Abrahams (Deputy Chairperson)

Mr AP Barnes

Mr NH Hamman

Dr O Curtis

Ms B Damane

Mr MJ Delport

Ms EM Palmer

Mr HM Rossouw

Mr CJU Swart

Mr P Buthelezi (Chief Executive Officer, Ex Officio member)

Mr K Masindi (DWS Ex Officio member)

## 5. Auditors

Nexia SAB&T has been appointed as auditors in accordance with Section 25 of the Public Audit Act.

# REPORT OF THE AUDIT & RISKS COMMITTEE

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We are pleased to present our report for the financial year ended 31 March 2017

## Audit Committee terms of reference

The Audit and Risks Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act 1 of 1999, as amended and Treasury Regulations 27.1 and that it has adopted formal terms of reference as its Audit Committee charter that has been approved by the Board.

## Audit Committee Responsibility

The Audit and Risks Committee reports that it has adopted an appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## Statutory duties

The committee's role and responsibilities include statutory duties as per the PFMA, Act 1 of 1999 and the further responsibilities assigned to it by the Board. The Committee is satisfied that it complied with its legal, regulatory and other responsibilities.

## External auditor appointment and independence

The Committee ensured that the appointment of external auditors complied with the applicable legislation relating to the appointment of auditors. The Committee in consultation with management agreed to the budgeted audit fees for the 2017 financial year.

## Internal Financial Controls

The Audit and Risks Committee is satisfied that internal controls and systems have been in place and that these controls have functioned effectively during the period under review. The committee has overseen a process by which internal audit has performed audits according to a risk audit plan where the effectiveness of risk management and internal control systems including financial internal controls were evaluated. The findings of the evaluations formed the basis for the Committee's recommendation in this regard to the Board, in order for the Board to report thereon as well as through discussions with external audit on the result of their audits that an adequate system of internal control is being maintained to:

- Reduce the risk to an acceptable level
- Meet the business objectives
- Ensure the assets are adequately safeguarded and
- Ensure that the transactions undertaken are all recorded in the Agency's records.

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Agency during the year under review.

## Internal Audit

In line with the PFMA, and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit and Risks Committee and management with assurance that internal controls are appropriate and effective. The Committee is responsible for ensuring that Agency's internal audit function is independent and has the necessary resources, standing and authority within the Agency to enable it to discharge its duties. Furthermore, the Committee oversees cooperation between internal and external auditors and serves as a link between the Board and these functions.

## REPORT OF THE AUDIT & RISKS COMMITTEE (CONTINUED)

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The Committee considered and approved the internal audit charter. The internal audit plan and three year strategic plan were approved by the Committee. The internal audit function reports administratively to the Chief Executive Officer and functionally to the Audit and Risks Committee and has responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all the agency's operations.

From the various reports of the internal auditors, it was noted that no matters were reported that indicate any material deficiencies in the systems of internal controls.

### Governance of risk

The Committee oversees the implementation of the policy and plan for risk management taking place by means of risk management systems and processes. The Committee is satisfied that appropriate and effective systems are in place for risk management.

The Audit and Risks Committee permits the appointed external auditors, Nexia SABT, to audit the agency's annual financial statements.

The Accounting Authority have reviewed the agency's financial statement for the year ended March 31, 2017 and, in the light of this review and the current financial position, they are satisfied that the agency has access to adequate resources to continue in operational existence for the foreseeable future. The committee recommended that the financial statements be approved by the board of directors which will take place on the 28th July 2017.



### Thys Delport

Chairperson of the Audit and Risks Committee

Audit and Risks Committee members:

Ms Bulelwa Damane

Mr Corniè Swart

Mr N. Hamman



# STATEMENT OF FINANCIAL POSITION

## AS AT 31 MARCH 2017

	Note(s)	2017	2016
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	5 169 548	4 452 722
Intangible assets	3	445 625	839 915
		<b>5 615 173</b>	<b>5 292 637</b>
Current Assets			
Trade and other receivables	4	213 607	156 489
Cash and cash equivalents	5	1 077 788	5 421 184
		<b>1 291 395</b>	<b>5 577 673</b>
<b>Total Assets</b>		<b>6 906 568</b>	<b>10 870 310</b>
<b>Net Assets and Liabilities</b>			
Net Assets			
Accumulated surplus		2 988 593	8 362 579
<b>Liabilities</b>			
Current Liabilities			
Operating lease liability	6	172 073	48 445
Other payables	7	3 745 902	2 459 286
		<b>3 917 975</b>	<b>2 507 731</b>
<b>Total Net Assets and Liabilities</b>		<b>6 906 568</b>	<b>10 870 310</b>

# STATEMENT OF FINANCIAL PERFORMANCE

## FOR THE YEAR ENDED 31 MARCH 2017

	Note(s)	2017	2016
Revenue	8	47 876 000	23 365 608
Other income	9	25 820	326 849
Operating expenses	10	(53 888 103)	(38 383 853)
<b>Operating (deficit)/surplus</b>		<b>(5 986 283)</b>	<b>(14 691 396)</b>
Interest income	11	612 297	1 071 340
<b>(Deficit)/Surplus for the year</b>		<b>(5 373 986)</b>	<b>(13 620 056)</b>

# STATEMENT OF CHANGES IN NET ASSETS

## FOR THE YEAR ENDED 31 MARCH 2017

	Accumulated surplus	Total net assets
<b>Balance at 1 April 2015</b>	<b>21 982 635</b>	<b>21 982 635</b>
Deficit for the year	(13 620 056)	(13 620 056)
<b>Balance at 31 March 2016</b>	<b>8 362 579</b>	<b>8 362 579</b>
Deficit for the year	(5 373 986)	(5 373 986)
<b>Balance at 31 March 2017</b>	<b>2 988 593</b>	<b>2 988 593</b>

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2017

	Note(s)	2017	2016
<b>Cash flows from operating activities</b>			
Cash receipts from the Department of Water and Sanitation		47 876 000	23 365 608
Cash paid to suppliers and employees		(50 529 112)	(36 408 763)
Cash utilised from operations	14	(2 653 112)	(13 043 155)
Interest income		612 297	1 071 340
Other Income		25 820	3 756
<b>Net cash from operating activities</b>		<b>(2 014 995)</b>	<b>(11 968 059)</b>
<b>Cash flows from investing activities</b>			
Proceeds from assets sold (motor vehicles)		-	323 093
Purchase of property, plant and equipment	2	(2 269 393)	(4 573 811)
Purchase of intangible assets	3	(59 008)	(931 611)
<b>Net cash from investing activities</b>		<b>(2 328 401)</b>	<b>(5 182 329)</b>
<b>Total cash movement for the year</b>		<b>(4 343 396)</b>	<b>(17 150 398)</b>
Cash at the beginning of the year		5 421 184	22 571 582
<b>Total cash at end of the year</b>	5	<b>1 077 788</b>	<b>5 421 184</b>

# STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS

## FOR THE YEAR ENDED 31 MARCH 2017

	Approved Budget	Final Budget	Actuals	Variance Budget vs Actual
<b>RECEIPTS</b>				
Government Grant	47 876 000	47 876 000	47 876 000	-
Interest Received	-	-	612 297	612 297
Other Income	-	-	25 820	25 820
<b>TOTAL RECEIPTS</b>	<b>47 876 000</b>	<b>47 876 000</b>	<b>48 514 177</b>	<b>638 117</b>
<b>PAYMENTS</b>				
Employee Costs	25 560 000	25 560 000	30 345 286	(4 785 286)
General Expenses	2 200 000	2 200 000	1 778 209	421 791
Hiring and Rentals	1 633 020	1 633 020	1 831 548	(198 528)
Staff Training and Conferences	725 500	725 500	348 805	376 695
Professional Fees	2 892 500	2 892 500	2 559 775	332 725
IT Expenses	963 827	963 827	460 182	503 645
Project Expenses	5 538 000	5 538 000	4 734 377	803 623
Traveling and Accommodation	1 509 000	1 509 000	3 264 366	(1 755 366)
Public Participation & Engagement	2 831 980	2 831 980	6 032 912	(3 200 932)
Vehicle Costs	360 000	360 000	150 004	209 996
Board and Committee Costs	1 040 000	1 040 000	376 772	663 228
Depreciation	-	-	2 005 867	(2 005 867)
<b>TOTAL PAYMENTS</b>	<b>45 253 827</b>	<b>45 253 827</b>	<b>53 888 103</b>	<b>(8 634 276)</b>
<b>CAPITAL EXPENDITURE</b>	<b>2 622 173</b>	<b>2 622 173</b>	<b>2 328 401</b>	<b>293 772</b>
<b>TOTAL CASH FLOW</b>	<b>47 876 000</b>	<b>47 876 000</b>	<b>56 216 504</b>	<b>(8 340 504)</b>
<b>NET PAYMENTS</b>	<b>-</b>	<b>-</b>	<b>(7 702 327)</b>	<b>(7 702 387)</b>
<b>NET PAYMENTS EXCLUDING CAPITAL EXPENDITURE</b>			<b>(5 373 926)</b>	<b>(7 408 615)</b>



# STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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The following material differences were identified during the financial year.

As a result of not including the figures below in the annual budget, it represents variances:

- Interest received R612 297
- Other Income R25 820
- Depreciation R2 005 867

### **Travel and Accommodation:**

- Variance is 116.33%. The reclassification of staff subsistence and travel claims as travel expenses instead of remuneration resulted in an over expenditure.

### **Public Participation and Engagement:**

- Variance is 113.03%. Additional expenses were incurred in the supply of grants to various organisations that were not budgeted for as well as the supply of water tanks to under privileged communities that were not provided for in the budget.

### **Staff Training and Conferences:**

- Variance is -51.92% This represents a saving as fewer training sessions and conferences were attended than planned. Staff members apply for training courses and less applications were received than anticipated.

### **IT Expenses:**

- Variance is -52.25%. This represents a saving because of the fact that provision was made for the obtaining of software, that did not materialise as a result of incorporating the SAP system.

### **Vehicle costs**

- Variance is -58.33% This represents a saving as less traveling were done than expected. The estimation of traveling and fuel costs were calculated too high.

### **Board and Committee costs**

- Variance is -63.77% This represents a saving as remuneration of board members were changed to stipend.

# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017

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### 1. BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), including any interpretations of such statements issued by the Accounting Practices Board.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention.

The policies used in preparing the financial statements are consistent with those of the previous year, unless otherwise stated. The details of any change in accounting policies are explained in the relevant notes to the financial statement.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The cash flow statement has been prepared in accordance with the direct method. The amount and nature of any restrictions on cash balances are disclosed.

#### 1.1 PRESENTATION CURRENCY

The functional currency of the agency is the South African Rand (R). These annual financial statements are presented in South African Rand and all amounts have been rounded to the nearest rand.

#### 1.2 GOING CONCERN ASSUMPTION

These annual financial statements are prepared on a going concern basis. Funding has been approved by the Department of Water and Sanitation for the following financial year. The Strategic plan for the next five years until 2021 has been approved by National Treasury.

#### 1.3 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. When accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

#### 1.4 REVENUE

##### 1.4.1 Revenue from Non-Exchange Transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners. Exchange transactions are transactions in which one entity receives assets or service, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is 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. Grants, transfers and donations 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 donations conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached, is recognised as revenue when the asset is recognised.

# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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An asset acquired through non-exchange will be measured at its fair value. At the date of acquisition where there is a condition attached to the assets a liability should be recognised at the best estimates of the amount required to settle the present obligation at the reporting date.

### 1.5. FINANCIAL INSTRUMENTS

#### 1.5.1 Initial Recognition and Measurement

Financial instrument are recognised initially when the group becomes a party to the contractual provision of the instruments. This is achieved through the application of trade date accounting.

The Agency classified financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or residual interest in accordance with the substance of the contractual arrangement.

For financial instruments which are not at fair value, transaction costs are included in the initial measurement of the instrument.

Trade and other receivables that have fixed and determinable payments that are not quoted in an active market are classified as loans and receivables.

#### 1.5.2 Trade and other receivables

Trade and receivables are initially recorded at fair value plus transactions costs that are directly attributable to the acquisition and subsequently stated at amortised costs, less provision for impairment. All trades and other receivables are assessed at least annually for possible impairment. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value expected cash flows. Impairment adjustments are made through the use of an allowance account. Bad debts are written off in the year in which they are identified as irrecoverable.

#### 1.5.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

#### 1.5.4 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 costs, using the effective interest rate method.

#### 1.5.5 Impairment of financial assets

The agency assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the agency estimates the recoverable amount of the asset. 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 an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds recoverable amount. Impairment losses are recognised in the statement of financial performance. The impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

### 1.5.6 Derecognition

A financial asset is derecognised at trade date, when:

The cash flow from the asset expired are settled or waived;

- i) Significant risks and rewards are transferrable to another party.

## 1.6 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are tangible non-current assets that are held for use in the production or supply of goods or service, for rental to others or for administrative purposes; and are expected to be used during more than one period.

### 1.6.1 Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset when

- it is probable that future economic benefits associated with the item will flow to the Agency;
- and the cost of the item can be measured reliably.

In determining recognition, the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence at the time of initial recognition is assessed and the exchange transaction evidencing the purchase of the asset identifies its cost.

### 1.6.2 Initial Measurement

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at its 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 at no cost, or for nominal cost, its cost is its fair value as at the date of acquisition.

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.

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). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

### 1.6.3 Subsequent Measurement – Cost Model

Subsequent to initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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### 1.6.4 Depreciation

Depreciation is charged to the profit and loss on a straight-line basis over the estimated useful life of each item of property, plant and equipment. The depreciation method used shall reflect the pattern in which the asset's economic benefits or service potential is consumed by the entity. The depreciation charge for each shall be recognised as an expense unless it is included in the carrying amount of another asset.

Depreciation is provided using the straight-line method to write down the cost, less initial estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Rate per annum
Furniture and fixtures	16.67%
Motor vehicles	20.00%
Office equipment	16.67%
IT equipment	33.33%
Leasehold improvements	20.00%
Security System	20.00%
Scientific Equipment	20.00%

The residual value and the useful life of each asset are reviewed at each financial period-end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately over its useful life.

### 1.6.5 Impairment

All the Agency's items of property, plant and equipment are considered to be non-cash generating assets as no commercial return is generated from these assets.

The carrying amounts of assets are reviewed at each reporting date to determine whether there is an indication of impairment. If there is an indication that an asset may be impaired, its recoverable service amount is estimated. The estimated recoverable service amount is the higher of the asset's fair value less cost to sell and its value in use. When the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. The reduction is an impairment loss.

The value in use is determined through depreciated replacement cost, restoration cost approach or service units approach. The decision to the approach to use is dependent on the nature of the identified impairment.

The impairment loss is recognised immediately in the Statement of Financial Performance. After the recognition of an impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value if any, on a systematic basis over its remaining useful life.

### 1.6.6 Derecognition

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 assets. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the statement of financial performance 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.



# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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### 1.7 INTANGIBLE ASSETS

#### 1.7.1 Initial Recognition

Intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the assets will flow to the entity and
- the cost of the asset can be measured reliably.

The entity has no internally generated intangible assets.

#### 1.7.2 Initial Measurement

Intangible assets are initially measured at cost.

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs associated with researching or maintaining computer software programmes are recognised as an expense as incurred.

Where an intangible asset is acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Amortisation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use.

#### 1.7.4 Amortisation

Amortisation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Rate per annum
Computer Software	50.00%

Intangible assets are considered to have finite useful lives. Amortisation begins when the asset is available for use.

#### 1.7.5 Impairment

All items of intangible assets are considered to be non-cash generating assets as no commercial return is expected from these.

The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the Statement of Financial Performance.

# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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### 1.7.6 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as a difference between the net sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## 1.8 LEASES

A lease where the Agency assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

### 1.8.1 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 liability. This liability is not discounted.

## 1.9. EMPLOYEE BENEFITS

### 1.9.1 Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

An accrual is recognised for the amount expected to be paid under short-term cash benefits if the entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

The liability for employee entitlements to wages, salaries and annual leave represents the amount which the entity has a present obligation to pay as a result of employees' services provided to the Statement of Financial Position date. The liability has been calculated at undiscounted amounts based on current wage and salary rates.

### 1.9.2 Long term employee benefits

Long term service award e.g. one lump sum amount and long service award certificate will be given to the employee depending on the number of years as stipulated on the policy.

### 1.9.3. Defined Contribution plans

The Breede-Gouritz Catchment Management Agency provides retirement benefits to all qualified employees. A number of defined contribution pension funds, all of which is subject to the Pension Fund Act exist for this purpose. The Breede-Gouritz Catchment Management Agency is under no obligation to cover any unfunded benefits.

The contributions of the fund obligations for the payment of the retirement benefits are charged against the statement of financial performance in the year they become payable.

# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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### 1.10 PROVISIONS

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

### 1.11 USE OF ESTIMATES JUDGEMENTS AND ASSUMPTIONS

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates and assumptions are recognised in the period of which the estimate and assumption is revised.

Information about assumptions and estimation uncertainties that may have significant risk of resulting in a material adjustment within the next financial year includes:

#### 1.11.1 Useful lives and residual values

The useful lives and residual values of property, plant and equipment as well as the useful lives of the intangibles are reviewed at each reporting date. The useful lives are estimated, by management, based on historic analysis and other available information. The residual values are estimated based on useful lives as well as other available information.

Property, plant and equipment, is depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values.

#### 1.11.2 Fair value

Fair value measurement estimates the price at which an orderly transaction to the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

#### 1.11.3 Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transactions costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value expected "cash flows". Impairment adjustments are made through the use of an allowance account. Bad debts are written off in the year in which they are identified as irrecoverable.

# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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### 1.11.4 Budget Information

Variances of 20% or more between budget and actual amounts or quantitative material variances are regarded as material. All material differences are explained in the notes to the annual financial statements.

### 1.12 GRAP Standards issued but not yet effective

The following GRAP Standards have been issued but are not yet effective and have not been early adopted by the entity:

#### GRAP 20 Related Party Disclosures

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Preliminary investigations indicate that the impact on the financial statements will be minimal as the entity is applying similar principles as the related party.

#### GRAP 108 Statutory Receivables

This Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. Preliminary investigations indicate that the impact on the financial statements will be minimal.

### 1.13 Budget information

The annual budget figures have been prepared in accordance with the applicable GRAP standards, and are consistent with the accounting policies adopted by the entity for the preparation of these financial statements. The amounts are presented as a separate additional financial statement, named the Statement of Comparison of Budget and Actual amounts. Explanatory comments are provided in the primary statement of the annual financial statements, firstly stating reasons for overall growth or decline in the budget, and, secondly, motivating overspending or underspending on line items. The annual budget figures included in the financial statements are for the entity. These figures are those approved by the Board both at the beginning and during the year.

The preparation of budget information is performed on the accrual basis.

### 1.14 Related parties

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. All individuals at the level of Executive Officer and Executive Managers are regarded as key management.

Close members of the family of a person in key management are considered to be those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Related party disclosures are provided in respect of transactions and balances with identified related parties, other than transactions that would occur within a normal supplier or client relationship, on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances.

# ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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### 1.15 Unauthorised Expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government or organ of state and expenditure in the form of a grant that is not permitted. Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expenditure was incurred, and where recovered, it is subsequently accounted for as income in the Statement of Financial Performance.

### 1.16 Irregular Expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial period and which was condoned before year end or before finalisation of the annual financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the accounting authority must be recorded appropriately in the irregular expenditure register. If a liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting authority/ accounting officer may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme / expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the expenditure register.

### 1.17 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was incurred, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

## 2. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Furniture and fittings	1 895 885	(993 350)	902 535	1 344 500	(841 732)	502 768
Scientific Equipment	178 252	(82 418)	95 834	68 447	(49 054)	19 393
Motor vehicles	2 423 051	(629 959)	1 793 092	2 423 051	(153 129)	2 269 922
Office equipment	525 057	(224 270)	300 787	315 121	(147 015)	168 105
IT equipment	4 055 873	(2 415 139)	1 640 734	2 754 632	(1 709 337)	1 045 295
Leasehold improvements	689 936	(253 370)	436 566	582 379	(135 141)	447 239
Security System	-	-	-	10 531	(10 531)	-
<b>Total</b>	<b>9 768 054</b>	<b>(4 598 506)</b>	<b>5 169 548</b>	<b>7 498 661</b>	<b>(3 045 939)</b>	<b>4 452 722</b>

### Reconciliation of property, plant and equipment

	Opening Balance	Write off	Additions	Depreciation	Total
<b>2017</b>					
Furniture and fittings	502 768	-	551 385	(151 619)	902 535
Scientific Equipment	19 393	-	109 805	(33 364)	95 834
Motor vehicles	2 269 922	-	-	(476 831)	1 793 092
Office equipment	168 105	-	209 936	(77 254)	300 787
IT equipment	1 045 295	-	1 301 241	(705 802)	1 640 734
Leasehold improvements	447 239	-	97 026	(107 699)	436 566
<b>Total</b>	<b>4 452 722</b>	<b>-</b>	<b>2 269 393</b>	<b>(1 552 568)</b>	<b>5 169 548</b>
<b>2016</b>					
Furniture and fittings	157 039	-	456 800	(111 071)	502 768
Scientific Equipment	31 942	-	-	(12 999)	19 393
Motor vehicles	33 003	-	2 402 751	(165 832)	2 269 922
Office equipment	154 975	(12 357)	48 964	(23 476)	168 105
IT equipment	148 317	-	1 209 661	(312 683)	1 045 295
Leasehold improvements	7 913	-	455 635	(16 309)	447 239
Security system	261	-	-	(261)	-
<b>Total</b>	<b>533 450</b>	<b>(12 357)</b>	<b>4 573 811</b>	<b>(642 630)</b>	<b>4 452 722</b>

There are no restrictions or plant, property and equipment pledged as securities.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 3. INTANGIBLE ASSETS

	2017			2016		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Software ArcGIS Server	990 629	545 004	445 625	931 621	91 706	839 915

#### Reconciliation of Intangible assets

	Opening Balance	Additions	Amortisation	Total
<b>2017</b>				
Software ArcGIS Server	839 915	59 008	453 298	445 625
<b>2016</b>				
Software ArcGIS Server	-	931 611	91 706	839 915

Amortisation of intangible assets is included under depreciation in the statement of financial performance. No intangible assets are pledged as security. The above intangible asset will be depreciated within its useful life.

### 4. TRADE AND OTHER RECEIVABLES

	2017	2016
Prepayment on Rent	151 782	94 665
Property rental deposit	59 525	59 525
	<b>211 307</b>	<b>154 190</b>

The fair value of trade and other receivables approximate their carrying values. The carrying amount of these receivables approximate fair value due to the short period to maturity of these instruments.

Recoverable Debtors	2 299	2 299
	<b>213 606</b>	<b>156 489</b>

These debtors comprise the National Microbial Monitoring Programme which is undertaken on behalf of The Department of Water and Sanitation. The Department of Water and Sanitation compensates the agency only expenses 'mileage' incurred during this monitoring. This National Monitoring Programme mostly monitors 'raw' water quality in rivers and dams.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Petty cash  
Bank balances

2017	2016
2 211	937
1 075 578	5 420 247
<b>1 077 789</b>	<b>5 421 184</b>

Cash and cash equivalents comprise of cash held and short-term deposits. The carrying amount of these assets approximates their fair value.

### 6. OPERATING LEASE LIABILITY

Lease liability

172 073	48 445
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### 7. OTHER PAYABLES

Payables  
Accrued Leave pay  
Staff bonus accrual

2 513 750	1 898 657
15 032	287 404
517 120	273 225
<b>3 745 902</b>	<b>2 459 286</b>

The fair value of trade and other payables approximate their carrying values. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments. Staff performance bonus for the year 2016 has been adjusted to the actual amount incurred during that period.

### 8. REVENUE

Revenue relates to non-exchange transactions.  
Grants received

47 876 000	23 365 608
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### 9. OTHER INCOME

Other income relates to exchange transaction.  
Profit with sale of asset  
Other Income

-	323 093
25 820	3 756
<b>25 820</b>	<b>326 849</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 10. OPERATING EXPENSES

Operating expenses includes the following:

Premises - Lease and rental expenses  
Depreciation and amortisation  
Employee costs  
Goods and services

2017	2016
1 691 264	969 016
2 005 867	734 336
30 767 239	18 928 711
19 423 733	17 751 790
<b>53 888 103</b>	<b>38 383 853</b>

### 11. INTEREST INCOME

Interest income relates to exchange transaction.  
Interest received from ABSA

612 297	1 071 340
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### 12. AUDITOR'S REMUNERATION

Audit Fees

588 471	288 900
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### 13. REPAIRS AND MAINTENANCE

Building and equipment

66 680	41 411
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### 14. CASH GENERATED FROM OPERATIONS

(Deficit) for the year  
Adjustments for:  
Depreciation and amortisation  
Interest received  
Other Income  
(Gain) on disposal of assets  
Insurance gain with write off of assets  
Non-cash movement  
Changes in working capital:  
Other payables  
Other receivables

(5 373 986)	(13 620 056)
2 005 867	734 336
(612 297)	(1 071 340)
(25 820)	(3 756)
-	(323 093)
-	(11 597)
-	23 505
1 410 242	1 348 511
(57 117)	(119 665)
<b>(2 653 111)</b>	<b>(13 043 155)</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 15. RELATED PARTIES

#### Relationships

Department of Water and Sanitation	Executive Authority
Governing body	Accounting Authority

#### The governing body includes the following members:

Mr BE Mnisi (Chairperson)  
 Mr TE Abrahams (Deputy-Chairperson)  
 Mr NH Hamman  
 Mr AP Barnes  
 Ms O Curtis  
 Ms B Damane  
 Mr MJ Delport  
 Ms EM Palmer  
 Mr HM Rossouw  
 Mr CJU Swart  
 Mr TE Abrahams  
 Mr K Masindi (Representative Department of Water and Sanitation)  
 Mr P Phakamani (Chief Executive Officer)  
 Ms ZM Mngoma (Chief Finance Officer)  
 Mr J. Van Staden (Senior Manager Water Resources)

#### Related party transactions

Grants received from related parties	2017	2016
Department of Water and Sanitation	(47 876 000)	(23 365 608)

The entity has a related party called Department of Water and Sanitation and transaction or amount received from the related party for operational expenses have been disclosed under note no 8 in the Statement of Financial Performance.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 16. REMUNERATION

#### Executive

		2017	2016
Chief Executive Officer	-Salary	1 472 819	1 428 186
	-Pension Fund	-	-
	-Bonus	58 556	47 259
Chief financial Officer	- Salary	1 319 868	895 988
	- Pension Fund	172 307	119 299
	- Bonus	48 150	17 388
Senior Manager, Water Resource Management	-Salary	1 319 868	895 988
	-Pension Fund	172 307	119 299
	-Bonus	48 150	17 388
		<b>4 612 025</b>	<b>3 540 795</b>

#### Non-executive

Chairman	114 592	108 053
Deputy Chairman	115 917	79 512
Non-executive directors	647 275	488 800
	<b>877 784</b>	<b>676 365</b>

### 17. DEFINED CONTRIBUTION PLAN

#### 17.1 Pension fund

The Breede-Gouritz Catchment Management Agency provides retirement benefits to its employees. The amount was recognised as an expense in the statement of financial performance. The Agency moved from the NMG Umbrella Pension fund from 1 October 2015 to the Government Employees Pension Fund. The total pension fund contributions for the 2017 financial year amounted to R3 621 052 compared with R2 161 140 for the 2016 financial year.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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## 18. FINANCIAL RISK MANAGEMENT

### 18.1 Financial risk factors

The management of the entity has overall responsibility for the establishment and monitoring of the entity's risk management policies and procedures which have been established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the entity's activities.

The entity's activities expose it to a variety of financial risk (including currency risk and interest rates will affect the entity's income. The objective of market risk management is to manage and control market risk exposure within rate risk and price risk), credit risk, liquidity risk and interest rate risk.

#### (a) Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates will affect the entity's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. The entity's exposure to changes in the interest rates is on a floating rate basis to funds invested with reputable financial institutions.

#### (b) Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterpart to a financial instrument fails to meet its contractual obligations, and arises principally from the entity's receivables from customers. An allowance for impairment is established based on managements' estimate of identified incurred losses in respect of specific trade and other receivables bad debts identified are written off as they occur. There is no significant concentration of unsecured credit risk. Reputable financial institutions are used for investing and cash handling purposes.

#### (c) Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due. The liquidity risk is considered as low, because the entity has adequate funds at their disposal.

### 18.2 Interest risk

The carrying amount of financial assets and financial liabilities represent the maximum interest exposure. The maximum exposure to interest risk at the reporting date in respect of floating interest rate instruments amounted to R1 077 789 (Cash and cash equivalents) for the 2017 financial year compared with R5 421 184 for the 2016 financial year. The maximum exposure to interest risk at the reporting date in respect of interest bearing instruments amount to R2 513 750 (other payables) for the 2017 financial year compared to R1 898 657 for the 2016 financial year.

A change of 50 basis points in interest rate at reporting date would have increased/(decreased) the deficit or surplus by R24 547 for the 2016 financial year and R5 389 for the 2017 financial year.

### 18.3 Liquidity risk

The carrying amounts of financial liabilities at the reporting date were the other payables of R3 809 480 for the 2017 financial year compared with R2 459 287 for the 2016 financial year. The contractual maturities for other payables outstanding at 31 March 2017 are 12 months or less. These are payable on demand and most accurately reflects the short-term nature of trading activities.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### Other Payables

2016  
2017

Payable within 1 month	Payable 3 to 12 months
1 898 657	560 630
2 577 329	1 232 151

## 18.4 Credit Risk Analysis

2016

### Debtor

Department Water and Sanitation

### Totals

Receivable within 30 days	Receivable within 60 days
2 299	-
2 299	-

2017

### Debtor

Department Water and Sanitation

### Totals

Receivable within 30 days	Receivable within 60 days	Overdue 90 days+
		2 299
		2 299

The debtors are past due, but not impaired.

## 19. UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

### Reconciliation

#### Reconciliation of fruitless and wasteful expenditure

Opening balance  
Fruitless and wasteful expenditure current year  
Condoned  
Fruitless and wasteful expenditure awaiting further action

2017	2016
-	-
113 680	-
-113 380	-
-	-

### Incident

Late payment of South African Revenue Service

### Disciplinary Steps/Criminal proceedings

Condoned by the Board as per the board resolution – meeting of the 28<sup>th</sup> July 2017

## 20. COMMITMENTS

### 20.1 Lease Commitments

#### Buildings

- within one year  
- in second to fifth year inclusive  
- later than five years

#### Minimum lease payments

2017	2016
1 787 994	1 031 407
4 676 407	2 280 704
-	-
6 464 401	3 312 111

Leases premises are contracted for periods between 1 and 7 years with further renewal option. The commitment above comprise of future minimum lease payments under non-cancellable operating leases. Escalation on the different leases varies between 5% to 8%.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 20.2 Capital commitments

	2017	2016
<b>Approved and contracted for</b>		
Commitments for the validation and verification of water use in respect of the 2017/2018 financial year	-	238 566
Breede-River Alien Clearing Project	3 167 029	1 679 882
Development of CMS	1 342 976	2 842 914
Intergovernmental Projects	997 201	-
<b>Approved and Not Yet Contracted For</b>		
Scientific Equipment	-	52 340
UBCEG	-	34 556
Ground and Surface Water Hydrological Study	-	136 358
Intergovernmental Projects	2 743 947	210 462
Cape Nature Projects	-	280 000
Commitments for the validation and verification of water use in respect of the 2017/2018 financial year	10 149 989	-
<b>Total future capital commitments</b>	<b>18 401 142</b>	<b>5 475 078</b>

## 21. RECONCILIATION BETWEEN STATEMENTS OF FINANCIAL PERFORMANCE

The entity obtained resources in the form of a government grant R47 876 000 from the Department of Water and Sanitation and were used in accordance with the approved budget. The approved budget covers the period 1 April 2016 to 31 March 2017.

The financial statements and the budget were not on the same basis of accounting, thus reconciliation between the statement of financial performance and the approved budget were included in the financial statements as per below.

Reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amount and actual amounts in the cash flow statement for the period ended 31 March 2017

	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the budget and actual comparative statement	(5 373 986)	-	(2 328 401)	(7 702 387)
Basis differences	3 358 992	-	-	3 358 992
Timing differences	-	-	-	-
Entity Differences	-	-	-	-
Actual amount in the cash flow statement	(2 014 994)	-	(2 328 401)	(4 343 395)

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### Detailed Income Statement

	Note (s)	2017	2016
<b>Revenue</b>			
Grants received		47 876 000	23 365 608
Other income		25 820	326 849
Interest received	11	612 297	1 071 340
		<b>48 514 117</b>	<b>24 763 797</b>
<b>Operating expenses</b>			
Advertising		-252 937	-526 034
Auditors remuneration	12	-588 471	-288 900
Bank charges		-26 734	-22 918
Legal Fees		-5 126	-3 620
Cleaning		-82 933	-35 469
Computer expenses		-584 558	-706 399
Consulting and professional fees		-714 621	-73 828
Catering and Office Tea Expenses		-83 045	-29 038
Consumables		-68 617	-43 968
Depreciation and amortisation		-2 005 867	-734 336
Employee costs		-30 390 466	-18 928 711
Entertainment		-13 288	-762
Office expenses		-4 219	-7 062
Microbiological Water Analysis		-269 164	-189 508
Chemical Water Analysis		-	-362 206
CMS Development		-	-530 789
Cape Nature Projects		-	-248 269
Validation and Verification		-3 019 327	-678 875
Alien Clearing and Other Projects		-1 261 751	-4 344 018
Ground Water and Surface Water Projects		-	-
UBCEG		-	-10 500
Water Week		-	-677 801
Board Members Costs		-376 772	-529 612
Notices and Publications		-49 055	-44 889
Awareness and Publicity		-5 894 793	-3 858 291
Institutional Development		-56 956	-45 925
Recruitment cost		-982 393	-1 329 734
Bursaries		-65 650	-52 133
Insurance		-344 297	-219 716
Lease rentals on operating lease		-1 691 265	-969 016
Office Machine Rentals		-136 694	-53 721
Motor vehicle expenses		-150 004	-109 925
Postage		-85 726	-101 543
Printing and stationery		-292 136	-276 335
Repairs and maintenance	13	-66 680	-41 411
Security		-76 454	-59 455
Subscriptions		-19 423	-31 853
Telephone and fax		-558 965	-273 673
Training		-283 155	-439 418
Travel- local		-3 264 367	-1 404 869
Loss on Stolen Assets		-	-
Utilities		-122 195	-99 323
		<b>53 888 103</b>	<b>38 383 853</b>
Surplus/ (Deficit) for the year		<b>-5 373 986</b>	<b>-13 620 056</b>



# GLOSSARY

APP	Annual Performance Plan
BGCMA	Breede-Gouritz Catchment Management Agency
CCAW	Cooperative Committee on Agricultural Water Use
CEO	Chief Executive Officer
CMA	Catchment Management Agency
CME	Compliance Monitoring and Enforcement
CMS	Catchment Management Strategy
CPUT	Cape Peninsula University of Technology
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DWA	Department of Water Affairs
EAP	Employee Assistance Programme
ELU	Existing Law Use
EWSETA	Energy and Water Sector Education and Training Authority
FMPPI	Framework for Managing Programme Performance Information
GAAP	Generally Accepted Accounting Practices
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practices
MPSA	Minister for Public Service and Administration
NEMP	National Eutrophic Monitoring Programme
NMMP	National Microbial Monitoring Programme
PAA	Public Audit Act
PDP	Personal Development Plan
PFMA	Public Financial Management Act
PMDS	Performance Management and Development System
PSCBS	Public Service Co-ordinating Bargaining Council
SADC	Southern African Development Community
UWC	University of Western Cape
V & V	Validation & Verification
WARMA	Water Management Resources Authority
WMA	Water Management Area
WUA	Water Users' Association



# BREDE-GOURITZ

Catchment Management Agency  
Opvanggebied Bestuursagentskap  
I-Arhente yoLawulo lomMandla nokungqongileyo

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