

BGCMA

ANNUAL REPORT
2014/15

“QUALITY WATER FOR ALL, FOREVER”



BREEDE-GOURITZ

Catchment Management Agency
Opvanggebied Bestuursagentskap
I-Arhente yoLawulo lomMandla nokungqongileyo



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BREEDE-GOURITZ CATCHMENT MANAGEMENT AGENCY'S VISION

The mission statement operationalizes the vision as follows:

The Breede-Gouritz CMA exists to manage our water resources responsibly, through the 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 licensing
- inspire change in attitudes towards the environment
- 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



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 cooperative manner. This requires that the BGCMA plays 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 DWS role shifts away from implementation towards one of oversight and regulation, the BGCMA will receive more delegations and possibly with the 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

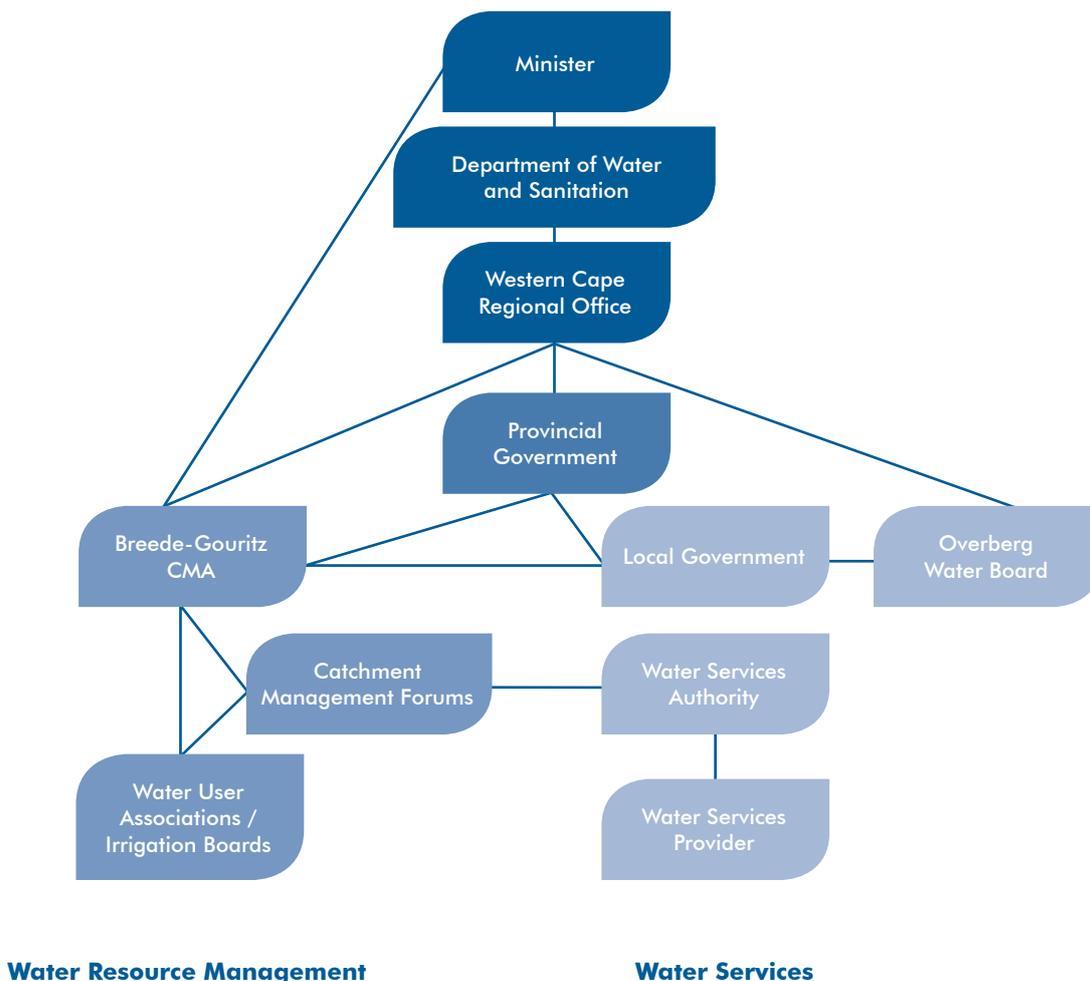
Eden District Municipality

- 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

Figure 1: Institutional arrangements of the Breede-Gouritz Water Management Area



LETTER FROM THE CHAIRPERSON

51 Baring Street
WORCESTER
6850

The Minister of Water and Sanitation

Private Bag X313
PRETORIA
0001

Dear Honourable Minister

I have pleasure in presenting to you the 2014-2015 annual report of the Breede-Gouritz Catchment Management Agency for the year ended 31 March 2015.

Yours faithfully

NEIL HAMMAN
CHAIRPERSON



THE CHAIRPERSON'S REPORT

INTRODUCTION

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 note 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 learnt about setting up a new organisation, the old BOCMA. And, we are now learning about managing the merger between the Breede-River and Gouritz Water Management Areas. South Africa is indeed a country of good tales and achievements. Learning never ends especially if it is for the good reason. 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 organization. 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 organization 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 mean 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, we have grown and became wiser on water issues.

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. For example, in this financial year BGCMA was engaging with the Validation and Verification exercise. In addition, the Minister Mme N, Mokonyane gave us more added powers and duties. These delegations have made us to be an operational arm of the department.

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, No. 107 of 1998, the National Environmental Management: Biodiversity Act, No. 10 of 2004, the Water Services Act, No. 30 of 2004, Conservation of Agricultural Resources Act, No. 43 of 1983, Marine Living Resources Act, No. 18 of 1998, the National Environmental Management: Coastal Zone Act, Municipal Systems Act, No. 32 of 2000, Development Facilitation Act, No. 67 of 1995 and Mineral & Petroleum Development Act, No. 28 of 2002.

If one has to do a quick assessment of what the BGCMA has been doing up to date, one would easily find that it has gone beyond than the first five initial functions of a catchment management agency, namely;

- (a) Investigating and advising interested persons on the protection, use, development, conservation, management and control of the water resources,
- (b) Developing a catchment management strategy,
- (c) Co-ordinating the related activities of water users and of the water management institutions within its water management areas,
- (d) Promoting the co-ordination with the implementation of any applicable development plan established in terms of the Water Services Act Number 108 of 1977, and
- (e) Promoting community participation in the protection, use, development, conservation, management and control of the water resources in its water management area.

Furthermore, the BGCMA is continually discharging the new delegations to the best of its abilities. Also, our international experience has shaped our thinking and attitudes.

In terms of the above, there is no hesitation to look at BGCMA as a water management institution that is synonymous with accelerating service delivery. It is well grounded in the principles of Batho Pele which echo a clarion call for a better tomorrow. We all need to look beyond our present needs and begin to ask ourselves questions of sustainability. How best do we craft a tomorrow that caters for our present needs



as well as looking beyond in meeting the needs of the next generation? The answer to the question is a multidimensional one but requires a dedicated water management institution such as the BGCMA to be in the forefront of development where water is the epicentre. It invites all of us to look beyond our own interests but collectively promote a better future. The invitation cannot go on its own without the realization that additional delegations and responsibilities are required so that BGCMA continues to be a mantle of excellent service to our water users. We shall continue striving for a harmonious and seamless working relationship with the Department of Water and Sanitation being our parental body. In addition, the Ministry of Water and Sanitation is there to support and guide us in meeting our mandate.

CHALLENGES

In order to excel in our service delivery record, the need arises for the BGCMA to get its full delegations and assignments. I am indeed mindful of the fact it will eventually get there as the new CMA approach is being rolled out. Hence, it was heartening to hear from our Honourable Minister that the catchment management agencies are the way to go. We need to complement our Minister's take on the CMAs by ensuring that CMAs like the BGCMA or new ones are in line with the objectives of the National Water Act and that water issues are prioritized for development and conservation.

There is a level of comfort that the Department of Water and Sanitation is fully behind us and works with the BGCMA in discharging its responsibilities.

If it would be supported by the following: timeous approvals of the annual performance plans / business plans, regular and timeous transfers of funds, and give additional delegations and assignments will certainly make the BGCMA a kaleidoscope of service delivery.

ACKNOWLEDGEMENTS

The achievements of the year and our effort to meet our strategic objectives as outlined in the Annual Performance Plan could not have happened without the passion, dedication, resilient, determination and ever commitment of the BGCMA management, staff and the board.

It is worth noting that the BGCMA would have not been where it is today without the support of our Honourable Minister and her Department at large. We greatly and unreservedly offer our words of thanks and appreciation for the support given. Nangomso! Nakusasa!

Lastly, on behalf of the Governing Board I would like to acknowledge the contributions that numerous other stakeholders have made assisting and supporting the BGCMA to fulfil its water resources management mandate in a responsible way.



THE CHIEF EXECUTIVE OFFICER'S REPORT AND MESSAGE

This annual report for the year ended 31 March 2015

INTRODUCTION

It is often said that one of the best ways of knowing the direction is through the use of a compass. Our compass as the Breede- Gouritz Catchment Management Agency (BGCMA) has been the Annual Performance Plan (APP). It contains our performance information as our indicators in discharging our responsibilities. Even in this 2014/15 Financial Year, the external audit report has again given the BGCMA a clean report – unqualified report. We have been able to deliver the services as per the APP. We have burnt both the midnight and midday oil to rise up to the occasion. The occasion of crafting a tomorrow that calls for partnerships and co-operation.

THE ORGANISATION

The Breede-Gouritz Catchment Management Agency is nine years old. Since 2005, the BGCMA has been consistently building its own information reservoir whilst discharging its mandate. BGCMA has proven that water talks directly to the economy and also respond towards improving the material living conditions for all our

inhabitants. It will be erroneous not to acknowledge our partnerships with all the water users in carrying out the mandate. For example, the municipalities have joined hands with the BGCMA in enhancing the quality of water that define our water management area.

There is no doubt that the BGCMA within its water management area is increasingly becoming an epitome of water resource management through stakeholders' participation. Hence, this APP is being put together as a mirror that shows our collective efforts in working with our water users. It talks 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 governance. We have used our strategic priority areas as a focal point that has shaped the organization.

We invite every water user / stakeholder and interested parties to read this APP and keep it in good use. We shall gladly welcome any constructive feedback and comments.

There is something unique about a catchment management agency / organization 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. I am confident that the BGCMA has gone beyond its initial functions as prescribed by the National Water Act of 1998. For ease of reference these are as follows:

- (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.

Without blowing our own trumpet, BGCMA has also lived up to the expectations of the delegated functions such as running the validation and verification project and now processing the water use authorisation licenses. It is BGCMA's commitment to working towards a reliable data and information of the water use in the area of the jurisdiction.

MEMORABLE HIGHLIGHTS

One of the most memorable achievements in this financial year is our continuous attainment of receiving unqualified audit reports. It clearly illustrates that there are reasonable and sound internal control systems in place. These were implemented as from day one of our existence. We shall continue improving our systems as a catalytic tool for meeting the expectations. Secondly, the BGCMA initiated the Validation and Verification Projects which are aimed at improving the management of water resources in our area of jurisdiction. We are now in a process of developing our first combined Catchment Management Strategy.

We introduced a partnership agreement that involves a sister organization in Namibia namely; the Cuvelai-Etosha Basin that agreement is continually benefitting

both institutions. This is one of the institutions in addition to the South African based that were engaged by the BGCMA. It remains our conviction that the best way to promote sound water resources management principles is through working and sharing lessons with other organizations within SADC and Africa at large.

Furthermore, it is the BGCMA's commitment to establish sound relationships with all our municipalities, water user associations and irrigation boards. We are fully behind the clarion call made by the Minister of ensuring the inclusiveness in the management of the resource. Hence, we have made comprehensive contributions in the number of initiatives such as the National Water Policy, the new CMAs roll-out plan as well as the institutional realignment initiatives.

In addition, every effort has been made to ensure that water quality remains our top priority. It was not only in words but also in actions. We invested in a number of water monitoring points and conducting both the bacteriological water monitoring and chemical water monitoring activities. In order to ensure reliability of the results, we utilised independent and accredited laboratories.

As the process of establishing more catchment management agencies is unfolding, we have been sharing our experiences with all the relevant and affected parties. So far, the BGCMA has been receiving accolades and we shall build on the same experience in shaping up the new entity, the Breede-Gouritz Catchment Management Agency (BGCMA). The contributions made by all our units such as the Water Resource Management, Finance, Human Resource Management, Information Systems, Data Management and Public Relations shall be an anchor in steering the organization forward.

CONCLUSION

In conclusion, we are all grateful to our ever committed board, management and staff who have gone out of their way to burn both the mid-night and mid-day oil in ensuring that the Department becomes a mantle of service delivery. Words alone cannot express our appreciation for the support we received from the Department of Water and Sanitation. Despite the challenges we all had to encounter we say thank you once more! Water is life let us all pull our hands together and support one another in delivering the services to all our water users.



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 2015 and the related statement of financial performance, statement of changes in net and cash flow statement for the year ended 31 March 2015.

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 authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the CEO and Finance and Audit 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 R40 787 311.

BOARD MEMBERSHIP

BELOW IS A LIST OF THE BGCMA GOVERNING BOARD MEMBERS

Mr NH Hamman (Chairperson)
Mr BE Mnisi (Deputy Chairperson)
Mr AP Barnes
Dr O Curtis
Ms B Damane
Mr MJ Delport
Mr TJ Motšhephe
Ms EM Palmer
Mr HM Rossouw
Mr CJU Swart
Mr TE Abrahams

BELOW IS A LIST OF THE BGCMA COMMITTEES

Audit and Risks Committee

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

Technical Committee

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

Human Resource and Remuneration Committee

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

Water Use Authorisation Committee (New)

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 Recognized 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.

BOARD MEMBERSHIP

BOARD MEMBERS



Mr NH Hamman
Chairperson of the Board



Mr BE Mnisi
Deputy Chairperson of the Board



Dr O Curtis
Technical Committee Chairperson



Mr MJ Delport
Audit & Finance Committee Chairperson



Mr TE Abrahams
Human Resources & Remuneration
Committee Chairperson



Mr CJU Swart
Board Member



Ms EM Palmer
Board Member



Mr AP Barnes
Board Member



Mr HM Rossouw
Board Member



Ms B Damane
Board Member



Mr TJ Motshephe
Board Member

MANAGEMENT COMMITTEE TEAM



Mr Phakamani Buthelezi
Chief Executive Officer



Ms Zanele Mngoma
Chief Financial Officer



Mr Jan van Staden
Senior Manager: Water Resources



Mr Langa Twaise
IT Manager



Ms Bonita Mdoda
Data Manager



Mr Patrick van Coller
Water Use Specialist



Ms Elkerine Rossouw
Water Use Specialist



Mr Ogwang Okoth
Human Resource Specialist



Mr Gerhard de Bruijn
Finance Manager



Ms Elmarie van Rooyen
Institutional & Stakeholder Relations Manager



Ms Malehlonolo Mlabateki
Public Relations & Marketing Officer



BREDE – GOURITZ CATCHMENT MANAGEMENT AGENCY EVOLUTION

Brief Historical Overview

The Breede-Gouritz water management area (WMA) is the result of the amalgamation of the Breede WMA and the Gouritz WMA. The new WMA is bounded by the Indian Ocean to the south, what will be the Berg-Olifants WMA to west, the Orange WMA to the north and the Mzimvubu-Tsitsikama WMA to the East. It largely falls within the Western Cape Province, with small portions of the upper catchment of the Olifants River falling in the Eastern Cape Province, and tiny portions of the upper catchments of the Gamka and Groot Rivers falling in the Northern Cape Province.

The Breede-Gouritz WMA includes the catchment area of the Gouritz River and its major tributaries (the Gamka, Groot and Olifants Rivers), as well as the catchments of the smaller coastal rivers that lie to the east and west of the Gouritz River mouth, the Breede River and the catchments of the smaller coastal rivers that lie to the west of the Breede River mouth, i.e. the Palmiet-, Kars-, Sout-, Uylenkraals-, Klein-, Onrus- and Bot-Swart Rivers. There are two large rivers within the WMA, the Breede and Gouritz Rivers. The Breede River, with its main tributary the Riviersonderend River, discharges into the Indian Ocean.

The Gouritz has three main tributaries, the Groot, Gamka and Olifants Rivers. There are a number of other smaller rivers in the WMA, the Touws, Duivenhoks, Goukou, Hartenbos, Great Brak, Kaaimans, Knysna and Keurbooms.

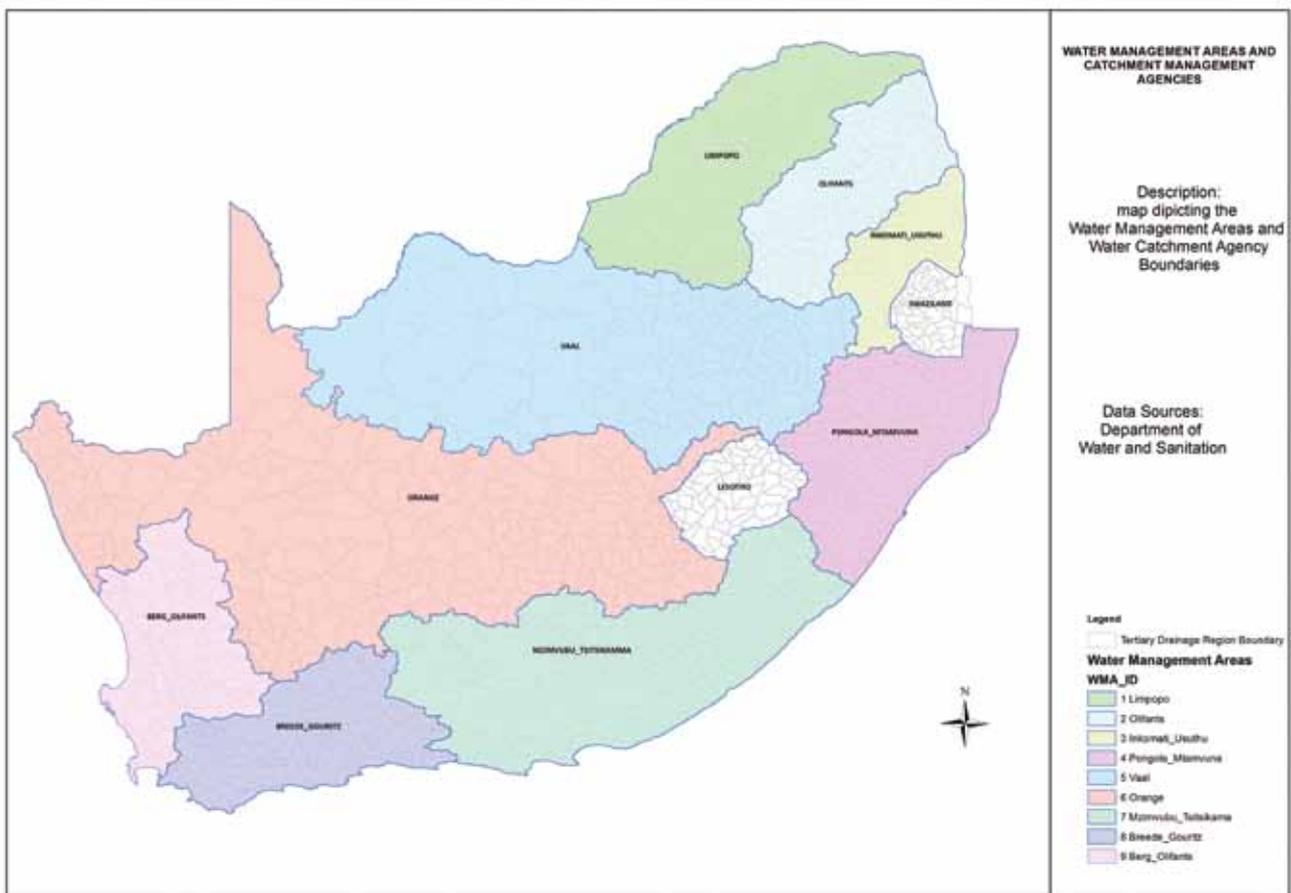
The National Water Policy for South Africa and the National Water Act were developed on the basis of extensive public participation and considerable international expertise and advice. This gave rise to the recommendation to follow international good practice in the decentralisation of water management, and the establishment of water management institutions based on hydrological rather than political boundaries. In the development of the National Water Resources Strategy (2004), a process which included extensive public participation, 19 water management areas were defined for the country, in each of which, it was envisaged, a Catchment Management Agency (CMA) would be established.

To date, there are two functional CMAS, one in the Inkomati Water Management Area and one in the Breede-Gouritz Water Management Area. Six others have been formally established on paper.

Further development of these CMAs was, however, halted as the Department reconsidered the appropriateness of establishing nineteen CMAs and the possibility of redefining the water management area boundaries in order to create a smaller number of CMAs each with a larger area of jurisdiction. A smaller number of CMAs was seen as enabling better economies of scale with regard to utilising scarce technical skills, and reducing the regulatory and oversight requirements on the Minister and Department. The current decision of DWS is to establish nine CMAs – one in each of nine water management areas that cover the whole country.

On the 23rd May 2014, the Breede Overberg Catchment Management Agency was officially changed to Breede-Gouritz Catchment Management Agency. This came after the former Minister of Department of Water Affairs approved the expansion of the boundary and area of operation of the Breede-Gouritz Water Management Area in terms of Section 78(4) of the National Water Act, 1998 (Act No.36 of 1998). As a result of the CMA's growth and commitment shown, on the 15th January 2015 the Minister of Water and Sanitation bestowed more delegations to the CMA.

Figure 1: Map illustrating Water Management Areas



ANNUAL 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)	2014/2015	Results	Comments
1.1 Catchment Management Strategy	Number of CMS documentation completed	Approved Gazetted CMS	BGCMA CMS development in process	BGCMA establishment finalised 2014/2015
1.2 Water Resource Planning Processes	Number of land use planning and rezoning applications commented on	140	320	
	Number of Engagements with Local Authorities	7	Local Authorities engaged in 50 issues	
	Water Quality Objective Reports completed	Onrus River	Onrus River Water Quality Objectives Report finalised	
	Salinity Management Plan	Salinity Management Plan	Salinity Management Plan finalised	
	Infrastructure Status quo report	Status Quo Report	Status Quo Report finalised	Langeberg Municipality reviewed the Water Services Development Plans for the Municipal area.
	Onrus Surface Report – Groundwater interaction study	Collaboration of monitoring data	Onrus Surface Groundwater interaction study report finalised	

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, engaging consumptive water use, waste discharge and disposal and in stream activities. The BGCMA has highlighted the urgency of fast-tracking the registration and licensing process and ensuring the backlog is addressed, which will be achieved by engaging DWS and water users on the existing backlog, validating identified water users and improving turnaround times. The water quality management priority includes the registration of waste discharge together with effective resource protection and compliance.

OUTPUTS				
OUTCOMES / ACTIVITIES	PERFORMANCE MEASURES (KPIs)	2014/2015	Results	Comments
2.1 Registered waste use	Number of water users registered	500	373	Incomplete registration application forms and lack of feedback from applicants hampered the finalisation of applications.
2.2 Processed Water Use Applications	Number of "Record of Recommendations" to DWS	16	9	Applications received remained incomplete after requests for information was done. These files will be prioritised during 2015/16 and may be declined due to incomplete information.
	Number of General Authorisation confirmed	26	65	Increased applications for section 21 (c) and (i) due to River Maintenance Management Plans
2.3 Water Use complied with Water use License / General Authorisation conditions	Number of Audit for water use compliance reports	40	33	82% of target reached. Action plan already in place to reach target for 2015/16
2.4 Water Users validation and verified in selected priority catchments.	Number of letters to apply for the verification of water use.	800	1 428	

3. INSTITUTIONAL ENGAGEMENT

The BGCMA needs to establish credibility within the water management area. This will be done through a marketing and communication strategy, engaging stakeholders through Catchment Management Forums and Water User Associations (which should be transformed from Irrigation Boards). The marketing and communication drive will form part of the implementation of the CMS. Ensuring effective mechanisms for cooperation with local, provincial, national and international partners is also an important aspect.

OUTPUTS				
OUTCOMES / ACTIVITIES	PERFORMANCE MEASURES (KPIs)	2014/2015	Results	Comments
3.1 The BGCMA activities marketed and communicated to stakeholders	Number of persons reached during water campaigns (water week, land care, etc.)	1 600	6200	
3.2 HDI financial support in water related projects	Number of HDI projects supported in water related projects	10	17	
3.3 Forums Established and maintained	Number of existing water related forums supported	14	25	
3.4 Water management institutions regulated	Number of new WUA applications finalised	1	None	The Minister gazetted the Water Policy review for comment which halted applications.
	Number of IB transformed	3	None	Moratorium was placed on transformation of IB's Water Policy review
	Number of existing WUA supported with development of Business plans	4	0	The pro-forma business plan was not approved and could not be implemented
3.5 Institutional cooperation	Number of new partnerships established and maintained	2	3	
	Number of International Partnerships established and maintained	1	3	
	Number of Intergovernmental forums attended	8	18	

4. WATER ALLOCATION REFORM

National, Provincial and Local Governments have listed the eradication of poverty and empowerment of previously marginalised groups as one of their key focus areas. A priority element of the CMA's programmes is the promotion of water allocation (and equity arrangements) and assistance to resource-poor farmers, particularly in terms of the DWA subsidy and with license applications.

OUTPUTS				
OUTCOMES / ACTIVITIES	PERFORMANCE MEASURES (KPIs)	2014/2015	Results	Comments
4.1 Resource Poor Farmers (RPF) / Historically Disadvantaged Individuals (HDI) supported	Number of RPF / HDI assisted with water use	5	22	
	Number of RPF / HDI assisted with financial applications for Government subsidies	5	264	9 x RPF Applications for O&M & Capital Costs
				192 Rain water harvesting tank applications received & assisted with. 63 Rain water harvesting tanks were erected as part of World Food day project in Suurbraak in a joint project between BGCMA, DOA and DWS
	RPF/HDI Awareness Campaign	1	1	Meet & Greet Campaign

5. RESOURCE PROTECTION

The focus of resource protection over the next 3 years will be on compliance (based on objectives set as part of the CMS), in order to achieve the Reserve determination and classification led by DWS. This involves on-going assessment of water resources and water use monitoring information in the WMA against objectives and standards/license conditions. Other elements of resource protection may be delegated at a later stage in the CMA development.

OUTPUTS				
OUTCOMES / ACTIVITIES	PERFORMANCE MEASURES (KPIs)	2014/2015	Results	Comments
5.1 Resources are protected	Number of DWS Water Quality monitoring projects sampled (NEMP & NMMP)	2	2	NEMP NMMP
	Number of BGCMA water quality points monitored	50	64	
	Imagery and reports on Alien Clearing areas	4	4	
	Riparian / Alien clearing projects	3	3	
	Documentation on pollution incidents	16	9	Only 9 pollution incidents were reported to the BGCMA.
	Number of warning letters/directives issued	20	13	Only 13 CME cases were reported to the BGCMA which was investigated with the DWS CME unit.



WATER RESOURCES 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 Minister of the Department of Water and Sanitation allocated additional delegations to the BGCMA in January 2015. The WRM Unit gives effect to these powers and duties through three main divisions namely the Data Management, Water Resources Management and Institutional and Stakeholder Relations divisions. 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 data basis such as the Water Use Authorisation and Registration Management System and Geographical and Spatial Information Systems. The Water Resources Management 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 2014/2015 under the following headings:

1. Water Resources Planning
2. Water Resource Management
3. Institutional Engagement
4. Water Allocation Reform
5. Water Resource Protection

WATER RESOURCES PLANNING

Catchment Management Strategy

The Draft Catchment Management Strategy (CMS) for the Breede-Overberg CMA was submitted to the Minister of Water and Sanitation in the 2012/2013 financial year. The establishment of the Breede-Gouritz CMA was finalised in the 2014/2015 financial year. The process to develop the Breede-Gouritz CMS has been initiated.

Land use applications

The BGCMA has the delegated functions to monitor, manage and conserve water resources within the Breede-Gouritz catchment. 320 land use planning and rezoning applications were assessed and commented on, exceeding the target of 140 with 228%.

Engagement with Local Authorities

The BGCMA engaged with the Witzenberg, Breede Valley, Langeberg, Swellendam, Hessequa, Cape Agulhas, Theewaterskloof and Overstrand Municipalities as well as the Cape Winelands and Overberg District Municipalities on 50 matters.

Water Quality Objective Reports

The Onrus River Water Quality Objective Report was finalised. The water quality objectives were set for the Onrus River.

Salinity Management Plan

The Salinity Management Plan was finalized. The report concluded that the Central Breede River Water User Association uses an acceptable methodology in maintaining the salinity levels of the Breede River up to the Zanddrift weir.

Infrastructure Status Quo Report

The Langeberg Municipality reviewed water related infrastructure within the towns of Montagu, Ashton, Robertson, Bonnievale and McGregor. The updated Water Services Development Plan was submitted to the BGCMA for comment.

Onrus Surface/Groundwater interaction study

The Onrus Surface/Groundwater interaction study report was finalised. The finding is that the G40H catchment is divided into three sub-areas which are not hydro geologically connected.

WATER USE MANAGEMENT

Registered Water Use

The target set for the registered water use was 500 registered users. The BGCMA confirmed the registration of 373 water users on the Water Authorisation and Registration Management System (WARMS), which is 75% achievement of the target. The process was hampered by incomplete water use registration application forms.

Water Use Authorisations

The BGCMA assessed several Water Use License Applications of which 9 had adequate information to be presented at the Regional Water Use Authorisation Application Assessment Committee (WUAAAC) for recommendation. The remainder of the applications remained incomplete, even after several attempts to acquire information from the applicants. These applications will be prioritized during the next financial year.

The BGCMA reviewed and confirmed 65 General Authorisations for water use requests.

Water Use compliance audits

Compliance audits and site visits were conducted during the financial year for 33 cases which relates to 82% of the target reached. 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. The focus of the compliance audits was on the effluent discharge by Wineries in the Breede-Gouritz catchment. An action plan has been developed to improve the auditing process for the next financial year.

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 commenced with the Validation and Verification process for targeted quaternaries. 1428 letters were generated and posted to water users in these quaternaries. This relates to a 178% of the target reached.

INSTITUTIONAL ENGAGEMENT

Stakeholder Engagement, Marketing and Communication

The set target to reach 1600 people during water campaigns was exceeded during 2014/2015. Over 6000 children were reached through the following awareness days and campaigns:

- The Water Week reached 5 600 children in 32 schools.
- LandCare Camps in co-operation with the Department of Agriculture reached 150 children.
- The BGCMA participated in 2 school holiday programmes during which 370 children were reached.
- 50 children were reached through the Wildia Empowerment and Development of youth awareness day.

Financial support to Historical Disadvantaged Individuals for water related projects

The BGCMA supports water related community projects through knowledge sharing, financial and administrative assistance. During the 2014/2015 financial year the BGCMA supported 8 such projects administratively while 9 other projects were supported financially.

Water Related Forums support

Water Forums are established within communities which supports the powers and delegations of the BGCMA. As such the BGCMA provides assistance, support and advice to these forums. The forums include community forums such as Masezane Women's Forum and Water User Associations. 25 of the targeted 14 Forums (178%) were supported during this financial year.

Irrigation Board Transformation and Water User Association Business Plan support

The Minister gazetted a Water Policy review which halted all transformation of Irrigation Boards into Water User Associations during the financial year by the BGCMA. Assessment of Water User Association Business Plans could not be fast tracked as the pro-forma Business Plan was not approved by the DWS and the process could therefore not be implemented.

Cooperative governance development through National and International Partnerships and Intergovernmental Forums

The BGCMA continues to support and participate in the Cape Peninsula University of Technology and the University of the Western Cape on Water Research Commission funded projects.

The BGCMA continues to participate in International cooperation initiatives with the World WaterNet and the Cuvelai-Etoshia Basin which focuses on skills transfer between the BGCMA and the international institutions.

The BGCMA realizes the importance of cooperative governance and therefore actively participated in 18 intergovernmental forums. These include the Upper Breede Collaborative Extension Group (UBCEG), Cooperative Committee on Agricultural Water Use (CCAW) and several Steering committees within Local Municipalities and the DWS.

WATER ALLOCATION REFORM

The BGCMA assisted with 22 water use enquiries associated with Water Allocation Reform. The BGCMA facilitated 9 Resource Poor Farmer (RPF) applications for financial assistance for Operational, Maintenance and/or Capital costs from the DWS. The BGCMA assessed 192 Rain Water Harvesting Tank applications on behalf of the DWS. 25 Rain water harvesting tanks were erected in Suurbraak as part of the World Food Day project in co-operation with the Department of Agriculture and DWS. In addition to the 25 rain water harvesting tanks the BGCMA contributed to another 38 tanks erected for the same project. The BGCMA CEO and the ISR Unit embarked on a Meet and Greet Campaign to introduce the services of the BGCMA to RPFs in the catchment.

WATER RESOURCE PROTECTION

Water Quality reports were drafted for the Breede River Monitoring Projects, as well as the Estuary Monitoring Programme. Both the National Eutrophication Monitoring Programme (NEMP) and the National Microbiology Monitoring Programme (NMMP) were sampled on behalf of the DWS as per agreed MOA. 64 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.

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. In addition to the aforementioned programmes the BGCMA initiated the WWF-Casidra Riviersonderend Riparian Rehabilitation Project. The aim of these projects is the creation of awareness of the impact of alien vegetation on water availability while assisting other government departments in the spirit of cooperative governance!

The BGCMA actively assisted 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.



INFORMATION SYSTEMS

Information Systems are the foundation for conducting business today. In many industries, survival and even existence is difficult without extensive use of information technology, BGCMA is no exception. No longer can we imagine going to work and conducting business without them. As a society we have come to rely extensively on the use of information appliances such as cell phones, tablets, handhelds, and other hardware. Communicating and conducting business is increasingly being carried out through the use of e-mail, online conferencing, and international teleconferencing. Internet technologies have become essential business tools.

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

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	2014/2015	Results	Comments
Information systems planned and maintained	Master Systems Plan	1	100	

HUMAN RESOURCES MANAGEMENT UNIT

The main purpose of the Unit is to act as a support function to the Breede-Gouritz Catchment Management Agency (BGCMA). The unit is there to ensure integration and synergy of the human resources activities into the business strategy of the organization. The key functions of the component are the following: human resource administration, human resources planning, recruitment and selection, employee training and development, performance management, compensation, employee benefits and services, health and safety, compliance, employee relations management, policy formulation, development and implementation, reporting and continuous provision of accurate and correct human resources advice.

HUMAN RESOURCES PLANNING

The fundamental aspect of human resources planning is to determine the future supply and demand of human resources so as to gain competitive advantage. It provides for an effective and efficient use of human capital at the work place, strives for greater employee development and satisfaction. Human resources planning is vital if the Agency is to adapt to changes in the market, technology, Government legislation and regulation. It is an integral part of the overall strategic planning as it provides critical information for the design and implementation of a number of activities such as recruitment and selection, training and development, transfers, promotions and dismissal of personnel. Therefore, the successful existence of the BGCMA is dependent on the degree to which it is able to obtain and retain the correct workforce with the right attitude.

Government 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). This created urgency and necessity for the institution to plan for the required human resources to adequately address the needs of the new entity without compromising service delivery. This is because the geographical area has dramatically increased from approximately 20, 000 square Kms to approximately 72, 000 square Kms. Furthermore, the new entity was given more delegations by the Minister of Water and Sanitation on 15 January 2015 which essentially necessitated a further re-visit of the organogram to accommodate and cater for the new dynamics hence the establishment of the sub-unit for Monitoring Compliance and Enforcement under the Water Use Regulation sub-component of Water Resources Management.

During the year under review, the BGCMA invested heavily in progressive human resource policies and programs with the sole objective of building a high-performance culture within the organisation.

RECRUITMENT AND SELECTION

Recruitment is an important function in the provision of human resources. In order to meet the staff capacity needs of the entity, our recruitment and selection processes ensured timely filling of Board-approved posts on the staff establishment. Temporary positions were also filled in order to address the capacity needs and service delivery imperatives of the entity. The Human Resources unit has been proactive in its recruitment and selection process. The Chief Executive Officer has been very instrumental in ensuring that the BGCMA's recruitment and selection processes are in line with the business and strategic value chain operational needs of the Agency taking into account its mandate as informed by the National Water Act, Act No. 36 of 1998. During the year under review, the following appointments were made as informed by the table below:

TABLE 1

Name/s	Post	Gender	Race	Date of employment
Ms Malehlohonolo Mlabateki	Public Relations & Marketing Officer	F	A	01 April 2014
Ms Fredlene Jacobs	Receptionist (temp.)	F	C	08 July 2014
Mr. M Peter Mokhosi	Finance Officer (Relief)	M	A	01 March 2015
Ms Elistia Davids	Receptionist	F	C	09 March 2015

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

PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

The purpose of the Performance Management and Development System Policy (PMDS) at the Breede-Gouritz Catchment Management Agency is to provide guidelines for managing both employee and organizational performance.

The policy among other things dictates and spells out how performance bonuses are paid out. It further plays a central and critical role in informing many of the current human resource policies and activities within the Agency and acts as a barometer and yardstick for career and succession planning within the Agency.

TRAINING AND DEVELOPMENT

The BGCMA invested tremendous effort and resources in developing its "greatest asset", its Human Capital. The development and training needs of the Agency is further informed by the Workplace Skills Plan derived from the Personal Development Plans (PDPs) during the crafting of Performance Agreements. The training needs are compiled and forwarded to the Energy and Water Sector Education and Training Authority (EWSETA), a statutory body on an annual basis.

During the year under review, the following developmental and training courses and/ or conferences were undertaken by officials from 1 April 2014 to 31 March 2015 as informed by the table below:

TABLE 2

Occupational level	Gender	Number of employees	Skills programme and short course/s	Conferences/ Workshops	Total
Senior Management	Female	1	1	1	2
	Male	2	1	5	6
Professionally qualified	Female	17	23	1	24
	Male	8	11	5	16
Unskilled	Female	1	0	0	0
	Male	0	0	0	0
Total		29	36	12	48

Our training efforts have focused on enabling staff take part to reflect inward on their own behaviour, triggering a journey of self-discovery and a process of working on their emotional capabilities. These initiatives include Change Management training to enable employees cope with the new dynamics within the Agency (the amalgamation of the Breede Water Management Area and the Gouritz Water Management Area) to form the Breede-Gouritz Catchment Management Agency (BGCMA).



COMPENSATION AND EMPLOYEE BENEFITS

The compensation and remuneration of the BGCMA personnel is in line with that of the Department of Public Service and Administration (DPSA / General Public Service). In order to attract, retain and maintain the right skills, the Governing Board of the BGCMA took a resolution to align the Agency's compensation and remuneration system to that of the General Public Service. The payment of salaries and associated benefits i.e. medical aid, pension fund and the 13th cheques are in line with that of the broader Public Sector as determined by the Minister responsible for the Public

Service and Administration (MPSA) in conjunction with the Public Service Co-ordinating Bargaining Council (PSCBS).

During the year under review, the BGCMA also undertook a Job Evaluation (JE) and analysis exercise. The main objective of the exercise was to ensure that all Board-approved posts on the BGCMA establishment are accurately and correctly evaluated to determine the correct grading and appropriate remuneration level.

HEALTH AND SAFETY

There were no accidents and/or incidents reported for the year under review. Consequently, occupational health and safety remains the Agency's key priority areas and occupational health representatives undergo continuous training. A healthy human capital is essential for the effective functioning of the Agency. This health is dependent upon variables such as employment conditions, employee wellness and enabling policies and procedures. The Agency believes in a healthy workforce and attempts at all times to eliminate any obstacle and health hazard that may negatively impact on its personnel, productivity and service delivery. The BGCMA regularly re-visits its health and safety policies regularly to ensure compliance and relevance. The BGCMA commemorated the International Aids Day on 1 December 2014 in solidarity with the rest of South Africa and the world by lighting candles, observing a moment of silence and having a presentation by Mr. Willem Olivier, a Sub-District HAST Coordinator of the Western Cape Provincial Department of Health based in Worcester.

The premises housing the Agency are duly inspected by Fire Officials from the Breede Valley Local Municipality on an annual basis for compliance with the relevant Fire Protection and Fire Safety Regulation. This is to ensure that all systems are operational in the event of any eventuality and to this end, a Certificate of Fitness: Fire Safety Clearance was issued to the Agency on 17 July 2014. The health and safety of all employees is treated as a growing concern by the Agency.

POLICY DEVELOPMENT

In order to implement the strategic objectives and priorities of the organisation, the BGCMA develops policies on an on-going basis. Firstly, this is to foster organisational development and strengthening and secondly, to ensure compliance, improve internal controls and cultivate a culture and principles of good corporate governance and accountability. During the year under review, the Agency developed a Change Management Framework to copy with the dynamics of the new entity (Government Notice No. 37677 of 23 May 2014) and further developed Dress Code Guidelines. However, the following policies and/ or procedures were reviewed during the same period: Disciplinary Code and Procedures and exit interview management questionnaires.

ACHIEVEMENTS

During the year under review, the Agency recruited more two (2) permanent staff bringing the total staff compliment to twenty nine (29). One of the officials acquired is the Public Relations and Marketing Officer. This has ensured more publicity of the activities of the Entity. Secondly, industrial peace has greatly been boasted and enhanced. This has been achieved by the Chief Executive Officers' extra-ordinary style of management and strategy; namely; regular and open engagement with personnel through general staff meetings, unit meetings and one-on-one meeting to communicate any key development/s i.e. Board Resolutions and/or challenges facing the institution which has the potential to impact on both staff and service delivery. It has created a culture of transparency and open administration thereby acting as a deterrent because officials are aware and are better informed of the developments within the Agency in particular and the water sector in general. Thirdly, a number of skills development interventions were attended by officials during the year under review. However, due to cost containment measures in place, most training was restricted to the Western Cape region. The interventions undertaken were based on the Personal Development Plans (PDPs) crafted for the year under review. Fourthly, a biometrics attendance register became fully operational during the period under review and has grossly enhanced the effectiveness of Human Resources administration and in particular, staff attendance. An Employee Self Service (ESS) System is also fully functional enabling employees to access their salary advice and leave application wherever and whenever they are without necessarily being in the office.

In order to test the readiness of the Agency in the event of any emergency, mock exercises were conducted for the year under review with regular inspection of the premise housing the Agency.

In line with the Agency's vision and mission statement "quality water for all forever", the Agency has created a high performance culture for a dynamic and knowledgeable workforce. To this end, during the year under review, the BGCMA continued to invest in developing its human capital while implementing initiatives designed to create an enabling environment. The BGCMA acted on opportunities to improve the institution's HR processes, review policies, create space for improved staff engagement, and raise its visibility and interaction with the "parent body", the Department of Water and Sanitation (DWS).

In addition, the BGCMA invested more effort into capacity building and empowerment, promoting professional corporate culture, adherence to legislation and respect for internal controls and accountability remain one of our key performance areas.

The greatest achievement for the year under review is the establishment of the Breede-Gouritz Catchment Management Agency (BGCMA) by Government Gazette Notice No. 37677 of 23 May 2014. This expanded the current area of jurisdiction and operation which necessitated the re-alignment of the organogram to accommodate and deliver on the expanded mandate.

Secondly, it is an hour's drive to/from the City of Cape Town. This makes it very difficult to attract high calibre applicants given that the Agency needs highly specialised skills to deliver on its core mandate, Water Resources Management.

Most people prefer the city Cape Town area due to its proximity to Higher Institutions of learning, transport connectivity i.e. Cape Town International Airport and better recreational and social amenities including the cosmopolitan nature of the city.

CHALLENGES FACED BY THE PUBLIC ENTITY

The Head Offices of the Agency is located in Worcester. This in itself is a challenge in that the scarce and skilled personnel find it difficult to work in Worcester as it is more of a rural setting and lacks facilities such as universities.

Human Resources Oversight Statistics

TABLE 3: PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
Top Management	R499 803	3.3	11	R45 437
Senior Management	R3 002 907	20	3	R1 000 969
Professional qualified	R11 347 474	76	25	R453 899
Unskilled	R134 490	0.8	1	R134 490.88
TOTAL	R14 984 674	100%	40	R1 634 796

TABLE 4: PERFORMANCE REWARDS

Programme	Performance Rewards	Personnel expenditure (R'000)	% of performance Rewards to total personnel cost (R'000)	Average personnel cost per employee
Top Management	Nil	R499 803	Zero	R45 437
Senior Management	R72 995	R3 002 907	0.5	R1 000 969
Professional qualified	R126 444	R11 347 474	0.8	R453 899
Unskilled	R2 070	R134 490	0.01	R134 490
TOTAL	R201 469	R14 984 674	1.13	R1 634 796

TABLE 5: 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	899 053	18 948	0.13	2	9 474
Finance	2 722 250	52 946	0.36	5	10 589
WRM	6 245 290	176 066	1.2	13	13 544
IT	744 894	23 956	0.17	1	23 956
CEO's Office	2 218 445	28 161	0.19	3	9 387

TABLE 6: EMPLOYMENT AND VACANCIES

Programme	No. of employees beginning FY	Approved post	No. of employees end of FY	% of vacancies
Top Management	11	11	11	100%
Senior Management	3	3	3	100%
Professional qualified	27	31	26	84%
Skilled				
Semi-skilled				
Unskilled	1	1	1	100%
Total	42	46	41	

TABLE 7: EMPLOYMENT CHANGES

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	11	Nil	Nil	11
Senior Management	3	Nil	Nil	3
Professional qualified	27	1	2	26
Skilled				
Unskilled	1		Nil	1
Total	42	1	2	41

TABLE 8: REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	Nil	Nil
Resignation	2	6.8%
Dismissal	Nil	Nil
Retirement	Nil	Nil
Ill health	Nil	Nil
Expiry of contract	Nil	Nil
Other	Nil	Nil
TOTAL	2	6.8%

TABLE 9: LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal Warning	Nil
Written Warning	Nil
Final Warning	Nil
Dismissal	Nil

TABLE 10: EMPLOYMENT EQUITY STATUS

BGCMA									
Current Employment Equity Data									
	BF	BM	CF	CM	IF	IM	WF	WM	Total number of staff
CEO		1							
CFO	1								
Snr Manager WR								1	
IT Manager		1							
PA to CEO	1								
HR Specialist		1							
HR Admin	1								
Finance Manager								1	
Finance Officer			1						
Admin Officer	1								
Data Manager	1								
ISR Manager							1		
Water Liaison Officer x 3	1		2						
Principal Data Capturer				1					
Data Capturer X 2	1		1						
Water Data (GIS)	1								
Water Use Specialist X 2							1	1	
Water use Officer X 4	1			3					
Licensing Clerk							1		
PR & Marketing	1								
Receptionist			1						
Cleaner	1								
TOTAL	11	3	5	4	0	0	3	3	29

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

7. STRATEGIC SUPPORT:

The Human Resources falls 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 legislation and prescripts. It is further responsible for the provision of accurate and correct human resources advice on regular basis.

OUTPUTS				
Outcomes	Performance Measures	2014/2015	Results	Comments
7.2 Human Resources	Policies developed	1	1 (achieved)	Organisational Strengthening
	Policies Reviewed	1	1 (achieved)	Organisational Strengthening
	Number of Personnel Recruited	2	2 (achieved)	Organisational Development
	Performance Management Reports	29	29 (achieved)	Organisational Strengthening
	Number of signed evaluations for all staff	1	1 (achieved)	Organisational strengthening
	Number of Leave Up-date reports	12	12 (achieved)	Management control & monitoring
	Number of Labour issues managed	Nil	Nil	Employee Relations
	Number of staff capacitated	29	29	Organisational Strengthening

MANAGEMENT & GOVERNANCE

Management and Governance 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 DWS). The governance priority is to sign and mainstream the MoU with DWS regional office into the operation of the CMA together with DWS.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	2014/2015	Results	Comments
Strategic Management provided	Number of compliance register reports produced	1	100%	
	Number of corporate plans developed	1	100%	
Governance provided	Percentage compliance with non-financial reporting scripts		100%	
	Number of policies approved by the Board	6	4	
Social Responsibility	Number of social responsibility initiatives/corporate social investment	4	4	

DIFFERENT WATER USES



Wetland



Ground Water



Agricultural



Recreational



Dam



Water Catchment



Waste Water Treatment Plant



Excavation



Estuary



River



Water Quality Monitoring

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015



GENERAL INFORMATION

Type of entity	Schedule 3A Public Entity
Governing board members	Mr NH Hamman (Chairperson) Mr BE Mnisi (Deputy-Chairperson) Mr AP Barnes Ms O Curtis Ms B Damane Mr MJ Delport Mr TJ Motshepe Ms EM Palmer Mr HM Rossouw Mr CJU Swart Mr TE Abrahams Mr K Masindi (Representative Department of Water and Sanitation)
Registered office	Breede - Gouritz CMA 51 Baring Street Private Bag X3055 Worcester 6850
Business address	Breede-Gouritz CMA 51 Baring Street Worcester 6850
Postal address	The Chief Executive Officer Breede-Gouritz CMA Private bag X3055 Worcester 6850
Bankers	ABSA Bank Limited
Auditors	Nexia SAB&T Chartered Accountants (SA) Registered Auditor

The reports and statements set out below comprise the annual financial statements presented to the executive authority:

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

Report on the financial statements

Introduction

We have audited the financial statements of the Breede-Gouritz Catchment Management Agency as set out on pages 46 to 66, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the financial statements

The governing board, which constitutes the accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa (PFMA), and for such internal control as the accounting authority determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Directors: B Adam (CEO), A Aboobaker, Z Abrams, A Darnallingham, T de Kock, S Gambu*, Y Hassen, N Hassim, S Ismail, B Jheftam, H Kajo, S Kleovoulou, H Makamure, S Makamure, T Moyal, P Mxumbusi, K Rama, M Sindane, Y Soma, Z Sophe, N Soopel, M F Sulaman, I Theron, H van der Merwe, M Wessels
* Non Executive

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IRSA Reg No: 921297



Opinion

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 2015 and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

Other matters

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Unaudited supplementary information

The supplementary information set out on page 67 does not form part of the financial statements and is presented as additional information. We have not audited this schedule and, accordingly, we do not express an opinion thereon.

Report on other legal and regulatory requirements

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, we report the following findings on the reported information against predetermined objectives for the selected programmes presented in the annual report, non-compliance with legislations as well as internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

Predetermined objectives

We performed procedures to obtain evidence about the usefulness and reliability of the reported performance for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2015:

- Programme 1: Water resource planning: on page 16
- Programme 2: Water use management: on page 17
- Programme 3: Institutional engagement: on page 18
- Programme 4: Water allocation reform: on page 19
- Programme 5: Resource protection: on page 20

We evaluated the reported performance information against the overall criteria of usefulness and reliability.

We evaluated the usefulness of the reported performance to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned programmes. We further performed tests to determine whether indicators and targets were well defined, verifiable, specific, and measurable and time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPP)*.

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

We did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

Although we identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, we draw attention to the following matter:

Achievement of planned targets

Refer to the annual performance report on pages 16 to 33 for information on the achievement of the planned targets for the year.

Compliance with laws and regulations

We performed procedures to obtain evidence that the public entity had complied with legislation regarding financial matters, financial management and other related matters. Our findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Financial statements

The financial statements submitted for auditing were not prepared in accordance with SA Standards of GRAP as required by Section 55(1) of the PFMA. Material misstatements of non-current assets, cash flow statement items and budget reconciliation identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Internal control

We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with legislation. The matter reported below are limited to the significant internal control deficiencies that resulted in the finding on non-compliance with legislation included in this report.

Financial and performance management

Management did not review the financial statements to ensure that the amounts are supported and evidenced by reliable information and that disclosure items are in compliance with the relevant accounting framework.

NEXIA SAB&T

Nexia SAB&T
Registered Auditors
Per: Inge Theron

Date: 29 July 2015

STATEMENT OF RESPONSIBILITY AND APPROVAL

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 statement that comply with South African Statements of Generally Recognised Accounting Practice (GRAP).

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 the agency business is conducted in a manner that in all reasonable circumstances is above reproach.

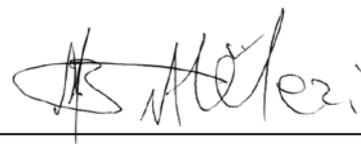
The Board is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control 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, 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 10 to 32, which have been prepared on the going concern basis, were approved by the Board of Directors and were signed on its behalf by:



Chairperson



Chief Executive Officer

REPORT OF THE ACCOUNTING AUTHORITY

The members of the Governing Board submit their report for the year ended 31 March 2015.

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.

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 annual financial statements have been prepared on the going concern basis. The board has every reason to believe that the business has adequate resources to continue as a going concern in the foreseeable future.

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. DIRECTORS

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

Name

Mr NH Hamman (Chairperson)

Mr BE Mnisi (Deputy-Chairperson)

Mr AP Barnes

Ms O Curtis

Ms B Damane

Mr MJ Delpport

Mr TJ Motshepe

Ms EM Palmer

Mr HM Rossouw

Mr CJU Swart

Mr TE Abrahams

Mr K Masindi (Representative Department of Water and Sanitation)

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

We are pleased to present our report for the financial year ended 31 March 2015

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 discharge 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 2015 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 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.

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 BGCMA'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 SAB&T, to audit BGCMA annual financial statements.

The accounting authority have reviewed the agency's financial statement for the year ending March 31, 2015 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 to be approved by the board of directors which will take place on the 23rd July 2015.



Thys Delpont
Chairperson of the Audit and Risks Committee

Audit and Risks Committee members:

Mr Thabo Motsepe
Ms Bulelwa Damane
Mr Corniè Swart
Mr N. Hamman

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Figures in Rand	Note(s)	2015	2014
Assets				
Non-Current Assets				
Property, plant and equipment		2	533 450	950 192
Intangible asset		3	-	30 142
			<u>533 450</u>	<u>980 334</u>
Current Assets				
Trade and other receivables		4	36 824	95 985
Cash and cash equivalents		5	22 571 582	4 867 050
			<u>22 608 406</u>	<u>4 963 035</u>
Total Assets			<u>23 141 856</u>	<u>5 943 369</u>
 Net Assets and Liabilities				
Net Assets				
Accumulated surplus			21 721 439	5 039 143
Liabilities				
Current Liabilities				
Operating lease liability		6	341 961	336 055
Other payables		7	1 078 456	568 171
			<u>1 420 417</u>	<u>904 228</u>
Total Net Assets and Liabilities			<u>23 141 856</u>	<u>5 943 369</u>

STATEMENT OF FINANCIAL PERFORMANCE

	Figures in Rand	Note(s)	2015	2014
Revenue		8	40 787 311	23 625 000
Other income			1 364	34 210
Operating expenses		9	<u>(24 384 331)</u>	<u>(26 268 423)</u>
Operating surplus/(deficit)			16 404 344	(2 609 213)
Interest income		10	277 952	322 683
Gain on insurance proceeds			-	7 239
Surplus/ (Deficit) for the year			<u>16 682 296</u>	<u>(2 279 291)</u>

STATEMENT OF CHANGES IN NET ASSETS

	Figures in Rand	
	Accumulated surplus	Total net assets
Balance at 01 April 2013	7 318 434	7 318 434
Deficit for the year	<u>(2 279 291)</u>	<u>(2 279 291)</u>
Balance at 31 March 2014	<u>5 039 143</u>	<u>5 039 143</u>
Surplus for the year	<u>16 682 296</u>	<u>16 682 296</u>
Total changes	<u>16 682 296</u>	<u>16 682 296</u>
Balance at 31 March 2015	<u>21 721 439</u>	<u>21 721 439</u>

STATEMENT OF CASH FLOWS

	Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities				
Cash receipts from the Department of Water and Sanitation			40 787 311	23 625 000
Cash paid to suppliers and employees			(23 297 991)	(26 624 498)
Cash generated from operations		12	<u>17 489 320</u>	<u>(2 999 498)</u>
Interest income			277 952	322 683
Other Income			<u>1 364</u>	<u>34 210</u>
Net cash from operating activities			<u>17 768 636</u>	<u>(2 642 605)</u>
Cash flows from investing activities				
Proceeds from assets stolen			-	33 472
Purchase of property, plant and equipment		2	<u>(64 104)</u>	<u>(257 640)</u>
Net cash from investing activities			<u>(64 104)</u>	<u>(224 168)</u>
Cash flows from financing activities				
Total cash movement for the year			17 704 532	(2 866 773)
Cash at the beginning of the year			<u>4 867 050</u>	<u>7 733 823</u>
Total cash at end of the year		5	<u>22 571 582</u>	<u>867 050</u>

ACCOUNTING POLICIES

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. Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP. The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention except as disclosed in the accounting policies below. 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.

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 till 2018 has been approved by Treasury.

1.3 COMPARATIVE INFORMATION

Budget information in accordance with GRAP1 and GRAP 24, has been provided on page 25 & 26 of this document. 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. Contributed property, plant and equipment qualify for recognition and become available for use by the entity. 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 are recognised as revenue when the asset is recognised. 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.

1.4.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable. Interest revenue is recognised using the effective interest rate method. Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue is measured at the fair value of the consideration received/receivable. The consideration is in the form of cash or cash equivalent and the amount of revenue is the amount of cash and cash equivalent received or receivable. Revenue in the form of interest earned on bank balances are considered revenue from exchange transactions.

1.5 EXPENDITURE

1.5.1 Unauthorised expenditure

Unauthorised expenditure means the overspending of a vote or a main division within a vote, or expenditure that was not made in accordance with the purpose of the vote or in the case of a main division, not in accordance with the purpose of the main division.

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance. Unauthorised expenditure approved with the funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

1.5.2 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is an expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is an expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and were recovered; it is subsequently accounted as Revenue in the Statement of Financial Performance.

1.5.3 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also 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 the 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 National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If 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 officer or accounting authority 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 irregular expenditure register.

Irregular expenditure is expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including PFMA

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

1.5.4 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorization for payment is effected on the system (by no later than 31 March of each year)

1.6. FINANCIAL INSTRUMENTS

1.6.1 Initial Recognition and Measurement

Financial instruments 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 classifies financial instruments, or their components parts, on initial recognition as a financial asset, a financial liability or residual interest in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value plus, in the case of financial assets or financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liability.

For financial instruments which are not at fair value through profit or loss, 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.

1.6.2 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 amortized 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.

1.6.3 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 fair value.

1.6.4 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.

1.6.5 IMPAIRMENTS 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs associated with selling an item) but not in excess of the amount that would have been determined had no impairment loss been recognised

for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

For assets that have been indefinite useful lives, the recoverable amount is estimated at each reporting date and whenever there is an indication that the asset maybe impaired.

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.

1.6.5.1 Reversal of Impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised.

1.6.6 Derecognition

A financial asset is derecognise 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; or
- ii) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity

1.7 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are tangible items 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.

1.7.1 Initial recognition and measurement

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.

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at its cost. 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.

The estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

1.7.2 Subsequent Measurement

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.

1.7.3 Depreciation and Impairment

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%
Computer software	50.00%
Leasehold improvements	20.00%
Security System	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. The depreciation charge for each period is recognised in the statement of financial performance unless it is included in the carrying amount of another asset.

1.7.4 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.

1.8 INTANGIBLE ASSETS

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.

1.8.1 Initial Recognition and Measurement

An intangible asset is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

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.

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.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at the fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.8.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.8.3 Amortisation and Impairment

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%

1.8.4 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.

1.9 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.

1.9.1 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 asset. This liability is not discounted.

1.10. EMPLOYEE BENEFITS

1.10.1 Short term employee benefits

Short term employees are employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short term employee benefit include the following

- i) Salaries and wages, and social security contributions
- ii) Short term compensated absences, e.g. paid annual leave in case of resignation
- iii) Bonus, incentive and performance related payments payable within the twelve months After the reporting period.

1.10.2 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.

1.10.3 Defined Contribution plans

The Breede-Gouritz Catchment Management Agency provides retirement benefits to all its 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.

Short term benefits are recognised in the period in which the service is rendered and are not discounted.

1.11 PROVISIONS

Provisions are recognised when:

- the entity has an obligation at the reporting period date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- The amount of the obligation can be estimated reliably.

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 reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision

Contingent assets and contingent liabilities are not recognised.

1.12 USE OF ESTIMATES JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of policies and the reported annual amounts of assets and liabilities, income and expenses, trade and loan receivables, impairment testing, fair value estimation and provisions. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may vary from these estimates.

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

1.12.1 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.

1.12.2 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.

1.12.3 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.

1.13 STATEMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

Accounting policy developments include new standards issued, amendments to standards, and interpretations issued on current standards. These developments resulted in the first time adoption of new standards, the restatement of prior year results where applicable and revised and additional disclosures required. Management has considered all accounting standards and interpretations issued but not yet effective and has found none to have significant impact on the financial position and performance of the entity.

1.13.1 Standard in issue not yet adopted

At the date of authorization of these financial statements, the following Standards were noted during the previous financial year and considered for this current financial year but not yet relevant to BGCMA;

- GRAP 18 Segment reporting -
- GRAP 105 Transfer of functions between entities under common control
- GRAP 106 Transfer of functions between entities not under common control
- GRAP 107 Mergers
- GRAP 20 Related Party Disclosures
- GRAP 108 Statutory Receivables

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2015

2014

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Furniture and fittings	887 700	(730 660)	157 039	883 547	(586 725)	296 823
Scientific Equipment	68 447	(36 505)	31 942	68 447	(21 675)	46 772
Motor vehicles	635 430	(602 427)	33 003	635 430	(482 183)	153 247
Office equipment	266 156	(111 181)	154 974	262 277	(64 113)	198 164
IT equipment	1 568 477	(1 420 159)	148 318	1 544 273	(1315 512)	228 760
Leasehold improvements	126 745	(118 832)	7 913	126 745	(100 579)	26 166
Security system	10 531	(10 270)	261	10 531	(10 270)	261
Total	3 563 486	(3 030 036)	533 450	3 531 250	(2 581 058)	950 192

Reconciliation of property, plant and equipment - 2015

	Opening Balance	Write off	Additions	Depreciation	Total
Furniture and fittings	296 822	-	4 154	(143 936)	157 039
Scientific Equipment	46 772	-	-	(14 830)	31 942
Motor vehicles	153 247	-	-	(120 244)	33 003
Office equipment	198 164	-	3 880	(47 070)	154 974
IT equipment	228 760	(31 864)	56 070	(104 649)	148 318
Leasehold improvements	26 166	-	-	(18 253)	7 913
Security system	261	-	-	-	261
Total	950 192	(31 864)	64 104	(448 982)	533 450

Reconciliation of property, plant and equipment - 2014

	Opening Balance	Write Off	Additions	Depreciation	Total
Furniture and fittings	442 816	-	938	(146 931)	296 822
Scientific Equipment	60 461	-	-	(13 689)	46 772
Motor vehicles	280 333	-	-	(127 086)	153 247
Office equipment	172 109	-	70 28	(44 230)	98 164
IT equipment	312 515	(23 983)	178 482	(238 254)	228 760
Leasehold improvements	42 787	-	7 935	(24 556)	26 166
Security system	1 490	-	-	(1 229)	261
Total	1 312 510	(23 983)	257 640	(595 975)	950 192

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

3. Intangible assets

2015				2014		
	Cost/ Valuation	Accumulated Amortisation	Carrying Value	Cost/Valuation	Accumulated Depreciation	Carrying Value
Software ArcGIS Server	501 362	501 362	0	501 362	471 220	30 142

Reconciliation of Intangible assets - 2015

	Opening Balance	Amortization	Total
Software ArcGIS Server	30 142	30 142	-

Reconciliation of Intangible assets - 2014

Software ArcGIS Server	90 426	60 284	30 142
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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 fully depreciated in the following financial period.

Figures in Rand 2015 2014

4. Trade and other receivables

Prepayment on Rent	-	58 447
Property rental deposit	<u>34 525</u>	<u>34 525</u>
	34 525	92 972

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	<u>2 299</u>	<u>3 013</u>
	<u>36 824</u>	<u>95 985</u>

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 or 'mileage' incurred during this monitoring. This National Monitoring Programme mostly monitors 'raw' water quality in rivers and dams.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	24	71
Bank balances	<u>22 571 558</u>	<u>4 866 979</u>
	<u>22 571 582</u>	<u>4 867 050</u>

6. Operating lease liability

Lease liability	<u>341 961</u>	<u>336 055</u>
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7. Other payables

Payables	666 634	236 723
Accrued Leave pay	196 033	137 293
Staff bonus accrual	<u>215 789</u>	<u>194 155</u>
	<u>1 078 456</u>	<u>568 171</u>

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 2014 has been adjusted to the actual amount incurred during that period.

8. Revenue

Revenue relates to non-exchange transactions.

Grants received	40 787 311	23 625 000
Gain on Insurance	-	7 239
Other Income	1 364	34 210
Interest Income	277 952	322 683
	<u>41 066 627</u>	<u>23 989 132</u>

Figures in Rand	2015	2014
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9. Operating expenses

Operating expenses includes the following:

Premises - Lease and rental expenses	749 058	749 586
Depreciation and amortisation	479 121	656 258
Employee costs	14 653 485	13 141 603
Goods and services	8 502 667	11 720 976

10. Investment revenue

Interest received from ABSA	277 952	322 683
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11. Auditor's remuneration

Audit Fees	474 607	426 685
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12. Cash generated from operations

Surplus/(Deficit) for the year	16 682 296	(2 279 290)
Adjustments for:		
Depreciation and amortisation	479 121	656 258
Interest received	(277 952)	(322 683)
Other Income	(1 364)	(34 210)
Loss/(Gain) on stolen assets	31 864	(7 239)
Movement in Provisions		
- Lease Liability	5 904	65 941
- Accrued Leave Pay	58 740	94 643
- Bonus Provision	21 634	9 701

Changes in working capital:

Other payables	429 915	(1 176 294)
Prepaid movements	58 448	
	714	(6 325)
Decrease in trades receivable	<u>17 489 320</u>	<u>(2 999 498)</u>

13. Related parties

Relationships

Department of Water and Sanitation
Governing body

Executive authority
Accounting authority

The governing body includes the following members:

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

Related party transactions

Grants paid to (received from) related parties

Department of Water and Sanitation	(40 787 311)	(23 625 000)
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The entity has a related party called Department of Water and Sanitation and transaction or amount received from the related party have been disclosed under note no 8 in the Statement of Financial Performance.

Figures in Rand	2015	2014
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14. Remuneration

Executive

Chief Executive Officer	- Salary	1 181 469	1 149 237
	- Pension Fund	-	-
	- Bonus	47 258	33 532
Chief financial Officer	- Salary	775 861	745 855
	- Pension Fund	98 381	84 374
	- Bonus	12 848	23 838
Senior Manager, Water Resource Management	- Salary	775 861	753 943
	- Pension Fund	98 381	84 374
	- Bonus	12 848	23 839
		<u>3 002 907</u>	<u>2 898 992</u>

Non-executive

Chairman	65 378	51 280
Deputy Chairman	45 670	31 005
Non-executive directors	<u>272 750</u>	<u>246 208</u>
	<u>383 798</u>	<u>328 493</u>

15. Defined contribution plan

15.1 Pension fund

The Breede-Gouritz Catchment Management Agency provides retirement benefits to its employees. The above amount was recognised as an expense on the statement of financial performance. The Agency moved from the NMG Umbrella Pension fund from 1 October 2014 to the Government Employees Pension Fund. The total pension fund contributions for the year amounted to R1 577 154.

16. Financial risk management

16.1 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.

(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.

(d) Interest risk

The entity's exposure to changes in the interest rates is on a floating rate basis to funds invested with reputable financial institutions.

(e) Capital management

The policies of the entity's management are to maintain a strong capital base so as to maintain public sector confidence and to sustain future development of the agency.

16.2 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 R22 571 582 (Cash and cash equivalents). The maximum exposure to interest risk at the reporting date in respect of noninterest bearing instruments amount to R 666 638 (other payables).

16.3 Liquidity risk

The carrying amounts of financial liabilities at the reporting date were the other payables of R1 078 460. The contractual maturities for all payables outstanding at 31 March 2015 are 12 months or less. These are payable on demand and most accurately reflects the short-term nature of trading activities.

16.4 Credit Risk Analysis

Debtor	Receivable within 30 days	Receivable within 60 days
Department Water and Sanitation	2 299	-
Totals	2 299	-

The debtors are neither past due or impaired.

17. Reconciliation between statements of financial performance

The entity obtained resources in the form of a government grant R40 787 311 from the Department of Water and Sanitation and were used in accordance with the approved budget. The approved budget covers the period 1 April 2014 to 31 March 2015.

The difference on budget allocation and performance (R16 409 320) is due to the merger between Breede and Gouritz Catchment Management Agency as Gazetted on the Government Gazette notice number 37677 of 23 May 2014. This allocation was received later during the financial year.

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 2015

	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the budget and actual comparative statement	16 409 320	-	-	16 409 320
Basis differences	1 081 363	-	-64 104	1 017 259
Timing differences	-277 952	-	-	-277 952
Entity Differences	-	-	-	-
Actual amount in the cash flow	17 768 635	-	-64 104	17 704 531

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

	Approved Budget	Adjustments	Final Budget	Actuals	Variance Budget vs Actual
RECEIPTS					
Government Grant	26,135,155	14,651,845	40,787,000	40,787,311	311
Interest Received	-	-	-	277,952	277,952
Other Income	-	-	-	1,364	1,364
TOTAL RECEIPTS	26,135,155	14,651,845	40,787,000	41,066,628	279,628
PAYMENTS					
Employee Costs	13,784,855	6,480,613	20,265,468	14,484,871	5,780,597
General Expenses	892,100	499,456	1,391,556	952,562	438,994
Hiring and Rentals	927,950	519,527	1,447,477	829,943	617,534
Staff Training and Conferences	385,000	215,548	600,548	359,849	240,700
Professional Fees	1,605,000	898,584	2,503,584	1,371,019	1,132,565
IT Expenses	1,052,500	589,259	1,641,759	367,600	1,274,159
Project Expenses	3,480,000	3,205,056	6,685,056	2,229,550	4,455,506
Traveling and Accommodation	1,341,000	750,780	2,091,780	859,009	1,232,771
Public Participation & Engagement	1,930,000	1,080,541	3,010,541	1,810,286	1,200,255
Vehicle Costs	96,750	54,167	150,917	108,856	42,061
Board and Committee Costs	465,000	260,338	725,338	499,803	225,535
Loss on Sale of Assets	-	-	-	31,864	-31,864
Depreciation	-	-	-	479,121	-479,121
TOTAL PAYMENTS	25,960,155	14,553,869	40,514,024	24,384,332	16,129,692
NET RECEIPTS/(PAYMENTS)	175,000	97,976	272,976	16,682,296	16,409,320

18. Wasteful expenditure

No fruitless and wasteful expenditure were identified.

19. Commitments

19.1 Lease Commitments

Buildings

- within one year	803 156	744 434
- in second to fifth year inclusive	1 669 732	2 193 484
- later than five years	-	-
Minimum lease payments	<u>2 472 888</u>	<u>2 937 918</u>

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 is at 9% per annum as from 1 June of every year.

19.2 Capital commitments

Contracted for

Commitments for the validation and verification of water use in respect of the 2013/2015 financial year	1 153 835	1 036 191
Breede-River Alien Clearing Project	2 711 992	1 876 931
	-	116 337

Not Contracted For

Final stage of CMS	100 000	31 553
Scientific Equipment	-	75 000
UBCEG	-	384 899
Ground and Surface Water Hydraulic Study	227 264	150 000
Intergovernmental Projects	200 000	750 000
Cape Nature Projects	278 270	-

Total future capital commitments	<u>4 671 361</u>	<u>4 420 911</u>
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DETAILED INCOME STATEMENT

Figures in Rand	Note (s)		
Revenue			
Grants received		40 787 311	23 625 000
Other income		1 364	41 449
Interest received	10	277 952	322 683
		41 066 627	23 989 132
Operating expenses			
Accommodation			-5 645
Advertising		-348 288	-234 591
Auditors remuneration	11	-474 607	-426 685
Bank charges		-22 613	-17 149
Legal Fees		-81 316	-12 549
Cleaning		-36 714	-27 281
Computer expenses		-310 613	-475 712
Consulting and professional fees		-114 094	-425 811
Consumables		-1 240	-1 946
Depreciation		-479 121	-656 258
Employee costs		14 484 871	-13 141 603
Entertainment		-5 906	-29 200
Office expenses		-12 166	-35 710
Microbiological Water Analysis		-135 373	-131 227
Chemical Water Analysis		-295 732	-318 341
Validation and Verification		-1 200 791	-2 156 759
Alien Clearing and Other Projects		-901 078	-3 330 247
Ground Water and Surface Water Projects		-72 736	-119 267
UBCEG		-54 944	-2 700
Water Week		-442 276	-244 156
Board Members Costs		499 803	-22 738
Notices and Publications		-45 396	-38 503
Awareness and Publicity		-1 033 243	-215 227
Institutional Development		-56 125	-284 321
Recruitment cost		-211 223	-222 524
Bursaries		-59 771	-64 321
Insurance		-138 545	-168 809
Lease rentals on operating lease		-749 058	-749 586
Office Machine Rentals		-42 980	-44 520
Motor vehicle expenses		-108 856	-95 904
Postage		-108 755	-38 271
Printing and stationery		-156 540	-146 966
Repairs and maintenance		-11 316	-24 896
Security		-70 937	-67 501
Subscriptions		-25 350	-20 252
Telephone and fax		-316 017	-410 003
Training		-300 077	-280 300
Travel- local		-859 009	-1 538 181
Loss on Stolen Assets		-31 864	
Utilities		-84 370	-73 456
		24 384 331	26 268 423
Surplus/ (Deficit) for the year		16 682 296	-2 279 291

GLOSSARY

APP	–	Annual Performance Plan
BGCMA	–	Breede-Gouritz Catchment Management Agency
BOCMA	–	Breede Overberg 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
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
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
SADC	–	Southern African Development Community
V & V	–	Validation & Verification
WARMA	–	Water Management Resources Authority
WMA	–	Water Management Area
WUA	–	Water Users' Association

BREDE-GOURITZ

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