



BREEDE GOURITZ

CATCHMENT MANAGEMENT AGENCY

ANNUAL REPORT 2016

BREEDE-GOURITZ

Catchment Management Agency
Opvangebied Bestuursagentskap
I-Arhente yoLawulo lomMandla nokungqongileyo

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BGCMA'S VISION

THE MISSION STATEMENT OPERATIONALISES THE VISION AS FOLLOWS:

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

BGCMA will:

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

So that:

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



THE LINKAGES

INSTITUTIONAL ARRANGEMENTS OF THE BREEDE-GOURITZ WATER MANAGEMENT AREA

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

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

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

The delegated functions support the broad functional areas of:

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

The BGCMA works closely with the following municipalities:

CAPE WINELANDS DISTRICT MUNICIPALITY

- Breede Valley LM
- Langeberg LM
- Witzenberg LM

OVERBERG DISTRICT MUNICIPALITY

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

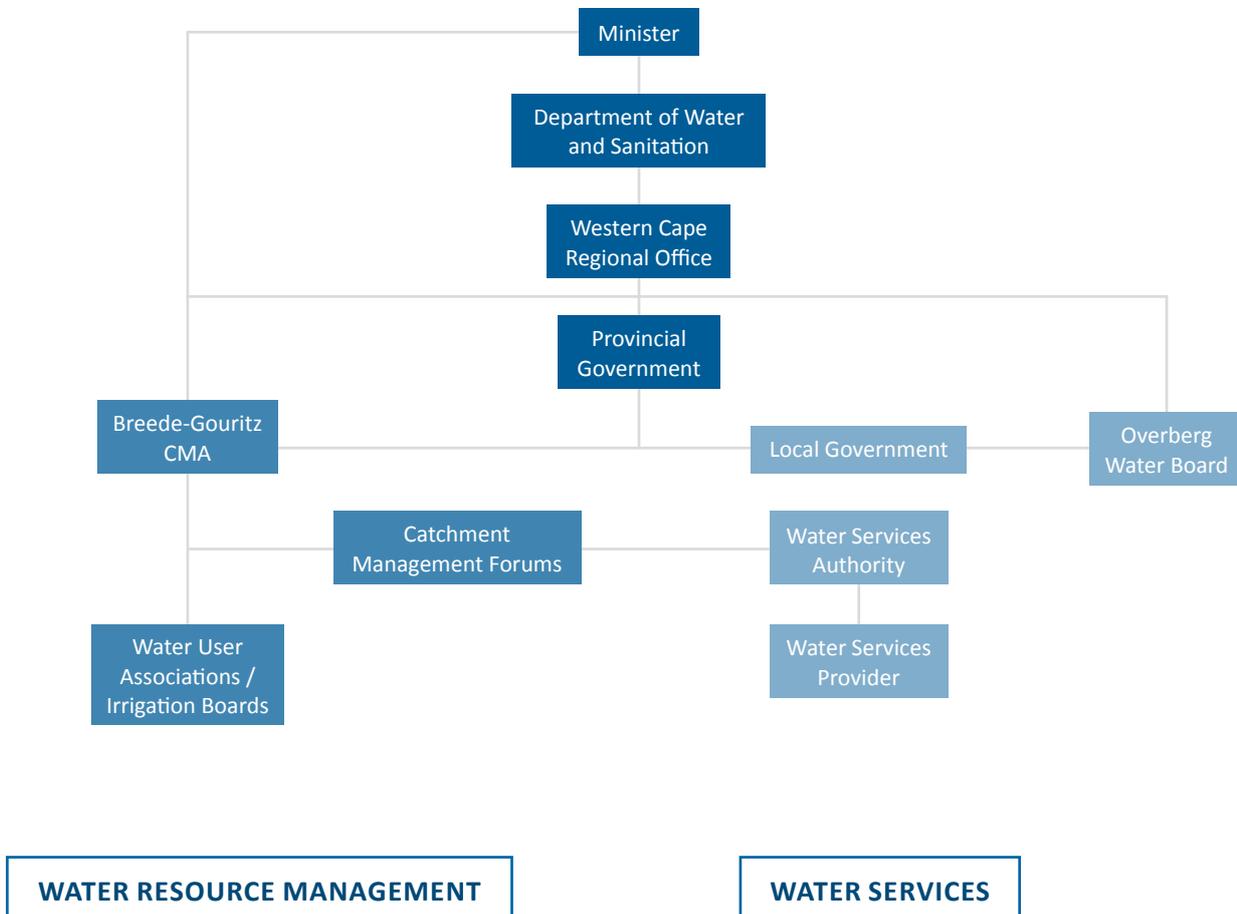
EDEN DISTRICT MUNICIPALITY

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

CENTRAL KAROO DISTRICT MUNICIPALITY

- Beaufort West LM
- Laingsburg LM
- Prince Albert LM

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 2015-2016 Annual Report of the Breede-Gouritz Catchment Management Agency for the year ended 31 March 2016.

Yours faithfully

NEIL HAMMAN
CHAIRPERSON

THE CHAIRPERSON'S REPORT

FOR 2015/16 FINANCIAL YEAR



INTRODUCTION

As the old African proverb goes “the bird that sits too long in a tree invites a stone”; it is important for organisations like the BGCMA to be adaptive to processes of change and change management. The proverb simply reminds us that if one is not continually innovative, s/he may be unable to cope with change and fail to embrace the future with its challenges.

Relying heavily on its own ingenuity, the BGCMA has responded to the national, provincial and local government imperatives. The CEO’s Report proves that the BGCMA is indeed an epitome for rallying stakeholders to take charge in the management of water resources and, more importantly, “democratising” the management of water resources to the local communities and water users. 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 road to success is never straight and without difficulty. We have all learnt that South Africa is indeed a water-scarce country, and it is essential that everyone takes responsibility and 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, and it is this very same legislation that gave birth to the BGCMA.

The following section details a brief background on how the legislation paved the way for a catchment management agency in the Breede-Gouritz Water Management Area.

THE BACKGROUND

The board of the BGCMA was the first board appointed by the then Minister of Water Affairs and Forestry in 2007. Its purpose was to firstly set up the old Breede River water management institution and secondly provide oversight and guidance to the organisation. With the amalgamation of the two former water management areas, namely the Breede River and Gouritz, into a single WMA, the board with management and staff continues to implement the Government policy of cascading the water management downwards. It has been a great privilege to serve the Minister, the Department and all our water users, and we shall be forever grateful for the support we’ve received from all parties involved.

It is worth noting that, when we initially took up our positions on the board, there was no real infrastructure or system in place. For example, there wasn’t a physical office or infrastructure to run such a vital water management institution. Looking back on the journey from where we started at ground zero to where we are today, we are filled with a sense of self-actualisation – especially when you consider that most of our board members did not have any past experience in corporate governance or being the ‘servants’ of the water users as directed by the Minister.

Today the BGCMA is performing its duties more effectively than ever before, running like a well-oiled machine and a fully-functioning operational arm of the Department of Water and Sanitation. For instance, over the course of this financial year, the BGCMA successfully engaged with the Validation and Verification exercise.

The issues of water resource management within a catchment are also guided by the South African Constitution (1996), National Water Act of 1998 and other acts like 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.

A quick assessment of what the BGCMA has been doing up to date, will reveal that it has gone above and beyond 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. Coordinating the related activities of water users and of the water management institutions within its water management areas;
- d. Promoting the coordination 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.

In terms of the above, there is no hesitation in looking at the 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 do we craft a tomorrow that caters to our present needs as well as meeting the needs of the next generation? The answer to the question is a multidimensional one that requires a dedicated water management institution such as the BGCMA to be at the forefront of development where water is the epicenter. It invites all South Africans to look beyond our own interests to collectively promote a better future.

This invitation must go hand in hand with the realisation that additional delegations and responsibilities are required to continuously enable the BGCMA to be a mantle of excellence. We shall continue to strive for a harmonious and seamless working relationship with the Department of Water and Sanitation – the parental body that supports and guides the BGCMA in meeting its legislative mandate.



CHALLENGES

In order to excel in our service delivery record, the need has arisen for the BGCMA to receive more meaningful delegations and assignments. As the CMA model reaches its maturity level, I am indeed positive of the fact that we will eventually get there. It was therefore extremely heartening to receive a word from our Honourable Minister that the catchment management agencies provide the best way forward. We need to complement our Minister's message by ensuring that CMAs, such as the BGCMA, are in line with the objectives of the National Water Act and that water issues are prioritised for development and conservation purposes.

The fact that the Department of Water and Sanitation works with the BGCMA and fully supports the discharge of its responsibilities, provides a certain sense of comfort. In order to make the BGCMA a kaleidoscope of service delivery, we would need to be supported by the following: timeous approvals of the annual performance plans; regular and timeous transfers of funds; prompt feedback on the Annual Performance implementation; and additional delegations.

ACKNOWLEDGEMENTS

The achievements of the year and our effort to meet our strategic objectives as outlined in the Annual Performance Plan would not have

been possible without the passion, dedication, resilient determination and 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. Nangomso!

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.

Niel Hamman

Chairperson of the Governing Board





CHIEF EXECUTIVE OFFICER'S REPORT & MESSAGE

THIS ANNUAL REPORT FOR THE
YEAR ENDED 31 MARCH 2016

WATER HAS ALWAYS BEEN THE EPICENTER OF SOCIO-ECONOMIC DEVELOPMENT SINCE TIME IMMEMORIAL. THERE IS NO DOUBT THAT THE PROMULGATION OF THE NATIONAL WATER ACT OF 1998 WAS ENCRYPTING THE FUTURE THAT ACKNOWLEDGES THE SYMBIOTIC RELATIONSHIP BETWEEN HUMAN CONSUMPTION OF WATER, AND THE NEED TO CATER FOR THE ENVIRONMENT.

This view is well presented in the BGCMA's Five Year Strategic Plan and Annual Performance Plan. The BGCMA's staff was very instrumental in the development of these documents as approved by the Governing Board.

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 both the Strategic Plan and the Annual Performance Plan (APP). This contains our performance information, which acts as our indicators in discharging our responsibilities. Even in this 2015/16 Financial Year, the external audit report has again given the BGCMA a unqualified report. We have been able to deliver the services as per the APP and I am grateful for the sound internal controls and committed Management Team supported by all our colleagues at the BGCMA. The achievements are a result of team work focusing on the legislative mandate of the BGCMA.

THE ORGANISATION

The Breede-Gouritz Catchment Management Agency is nine years old, having been consistently building its own information reservoir since 2005, whilst discharging its mandate. The BGCMA has proven that water talks directly to the economy and also improves the material living conditions of all our inhabitants. It will be erroneous not to acknowledge our partnerships with all the water users in carrying out the mandate – for instance, the municipalities that 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 resources management through stakeholders' participation. Hence, this Annual Report is being compiled as a mirror that reflects our collective efforts in working with our water users. It speaks to the following BGCMA 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, which has shaped the organisation.

We invite every water user, stakeholder and interested party to read this Annual Report in depth, and we welcome any constructive feedback and comments.

There is something quite unique about a catchment management agency/organisation like the BGCMA, and it requires great stakeholder involvement and participation in the water value chain management. There has been a deliberate bias towards the water users and the environment, as these are our main stakeholders. All the processes are geared towards meeting and, where humanly possible, exceeding 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. Coordinate the related activities of water users and of the water management institutions within our water management area;
- d. Promote the coordination 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.

BGCMA has also lived up to the expectations of the delegated functions such as running the Validation and Verification project – in line with an African proverb that says "ingwe idla ngamabala". BGCMA is committed to working towards 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 unqualified audit reports, which clearly indicates that reasonable and sound internal control systems are in place. These were implemented from day one, and we shall continue to improve our systems as a catalytic tool for meeting 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 introduced a partnership agreement that involves a sister organisation in Namibia, namely the Cuvelai-Etoshia Basin, and further engagement with the Water Resources Management Authority of the Republic of Zambia. These are some of the institutions (in addition to the South African based) that were engaged by the BGCMA. We continued partnering with institutions like the WWF, and top academic institutions like the Cape Peninsula University of Technology and the University of the Western Cape. It remains our conviction that the best way to promote sound water resources management principles is through working and sharing lessons with other organisations within SADC as well and Africa at large.

Furthermore, the BGCMA is committed to establishing sound relationships with all our municipalities, water users and interested parties. We are fully behind the clarion call made by the Minister to ensure inclusiveness in the management of the resource. Hence, we have made comprehensive contributions in the community water related projects and implementing the BGCMA's APP.



In addition, every effort has been made to ensure that water quality and redressing of the past imbalances remain our top priorities – not just in words but also in actions. We invested in a number of water monitoring points, and conducted both the bacteriological water monitoring and chemical water monitoring activities. In order to ensure reliability of the results, we utilised independent and accredited laboratories.

Furthermore, the BGCMA strives to implement a very successful water allocation programme in line with the national policies. Making water accessible to previously disadvantaged individuals remains the focal point in promoting transformation. The development of the Catchment Management Strategy will therefore provide more meaning insofar as water allocation is concerned.

As the process of establishing more catchment management agencies is unfolding, we have been sharing our experiences with all the relevant and affected parties. To date, the BGCMA has received numerous accolades, and we plan to build on the same experience in shaping up the amalgamated entity, the Breede-Gouritz Catchment Management Agency (BGCMA). The contributions made by all our units such as Water Resources Management, Finance, Human Resource Management, Information Systems (Strategic Planning) and Public Relations will steer the organisation forward.

CONCLUSION

In conclusion, we are grateful to our ever committed Governing Board, management and staff who have gone out of their way to burn both the midnight and midday oils to ensure that the BGCMA continues to provide excellent services. Words alone cannot express our appreciation for the support we have received from the Department of Water and Sanitation. Despite the challenges encountered, we say thank you once more! Indeed, “ingwe idla ngamabala”. Water is life – let us all put our hands together and support one another in delivering exceptional services to all our water users.



Phakamani Buthelezi
Chief Executive Officer



STATEMENT OF RESPONSIBILITY

1. COMPLIANCE WITH APPROPRIATE LEGISLATION

The Breede-Gouritz Catchment Management Agency is responsible for all information and representations contained in the statement of financial position as at 31 March 2016, and the related statement of financial performance, statement of changes in net and cash flow statement for the year ended 31 March 2016.

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

2. BASIS USED TO PREPARE THE ANNUAL FINANCIAL STATEMENT

In this regard senior management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure

that transactions are properly authorised and recorded, assets are safeguarded against unauthorised use or disposition, and liabilities are recognised. The management likewise discloses to the CEO and Audit & Risks 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 R23 365 608.

BOARD MEMBERS

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 Delpont
Mr TJ Motshphe (deceased 06 November 2015)
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 Delpont (Chairperson)
Mr NH Hamman
Mr TJ Motshphe (deceased 06 November 2015)
Ms B Damane
Mr CJU Swart

TECHNICAL COMMITTEE

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

HUMAN RESOURCES AND REMUNERATION COMMITTEE

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

WATER USE AUTHORISATION COMMITTEE (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.



CHAIRPERSON OF THE BOARD
Mr NH Hamman



DEPUTY CHAIRPERSON OF THE BOARD
Mr BE Mnisi



TECHNICAL COMMITTEE CHAIRPERSON
Dr O Curtis



AUDIT AND FINANCE COMMITTEE CHAIRPERSON
Mr MJ Delport



HUMAN RESOURCES AND REMUNERATION COMMITTEE CHAIRPERSON
Mr TE Abrahams



Mr CJU Swart



Ms EM Palmer



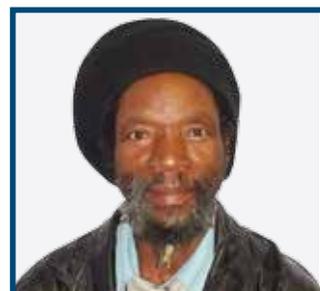
Mr AP Barnes



Mr HM Rossouw



Ms B Damane



Mr TJ Motshphe
(deceased 06 November 2015)



MANAGEMENT COMMITTEE



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



MR GERHARD DE BRUIJN
Finance Manager -
Expenditure



MR LANGA TWAÏSE
IT/Strategic Support Manager



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



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 support the

monitoring, control and management of water resources in the Water Management Area.

OUTPUTS				
OUTCOMES	PERFORMANCE MEASURES (KPIs)	PLANNED TARGETS 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	COMMENT ON DEVIATIONS
1.1 Catchment Management Strategy	% of CMS completed	50% of CMS completed (situational report & visioning report completed)	35.2% of CMS completed	Delay in the appointment of the Service Provider
1.2 Water Resource Planning Processes	Percentage of land use planning and rezoning applications commented on (letters sent)	90%	86.75% (average)	Delay in appointment of staff for the Gouritz area
	Number of Water Quality Objective Reports completed	2	<ul style="list-style-type: none"> Central Breede River Goukou River 	None



2. WATER USE MANAGEMENT

Water use management includes activities such as licensing, registration of water users, pollution control and ensuring water use compliance and enforcement for the 11 prescribed water uses. The BGCMA highlighted the urgency of fast-tracking the registration and licensing process to

address the backlog. The water quality management priority included the registration of waste discharge together with effective resource protection and compliance monitoring.

OUTPUTS				
OUTCOMES/ ACTIVITIES	PERFORMANCE MEASURES (KPIs)	PLANNED TARGETS 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	COMMENT ON DEVIATIONS
2.1 Registered waste use	% of water registrations finalised	70% of water registration received will be finalised	66% (average)	<p>These results were achieved despite the following factors:</p> <ul style="list-style-type: none"> A slower and unreliable connection and a recurring error experienced randomly, which is not linked to a specific WARMS report or function During the 2015/2016 financial year WARMS was offline for a total of 68 days Two vacant posts remain in the WARMS Dept (Senior Data Capturer vacant since June 2015 and two Data Capturers vacant since the start of the financial year). In November 2015 a Data Capturer was employed but resigned in the same month. The second Data Capturer started in December 2015 Take-over process of Gouritz files
2.2 Processed water use applications	% of licenses finalised	80% of licenses finalised	80%	None
	% of general authorisations and enquiries dealt with	100% of General Authorisation queries dealt with	100%	None
2.3 Water use complied with water use license / General Authorisation conditions	Number of Audit Reports completed for water use compliance	60 Audit Reports completed	65	Target exceeded due to inclusion of Gouritz area in Quarter 4
2.4 Water users validation and verified in selected priority catchments	Number of confirmation letters sent	150 Confirmation letters sent	250	More properties with water use than what was estimated

3. INSTITUTIONAL ENGAGEMENT

Water use management includes activities such as licensing, registration of water users, pollution control and ensuring water use compliance and enforcement for the eleven prescribed water uses. The BGCMA highlighted the urgency of fast-tracking the registration and licensing

process to address the backlog. The water quality management priority included the registration of waste discharge together with effective resource protection and compliance monitoring.

OUTPUTS				
OUTCOMES/ACTIVITIES	PERFORMANCE MEASURES (KPIs)	PLANNED TARGETS 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	COMMENT ON DEVIATIONS
3.1 Communication with stakeholders	Number of learners reached during water campaigns (Water Week/Land Care etc.)	3 000 learners reached during various campaigns	7 994	BGCMA excelled in awareness campaigns with learners and other stakeholders
	Number of newsletters (1 edition per quarter)	4	4	None
3.2 Social responsibility projects financially supported	Number of social responsibility projects supported	10	10	None
3.3 Forums maintained	Number of existing water related forums technically and administratively supported	18 Water related forums maintained	39	Cooperative governance with other departments and addition of Gouritz area

4. WATER ALLOCATION REFORM

The BGCMA has prioritised programmes promoting water allocation reform (and equity arrangements) giving assistance to resource-poor

farmers, particularly in terms of the DWS subsidy and with license applications.

OUTPUTS				
OUTCOMES/ACTIVITIES	PERFORMANCE MEASURES (KPIs)	PLANNED TARGETS 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	COMMENT ON DEVIATIONS
4.1 Resource Poor Farmers (RPF) supported	% of RPF technically assisted with water use	100%	100%	None
	Number of RPF assisted with completing financial applications for Government subsidies	30 RPF financial applications assisted with	30	None



5. RESOURCE PROTECTION

The BGCMA monitored water resources for water quality at 112 monitoring points and assisted with the NEMP monitoring for the DWS. Pollution incidents were acted on timeously to prevent any lasting damage to water resources. The DWS Control, Management and Enforcement unit were provided with assistance. Implementation

of Memorandums of Agreement with the Western Cape Department of Agriculture lead to approximately 240ha of alien invasive plants being removed from water resources as well as the rehabilitation of indigenous species within these sites.

OUTPUTS				
OUTCOMES/ACTIVITIES	PERFORMANCE MEASURES (KPIs)	PLANNED TARGETS 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	COMMENT ON DEVIATIONS
5.1 Protected Resources	Number of DWS water quality monitoring projects sampled	2 DWS monitoring projects will be sampled	1	<ul style="list-style-type: none"> NMMP – Contract for the CMA/DWS sampling remained unresolved
	Number of BGCMA water quality points monitored	70 Water resource points monitored	112	More points monitored due to inclusion of Gouritz area
	Number of river rehabilitation projects supported	4 (Breede River)	4 Projects: <ul style="list-style-type: none"> Breede River Project (Wyzersdrift) Upper Breede River Breede River Project (N1) Central Breede River Project 	None
	% of Reported non-compliance cases dealt with	100% of reported non-compliant cases dealt with	100%	None

6. INFORMATION SYSTEMS

The BGCMA has prioritised information acquisition, management and sharing/dissemination as key to its role as the apex water management institution in the WMA. This programme will focus on providing

comprehensive and consistent information at an organisational and catchment level, through effectively functioning systems, including interfaces with DWS information systems where necessary.

OUTPUTS				
OUTCOMES/ACTIVITIES	PERFORMANCE MEASURES (KPIs)	PLANNED TARGETS 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	COMMENT ON DEVIATIONS
6.1 Information Systems planned and maintained	Enterprise Resource Planning System (SAP) implemented	30% of SAP implementation	10% of the SAP system implementation	Planning and funding from the Department of Water and Sanitation took longer than expected
	Electronic Document Management System implemented	100% of EDMPS implementation	0% of EDMS implemented	EDMS is a module within SAP, will be rolled out after completing the core SAP modules

7. STRATEGIC OUTPUT

The strategic support section of the BGCMA will be the backbone of financial management and administration for the organisation, with the

priority of ensuring financial viability through water use charges and effective organisational development.

OUTPUTS					
OUTCOMES/ACTIVITIES	PERFORMANCE MEASURES (KPIs)		PLANNED TARGETS 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	COMMENT ON DEVIATIONS
1.1 Finance statutory reporting documents	1.1.1	Percentage of compliance with financial reporting prescripts	100%	100%	None
	1.1.2	Number of proposed tariff reports submitted complying with pricing strategy	1	1	None
1.2 Effective risk management	1.2.1	Number of risk assessment reports	2	2	None
1.3 Effective internal controls	1.3.1	Percentage compliance to audit recommendation	100%	100%	None
	1.3.2	Number of audit strategies developed (internal and external audit)	2	2	None
1.4 Effective organisational development	1.4.1	Number of Human Resource Development Plan (strategic plan developed and revised)	1	1	None
	1.4.2	% occupancy rate of approved posts	90%	90%	None
1.5 Organisational strengthening	7.5.1	% of personal development plans for staff developed	100%	100%	None

8. MANAGEMENT AND GOVERNANCE

This programme represents the executive and board management of the CMA, together with the aspects required for good corporate governance and relationships with the Minister as the executive authority (and

DWS). The governance priority is to sign and mainstream the MoU with DWS RO and other relevant Chief Directorates into the operation of the CMA together with DWS.

OUTPUTS					
OUTCOMES/ ACTIVITIES	PERFORMANCE MEASURES (KPIs)		PLANNED TARGETS 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	COMMENT ON DEVIATIONS
8.1 Strategic Management provided	1.1.1	Number of corporate compliance reports produced	1	1	None
	1.1.2	Signing of stakeholder compact	1	1	None
8.2 Governance provided	1.1.1	Percentage compliance with non-financial reporting scripts	100%	100%	None
8.3 Social Responsibility	1.1.1	Number of social responsibility initiatives/corporate social investment programmes	4	4	None
8.4 Institutional Cooperation	8.4.1	Number of new partnerships established	2	2	None

WATER RESOURCES MANAGEMENT

INTRODUCTION

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

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

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

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

The Institutional and Stakeholder Relations division is responsible for engagement with stakeholders as well as maintaining and improving inter-governmental relations.

This report discusses the key highlights for the financial year 2015/2016 under the following headings:

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

WATER RESOURCES PLANNING

CATCHMENT MANAGEMENT STRATEGY

The process to develop the Breede-Gouritz CMS has been initiated. The Service Provider has been appointed and the development process was launched in George on 31 March 2016.

LAND USE APPLICATIONS

The BGCMA monitored and managed water resources within the

Breede-Gouritz catchment area. An average of 86.75% land use planning and rezoning applications were assessed and commented on.

WATER QUALITY OBJECTIVE REPORTS

Both the Central Breede River and Goukou River Water Quality Objective Reports were finalised.



WATER USE MANAGEMENT

REGISTERED WATER USE

The target set for the water registrations finalised was 70%. The BGCMA confirmed the water registrations of 66% average on the Water Authorisation and Registration Management System (WARMS), which is 4% below the target. The process was hampered by the unreliability of the WARMS system, delays in appointing data capturers in the WARMS department, and takeover of the Gouritz files.

WATER USE AUTHORISATIONS

The BGCMA assessed several Water Use License Applications of which three were recommended and two licenses were issued by the BGCMA Water Use Authorisation Committee (WUAC). One was declined and one was not finalised within this financial year. This supports the target of 80% being achieved.

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

WATER USE COMPLIANCE AUDITS

Compliance audits and site visits were conducted for 65 cases during the financial year. 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.

VALIDATION AND VERIFICATION OF WATER USE IN SELECTED PRIORITY AREAS

Validation is the process to confirm whether the volume of water registered coincides with the volume of water required for crops cultivated. On the other hand, verification is the process to check the lawfulness of the volume of water actually used under previous legislation, so as to clarify the extent of Existing Lawful Use (ELU). The BGCMA further rolled out the Validation and Verification process for targeted quaternaries in the Breede-Gouritz Water Management Area. The water usage of 250 properties was verified.



INSTITUTIONAL ENGAGEMENT

Stakeholder Engagement, Marketing and Communication

The set target to reach 3 000 learners during water campaigns was exceeded during 2015/2016. Almost 8 000 (actual figure = 7 994) people were reached through several awareness days and campaigns:

- Water Week Activities
- School Holiday Programmes
- School Water Awareness Activities
- Youth Day and Women’s Day Activities

Four editions of the newsletter were published quarterly and the target was achieved.

SOCIAL RESPONSIBILITY PROJECTS FINANCIALLY SUPPORTED

Ten Social Responsibility Projects were supported. Capacity building was provided where necessary during the application process.

WATER RELATED FORUMS SUPPORT

The BGCMA provided assistance, support and advice to most water related forums. These forums included community forums, water user associations, inter-governmental forums, etc. which include the Upper Breede Collaborative Extension Group (UBCEG), Cooperative Committee on Agricultural Water Use (CCAW), and several steering committees within local municipalities. 39 Forums were supported during this financial year.



WATER ALLOCATION REFORM

The BGCMA provided support to Resource Poor Farmers through the sharing of knowledge, and financial and administrative assistance. During the 2015/2016 financial year, the BGCMA supported four RPFs with Operation & Maintenance and Capital Cost applications (DWS Financial Support to RPF Policy), which were recommended for approval after being presented to the CCAW (Coordinating Committee on Agricultural Water). 26 RPFs/HDIs were assisted with applications for rain water harvesting tanks (RWHTs).

WATER RESOURCE PROTECTION

The National Eutrophication Monitoring Programme (NEMP) points were sampled on behalf of DWS as per agreed Memorandum of Agreement. The National Microbiology Monitoring Programme (NMMP) points were not sampled as the contract remained unresolved. 112 Water quality monitoring points were sampled for quality analysis to give effect to

the delegation to monitor and manage water resources. These included sampling points for pollution incidents and ad-hoc sampling.

The Alien Clearing and River Rehabilitation programmes initiated in previous financial years continued throughout this financial year in support of the various Memorandum of Agreements with the Western Cape 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 directives.



HUMAN RESOURCES MANAGEMENT



INTRODUCTION

People are our greatest asset and remain a priority to the Breede-Gouritz Catchment Management Agency (BGCMA). The Agency recognises that it is due to the talent, passion and commitment of each and every individual employee that the BGCMA continues to drive success, as per its mandate as informed by its founding legislation, the National Water Act, 1998 (Act No. 36 of 1998). The Human Resources unit plays a strategic and pivotal role in ensuring integration and synergy of the human resources activities into the business strategy of the BGCMA. During the period under review, the organisational structure, as a living document, was reviewed. This is in response to the organic growth and development of the institution which was triggered by **Government Gazette Notice No. 37677 of 23 May 2014**.

The Human Resources Management further plays a strategic role in ensuring that the BGCMA is a rewarding, progressive and diverse workplace that drives and promotes a culture of high performance, and is staffed with dedicated, innovative and highly skilled professionals, amidst a global scarcity of such professionals, particularly within the water sector. An added delegation by the Minister of Water and Sanitation on 15 January 2015 essentially necessitated a further revisit and subsequent expansion of the entire organogram, to accommodate and cater for the new dynamics and enter the “new entity” phase.

HUMAN CAPITAL PLANNING

The fundamental aspect of human resources planning is to determine the current and future demand and supply of human resources within budget. The workforce is rapidly changing and, as in many organisations, the Agency is faced with the challenge of competing for the scarce and skilled talent in the 21st century economy. The 21st century workforce is global, highly mobile, connected and technologically savvy. The workforce is youthful, ambitious and highly demanding and yet the critical skilled and professional talent is very scarce. The conventional methodologies and ways of work have dramatically and fundamentally changed, with mobility and flexibility in working arrangements key to decision-making in terms of new recruits. These dynamics have an impact on proper and effective human resources planning. It further poses challenges in the implementation of both the Annual Performance Plan (APP) and Strategic Plan of the Agency.

Effective workforce planning will therefore enable the Agency to adequately plan for the capacitation at each business unit, and cater for the growing needs of the Agency and specifically the skills required to drive the current strategy. In addition, the Agency requires a workforce plan that ensures a healthy pipeline of critical and scarce skills. In line with the workforce planning efforts, the BGCMA's staffing policy is reviewed on an ongoing basis to ensure alignment with legislation and prescripts.

Human resources planning is therefore very critical if the Agency is to adapt to changes in the market, technology, Government legislation and regulation. It is an integral part of the global strategic planning, and provides crucial information for the design and implementation of a number of activities such as recruitment and selection, training and development, amongst others. Therefore, the successful existence of the BGCMA is dependent on the degree to which it is able to attract, acquire, maintain and retain the correct workforce with the right attitude

and skills at the right time. In order for the BGCMA to be an employer of choice in a relatively competitive world of work, it requires both tactical (short) term and long-term human resources planning.

The BGCMA's ongoing focus is on creating the competence and capacity to improve service delivery and effectively achieve its objectives. To this end, the BGCMA is to embed a work ethic that supports ongoing employee education and training. In this regard, the Governing Board recommended and approved the Business Improvement Initiative to be conducted in the 2016/2017 fiscal year. This is to further enhance processes and promote efficiency and effectiveness within the institution.

During the period under review, high performance culture and accountability was cultivated by the Chief Executive Officer within the organisation. The Chief Executive Officer is a firm believer and strong advocate of good corporate governance, accountability, and transparent and clean administration that talks directly to the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended, and other applicable legislation/s within the Public Sector, the BGCMA being a public entity itself.



RECRUITMENT

Recruitment is an integral part and function of the Human Resources unit in the provision of the requisite human capital. The BGCMA, like many organisations in South Africa, is faced with the challenge of acquiring sufficiently skilled talent, especially in areas that talk to its core business and mandate. Such skills include Professional Engineers, Hydrologists, Geohydrologists, Freshwater Ecologists, Compliance Monitoring and Enforcement (an equivalent of the Green Scorpions), and Industrial Technicians among others, to assist improving universal access to “quality water for all forever” and fast track water allocation reform within its area of jurisdiction and operation.

Recruitment and staff retention is at the heart and core of the Human Resources Strategy of the Agency. For the period under review, the BGCMA has seen good strides and successfully made the following appointments in order to meet its service delivery imperatives, in line with mandate as informed by table 1 below. This brought the much needed relief and stability within the different units and the entire value chain of the organisation.

The staff turnover of one (01) during the period under review is far below the national water sector average by any standard. The resignation of one (01) official (Data Capturer) was due to career advancement opportunities elsewhere within the Public Sector. It is therefore not a loss to the country as the official is still contributing to the development of the country in a different capacity within the public sector, thus moving South Africa forward. However, the said official served the BGCMA for only one (01) month (01 to 30 November 2015).

The Chief Executive Officer is very instrumental in ensuring that the BGCMA's recruitment and selection processes are in line with both the Annual Performance Plan (APP) and Strategic Plan of the Agency, taking into account its mandate as informed by its founding legislation, the National Water Act, 1998 (Act No. 36 of 1998).

TABLE 1.

POST/S	POST LEVEL/S	GENDER		RACE	DATE OF EMPLOYMENT
		M	F		
Finance Administration Clerk	8		F		01 July 2015
Data Capturer x 2	5	M	F	A	01 November 2015 & 01 December 2015
Water Use Officer	Linked to OSD		F	A	01 November 2015
Water Use Officer	Linked to OSD		F	A	01 December 2015
Water Use Officer	Linked to OSD	M		A	01 December 2015
Water Use Officer	Linked to OSD	M		A	01 December 2015
Water Liaison Officer	8	M		A	01 December 2015
Geohydrologist	Linked to OSD	M		A	01 December 2015
Water Licensing Clerk	8		F	A	01 December 2015
Payroll Clerk	7		F	A	01 December 2015
Administration Officer	8		F	A	01 December 2015
Finance Officer: Revenue x 2	9		F	A	01 December 2015
HR Administration Clerk	8		F	A	09 December 2015
Finance Officer: Revenue	9		F	A	01 December 2015 & 01 February 2016
Finance Officer: Expenditure	9		F	A	01 February 2016
Receptionist	5		F	C	01 March 2016
Water Use Manager	12		F	A	10 March 2016
		5	14		

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

EMPLOYEE VALUE PROPOSITION (EVP)

At the core of a successful employer brand is a compelling Employee Value Proposition (EVP). Our talent management strategy is to ensure that the BGCMA's brand and values are reflected in every aspect of the talent management value chain and 'in every employee experience'. This touches on innovative and unique talent strategies for attraction, selection, performance, rewards, recognition and incentives. Together with career progression, the EVP process is benchmarked to the BGCMA's best practices.

PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

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



LEARNING AND DEVELOPMENT

Employee development is crucial and of cardinal importance in any organisation that is positioned for growth and development. The Agency's investment in learning and development activities reflects its commitment to investing in people and creating opportunities for building depth of technical, operational and other relevant skills. The focus of the BGCMA is to develop the capacity of its workforce in order to meet the demands of the ever changing pace of work as a result of both technological advancement and legislative changes. To this end, the Agency invested tremendous resources in developing its human capital in order to have a competitive edge, given the turbulent and unpredictable global environment in which organisations operate, and the BGCMA is no exception.

The technical nature of our environment makes it imperative for the Agency to prioritise learning and development programmes so as to complement and uplift the existing skills of our people. Training is provided with all levels of employment within the establishment and is aligned to our skills development priorities. This is further informed by the Workplace Skills Plan derived from the Personal Development Plans (PDPs). The Agency remains committed to ensuring that an adequate talent pool is created to enable it to compete favourably and to ensure that it successfully delivers on its mandate.

During the period under review, the BGCMA supported five (05) officials with bursaries to pursue formal studies with institutions of higher learning in different disciplines. The bursaries awarded included: two (02) Master of Business Administration (MBA), one (01) Bachelor of Arts: Supply Chain Management, one (01) Bachelor of Arts: Public Administration, and one (01) Bachelor of Science Honours in Geography. All studies were completed on part-time basis and are in line with the Board approved bursary policy directives. It shows the Agency's total commitment to the skills development of its workforce. Secondly, it prepares officials for a broader role within the Agency and the country at large, as it "leads from the front" in terms of Water Resources Management within the Water Sector locally, nationally and globally.

The Agency's ongoing focus is on creating the competence and capacity to improve service delivery as enshrined in both the APP and Strategic Plan and is further aligned to the National Development (NDP), vision 2030, the blue print for South Africa. In this regard, the Agency's aim is to embed a work ethic that supports ongoing employee education and training in line with key result areas.

The following outlines the learning and developmental courses undertaken by officials for the period under review, 1 April 2015 to 31 March 2016:

TABLE 2.

OCCUPATIONAL LEVEL	GENDER	NUMBER OF EMPLOYEES	SKILLS PROGRAMME & SHORT COURSES	CONFERENCES & WORKSHOPS	TOTAL
Senior Management	Female	1	1	1	2
	Male	2	0	2	2
Professionally Qualified	Female	30	27	9	36
	Male	12	10	3	13
Semi-skilled	Female	1	1	0	1
	Male	0	0	0	0
TOTAL		46	39	15	54

CODE OF CONDUCT

The Agency has a Fraud and Prevention Plan as well as a Code of Ethics and Business Conduct that guide officials in their dealings both at an individual and organisational level. These documents are available to all levels of employees, and all officials are expected to adhere to the principles therein and behave in a manner that is consistent with ethical standards of a public servant.

Management is working harder each year in ensuring that ethics and risks are addressed timeously and to ensure that the principals of the above codes are upheld. In addition, the issue of anti-fraud and corruption continues to be part of the Agency strategy. Furthermore, the essential principals of the code of conduct and ethics feature in most training sessions and annual risk discussions. The Chief Executive Officer is a very strong advocate of a clean, transparent and corruption free administration environment, and all officials are expected and required to adhere to strict ethical conduct.

INDUCTION

All newly acquired human capital was given thorough, rigorous and proper induction. This was done in conjunction with a workshop on the current Annual Performance Plan (APP) implementation session integrated with the Strategic Plan, and held from 2 and 4 March 2016. The main objective was to make the new employees more rapidly productive within the shortest time possible. Secondly, to make them avoid the fear commonly associated with failure when new employees join a new organisation. Thirdly, new employees were introduced to the work ethics and the ethos (procedures) of the Agency. Fourthly, to assist new employees in establishing relationships with co-workers including

subordinates and supervisors. It was further intended to create a sense of belonging among employees by showing them how their job fits into the overall function of the organisation. During the induction, new employees got acquainted with the goals of the organisation and the preferred means by which organisational goals are achieved. Finally, new employees were inducted on the basic responsibilities of their respective jobs and the required behavioural patterns for effective job performance.

COMPENSATION AND EMPLOYEE BENEFITS

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

During the period under review, the BGCMA implemented the results of the Job Evaluation (JE) that had been undertaken. The main objective is to ensure that all Board-approved posts on the BGCMA establishment are accurately and correctly graded, and are within the confines of the DPSA and that of the Department of Water and Sanitation (DWS), the parent organisation.





HEALTH AND SAFETY

The Agency is fully committed to providing a healthy and safe working environment for all its employees and stakeholders who visit the offices, by implementing a Safety and Health policy and procedure. The policy and procedure complies with the Occupational Health and Safety Act, Act No. 85 of 1993, as amended. The objective of the policy is to create a consistent, reliable system of occupational health and safety that can be evaluated on an ongoing basis as a growing concern to ensure continuous improvement and sustainability.

The Agency ensures that its activities and processes do not impact negatively on the environment by complying with the relevant legislation/s, and adopting the best health, safety and environmental practices and procedures through a system that will allow continual improvement on the following:

- a. Hazards and risks identified;
- b. Communication strategies on safety, health and environmental issues; and
- c. Health and safety training and awareness on a regular basis and, in particular, for the health and safety representatives.

The BGCMA is happy to report that, during the period under review, there were neither accidents nor incidents. This is because occupational health and safety remains a priority to the Agency.

The BGCMA commemorates International Aids Day, annually on 1 December. It is in solidarity with the rest of South Africa and the International Community, and on the devastating impact of the HIV/AIDS pandemic. The collaboration with the Worcester HIV/AIDS/STI/TB unit district office of the Western Cape Provincial Department of Health has made this possible. It is a clear testimony of intergovernmental relations in practice and at work, and further shows how serious the BGCMA takes the well-being of its workforce.

POLICY DEVELOPMENT

The aim of policy development within the BGCMA is to foster corporate accountability, and promote good governance and practices thereby strengthening internal control mechanisms. Secondly, it is to establish a professional effective organisation while providing consistency for its personnel. Thirdly, policy development within the BGCMA helps to prevent ambiguity in terms of how particular situations/issues should be handled within the establishment. Finally, policies promote harmony among staff, while ensuring that the Agency is more efficient and effective in the delivery of its mandate as enshrined in the National Water Act, 1998 (Act No. 36 of 1998).

Policies are living documents that must be revisited on a regular basis to ensure relevance and compliance. Upon this background, during the period under review, the following policies were reviewed: the Staffing Policy, the Grievance Procedure, and the Performance Management

and Development System (PMDS) Policy framework. The policies were reviewed in order to strengthen them and fill the gaps and weaknesses that may have been identified during implementation. Mention is made that it is only during the implementation of any policy that its effectiveness and/or weakness is tested hence the need to review.

MANAGING THE CHALLENGES

The period under review has seen an active focus on addressing key human resource challenges. The priority was to ensure that the requisite talent is secured in some critical areas of the Agency namely: the core business and mandate being Water Resources Management. The Human Resource Division in conjunction with the Office of the Chief Executive Officer and line managers actively recruited and staffed the respective divisions/units of the Agency, to ensure service delivery to our communities is enhanced and move South Africa forward.

During the period under review, the Agency recruited nineteen (19) additional permanent staff members bringing the total staff compliment to forty six (46). This was in response to Government Gazette Notice No. 37677 of 23 May 2014 which necessitated the opening of a satellite office in George to better service our stakeholders in the former Gouritz Water Management Area. In this way the BGCMA is evolving and taking decision-making to the lowest level possible as stakeholders are key components of our deliverables.

Skills shortage remains a challenge for the BGCMA with vacancies in some critical and scarce skill levels taking longer than necessary to fill. Notwithstanding this, the period under review saw the successful appointment of a number of officials to fill the critical positions using both internal and external talent pools in line with the Agency's Staffing Policy directive. Any other remaining position/s within the organisational establishment will be addressed once due processes have been concluded in the 2016/17 financial year.

During the period under review, the BGCMA embarked on various initiatives to ensure a total Employee Value Proposition and implemented the necessary people, processes and structural changes, where required. The organisation's Employee Value Proposition is crafted to attract high calibre and critical skills such as technical skills required to enable the Agency to deliver on mandate. Various opportunities have been explored and identified, and progress made to establish the BGCMA as an employer of choice in the market. Furthermore, the internal bursary programme is yielding some fruits. This can be attributed to the fact that the beneficiaries are ploughing the acquired knowledge, skills and expertise back into the institution thereby promoting "home grown talent" within the Agency.

LOOKING FORWARD

Despite the challenges faced by the Agency during the reporting period, the commitment to deliver by supporting the business in achieving its mandate through a people driven solution remains the human resource division's priority.

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
Senior Management	R 3 540 795	19.7%	3	R1 180 265
Professional Qualified	R14 303 606	79.5%	42	R340 562
Semi-skilled	R144 712	0.8%	1	R144 712
TOTAL	R17 989 113	100%	46	R391 068

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
Senior Management	R82 035	R82 035	0.4	R27 345
Professional Qualified	R119 398.48	R119 398.48	0.6	R4 774
Semi-skilled	R3 151.44	R3 151.44	0.01	R3 151.44
TOTAL	R204 584.92	R204 584.92	1.1	R35 270.44

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	R1 592 376	R24 738	1.6%	2	12 369
Finance	R3 469 541	R64 232	1.9%	7	9 176
WRM	R7 680 872	R116 397.20	1.5%	17	6 847
IT	R874 505	R00.00	0.0%	1	874 505
CEO's Office	R2 575 332	R183 161	7.0%	3	61 054
ISRM	R2 575 337	R50 890	2.0%	5	10 178

TABLE 6. Employment and Vacancies

PROGRAMME	NO. OF EMPLOYEES BEGINNING FINANCIAL YEAR	APPROVED POST	NO. OF EMPLOYEES END OF FINANCIAL YEAR	% OF VACANCIES
Senior Management	3	3	3	100%
Professional Qualified	24	65	42	65%
Semi-skilled	1	1	1	100%
Total	28	69	46	67%



TABLE 7. Employment Changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Senior Management	3	Nil	Nil	3
Professional Qualified	24	19	1	42
Semi-skilled	1	Nil	Nil	1
Total	28	19	1	46

TABLE 8. Reasons for Staff Leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	Nil	Nil
Resignation	1	2%
Dismissal	Nil	Nil
Retirement	Nil	Nil
Ill Health	Nil	Nil
Expiry of Contract	Nil	Nil
Other	Nil	Nil
TOTAL	1	2%

TABLE 10. Employment Equity Status

BGCMA									
CURRENT EMPLOYMENT EQUITY			DATA						TOTAL NUMBER OF STAFF
	BF	BM	CF	CM	IF	IM	WF	WM	
CEO		1							
CFO	1								
Snr Manager WR								1	
IT/Strategic Support Manager		1							
PA to CEO	1								
HR Manager		1							
HR Admin	2								
Finance Manager									1
Finance Officer: Expenditure	1		1						
Finance Officer: Revenue	2								
Payroll Clerk	1								
Finance Admin. Clerk	1								
Admin Officer	2								
Data Manager	1								
ISR Manager							1		
Water Liaison Officer x 3		1	2						
Principal Water Liaison Officer	1								
Principal Data Capturer				1					
Data Capturer x 2	2		1						
Water Data (GIS)	1								
Water Use Specialist x 2							1	1	
Water Use Officer x 8	3	2		3					
Licensing Clerk	1						1		
PR & Marketing	1								
Receptionist x 2			2						
Cleaner	1								
Geohydrologist		1							
Water Use Manager	1								
TOTAL	23	7	6	4	0	0	3	3	46

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 division is located within the strategic support function of the Agency. Its main function is to plan, coordinate and manage the human resources function of the Agency through the design, development, formulation, and implementation of policies, procedures

and systems in line with all applicable legislations and prescripts. It is further responsible for the provision of accurate and correct human resources advice on a regular basis.



DIFFERENT WATER USES



WETLAND



GROUND WATER



AGRICULTURAL



RECREATIONAL



DAM



WATER CATCHMENT



WASTE WATER TREATMENT PLANT



RIVER



ESTUARY



WATER QUALITY MONITORING



The background of the cover features a vibrant sunset over the ocean. The sun is low on the horizon, casting a warm, golden glow across the sky and reflecting off the water's surface. The water transitions from a deep blue in the foreground to a lighter, shimmering blue where the sun's rays hit. A white, angular banner is positioned in the upper left, containing the main title and subtitle. The bottom half of the cover is decorated with a pattern of semi-transparent blue water droplets of varying sizes, creating a textured, aquatic effect.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31 2016

GENERAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

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 Delpont Ms EM Palmer Mr HM Rossouw Mr CJU Swart Mr TE Abrahams Mr K Masindi (Representative Department of Water and Sanitation) Mr TJ Motshephe (deceased 06 November 2015)
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 Auditors



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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

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

We have audited the financial statements of the Breede-Gouritz Catchment Management Agency set out on pages 39 - 43, which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

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 and the requirements of the Public Finance Management Act of South Africa, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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 2016 and its financial performance and cash flows for the year then ended, in accordance with South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act of South Africa.

EMPHASIS OF MATTER

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

RESTATEMENT OF CORRESPONDING FIGURES

As disclosed in note 20 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during 31 March 2016 in the financial statements of the Breede-Gouritz Catchment Management Agency at, and for the year ended, 31 March 2015.

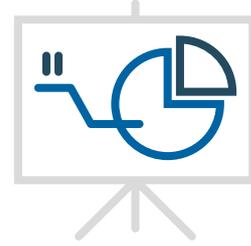
OTHER MATTERS

We draw attention to the matters below. Our opinion is not modified in respect of these matters.

UNAUDITED SUPPLEMENTARY INFORMATION

The supplementary information set out on pages 65 to 66 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 have a responsibility to report findings on the reported performance information against predetermined objectives of selected programmes presented in the annual report, compliance with legislation and 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 information of the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2016:

- Programme 1: Water resources planning on page 13
- Programme 2: Water use management on page 14
- Programme 3: Institutional and Stakeholder relations on page 15
- Programme 4: Water allocation reform on page 15
- Programme 5: Resource protection on page 16

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

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

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

ADDITIONAL MATTER

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 13 to 17 for information on the achievement of the planned targets for the year.

COMPLIANCE WITH LEGISLATION

We performed procedures to obtain evidence that the public entity had complied with legislation regarding financial matters, financial management and other related matters. Our material findings on 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 thoroughly prepared in accordance with the South African Standards of Generally Recognised Accounting Practice as required by section 55(1) (b) of the Public Finance Management Act. Material misstatements of current liabilities, expenditure and prior year retained income identified by the auditors in the submitted financial statement 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 and compliance with legislation. The matter reported below are limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.

FINANCIAL AND PERFORMANCE MANAGEMENT

Management did not thoroughly 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 South African Standards of Generally Recognised Accounting Practice.

Nexia Saboté

Nexia SAB&T Registered Auditors Per: Melanie Kuhrau

Date: 27 July 2016

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 statements that comply with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) and the Public Finance Management Act (PFMA).

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

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

The Board is of the opinion, based on the information and explanations

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

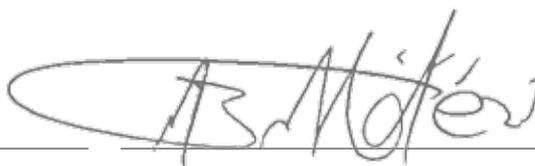
The Accounting Authority have reviewed the Agency's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the agency has or has access to adequate resources to continue in operational existence for the foreseeable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

The external auditors are responsible for independently reviewing and reporting on the agency's annual financial statements. The annual financial statements have been examined by the agency's external auditor and their report is presented on page 33.

The annual financial statements set out on pages 39 to 64, which have been prepared on the going concern basis, were approved by the Audit and Risks Committee on behalf of 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 2016.

1. REVIEW OF ACTIVITIES

Main business and operations

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

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

2. GOING CONCERN

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

3. EVENTS AFTER THE REPORTING PERIOD

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

4. GOVERNING BOARD

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

Name

Mr P Buthelezi (Ex-officio Board Member)
Mr NH Hamman (Chairperson)
Mr BE Mnisi (Deputy-Chairperson)
Mr AP Barnes
Ms O Curtis
Ms B Damane
Mr MJ Delpont
Ms EM Palmer
Mr HM Rossouw
Mr CJU Swart
Mr TE Abrahams
Mr K Masindi (Representative Department of Water and Sanitation)
Mr TJ Motshephe (deceased 06 November 2015)

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 2016

AUDIT COMMITTEE TERMS OF REFERENCE

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

AUDIT COMMITTEE RESPONSIBILITY

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

STATUTORY DUTIES

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

EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

The Committee ensured that the appointment of external auditors complied with the applicable legislation relating to the appointment of auditors. The Committee in consultation with management agreed to the budgeted audit fees for the 2016 financial year.

INTERNAL FINANCIAL CONTROLS

The Audit and Risks Committee is satisfied that internal controls and systems have been in place and that these controls have functioned

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

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

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

INTERNAL AUDIT

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



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

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

GOVERNANCE OF RISK

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

The Audit and Risks Committee permits the appointed external auditors, Nexia SAB&T, to audit the Agency's annual financial statements.

The Accounting Authority have reviewed the Agency's financial statement for the year ended 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the Agency has access to adequate resources to continue in operational existence for the foreseeable future. The committee recommended that the financial statements be approved by the board of directors which will take place on the 27 July 2016.



Thys Delport

Chairperson of the Audit and Risks Committee

Audit and Risks Committee members:

Ms Bulelwa Damane

Mr Corniè Swart

Mr N. Hamman

Mr TJ.Motshephe



STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	FIGURES IN RAND	NOTE(S)	2016	2015 (RESTATED)
ASSETS				
Non-current assets				
Property, plant and equipment		2	4 452 722	533 450
Intangible assets		3	839 915	-
			5 292 637	533 450
Current assets				
Trade and other receivables		4	156 489	36 824
Cash and cash equivalents		5	5 421 184	22 571 582
			5 577 673	22 608 406
TOTAL ASSETS			10 870 310	23 141 856
NET ASSETS AND LIABILITIES				
NET ASSETS				
Accumulated surplus			8 362 579	21 982 635
LIABILITIES				
Current liabilities				
Operating lease liability		6	48 445	80 762
Other payables		7	2 459 286	1 078 459
			2 507 731	1 159 221
TOTAL NET ASSETS AND LIABILITIES			10 870 310	23 141 856



STATEMENT OF FINANCIAL PERFORMANCE

	FIGURES IN RAND	NOTE(S)	2016	2015 (RESTATED)
Revenue		8	23 365 608	40 787 311
Other income		9	326 849	1 364
Operating expenses		10	(38 383 853)	(24 250 617)
OPERATING (DEFICIT)/SURPLUS			(14 691 396)	16 538 058
Interest income		11	1 071 340	277 952
(DEFICIT)/SURPLUS FOR THE YEAR			(13 620 056)	16 816 010

STATEMENT OF CHANGES IN NET ASSETS

	FIGURES IN RAND	ACCUMULATED SURPLUS	TOTAL NET ASSETS
BALANCE AT 31 MARCH 2014		5 039 143	5 039 143
Prior period error		127 482	127 482
BALANCE RESTATED AT 31 MARCH 2014		5 166 625	5 166 625
Surplus for the year		16 816 010	16 816 010
Total changes		16 816 010	16 816 010
BALANCE RESTATED AT 31 MARCH 2015		21 982 635	21 982 635
Deficit for the year		(13 620 056)	(13 620 056)
Total changes		(13 620 056)	(13 620 056)
BALANCE AT 31 MARCH 2016		8 362 579	8 362 579



STATEMENT OF CASH FLOWS

	FIGURES IN RAND	NOTE(S)	2016	2015 (RESTATED)
Cash receipts from the Department of Water and Sanitation			23 365 608	40 787 311
Cash paid to suppliers and employees			(36 408 763)	(23 297 991)
Cash generated from operations		13	(13 043 155)	17 489 320
Interest income			1 071 340	277 952
Other income			3 756	1 364
NET CASH FROM OPERATING ACTIVITIES			(11 968 059)	17 768 636
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from assets sold			323 093	-
Purchase of property, plant and equipment				
And intangible assets		2&3	(5 505 422)	(64 104)
NET CASH FROM INVESTING ACTIVITIES			(5 182 329)	(64 104)
CASH FLOWS FROM FINANCING ACTIVITIES				
TOTAL CASH MOVEMENT FOR THE YEAR			(17 150 398)	17 704 532
Cash at the beginning of the year			22 571 582	4 867 050
TOTAL CASH AT END OF THE YEAR		5	5 421 184	22 571 582

STATEMENT COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUALS	VARIANCE BUDGET VS ACTUAL
RECEIPTS					
Government Grant	47 388 209	-	47 388 209	23 365 608	(24 022 601)
Interest Received	-	-	-	1 071 340	1 071 340
Other Income	-	-	-	326 849	326 849
TOTAL RECEIPTS	47 388 209	-	47 388 209	24 763 797	(22 624 412)
PAYMENTS					
Employee Costs	27 042 996	(2 700 000)	24 342 996	18 547 912	5 795 084
General Expenses	1 607 695	-	1 607 695	1 415 540	192 155
Hiring and Rentals	1 616 592	-	1 616 592	1 150 200	466 392
Staff Training and Conferences	567 011	-	567 011	491 552	75 459
Professional Fees	2 514 678	-	2 514 678	2 401 040	113 638
IT Expenses	898 494	-	898 494	706 399	192 095
Project Expenses	3 137 432	2 770 000	5 907 432	5 385 683	521 749
Traveling and Accommodation	1 831 882	-	1 831 882	1 867 291	(35 409)
Public Participation and Engagement	4 580 430	(70 000)	4 510 430	5 044 363	(533 933)
Vehicle Costs	204 996	-	204 996	109 925	95 071
Board and Committee Costs	978 046	-	978 046	529 612	448 434
Loss on Sale of Assets	-	-	-	-	-
Depreciation	-	-	-	734 336	(734 336)
TOTAL PAYMENTS	44 980 252	-	44 980 252	38 383 853	6 596 399
CAPITAL EXPENDITURE	2 407 957	-	2 407 957	5 481 927	(3 073 970)
TOTAL CASH FLOW	47 388 209	-	47 388 209	43 865 780	3 522 429
NET RECEIPTS/(PAYMENTS)	-	-	-	(19 101 983)	(19 101 983)
NET RECEIPT (PAYMENTS) EXCLUDING CAPITAL EXPENDITURE				(13 620 056)	(15 579 554)

Variations are a result of expenses being budgeted for in the Gouritz area in anticipation of taking over the functions in that area for the full financial year. Functions and expenses were only realised during the second half of the financial year.

THE FOLLOWING MATERIAL DIFFERENCES WERE IDENTIFIED DURING THE FINANCIAL YEAR.

Government grant

- Variance is – 51%. Costs for the establishment and incorporation of the Gouritz area were budgeted for in the previous financial period and the Agency were funded for that. Because of certain delays, those actions only took place during the current financial year and the funds were carried over to the current financial year. As such, fewer funds were required from the Government for the establishment costs.

Employee costs

- Variance is – 31.24%. Additional employees were appointed to fill vacant positions in the newly established Gouritz area.

Hiring and rentals

- Variance is – 40.55%. Additional offices were obtained in George to service the Gouritz area.

Vehicle costs

- Variance is – 86.49%. Additional vehicles and travel in the newly established Gouritz area has led to the variance in expenditure.

Board and committee costs

- Variance is – 84.67%. These costs escalated as a result of the remuneration system for the Board and Committees have been changed from stipend to a monthly remuneration.

Capital expenditure

- Variance is – 57.1%. Vehicles, office furniture and computer equipment were purchased for the new established Gouritz office in George.

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.

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.

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

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

1.1 PRESENTATION CURRENCY

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

1.2 GOING CONCERN ASSUMPTION

These annual financial statements are prepared on a going concern basis. Funding has been approved by the Department of Water and Sanitation for the following financial year. The Strategic plan for the next five years until 2020 has been approved by National Treasury.

1.3 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. When accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there is a change in accounting policy in the current year, the adjustment 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 is recognised when such items of 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 is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached, is recognised as revenue when the asset is recognised.

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

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

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, 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 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 amortised cost.

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 Impairment of financial assets

The Agency assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the Agency estimates the recoverable amount of the asset. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

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:

- i. The cash flow from the asset expired are settled or waived;
- ii. Significant risks and rewards are transferable to another party; or
- iii. 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 non-current assets that are held for use in the production or supply of goods or service, for rental to others or for administrative purposes; and are expected to be used during more than one period.



1.7.1 Initial recognition

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

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

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

1.7.2 Initial Measurement

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

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

1.7.3 Subsequent Measurement – Cost Model

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

1.7.4 Depreciation

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

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

ITEM	RATE PER ANNUM
Furniture and fixtures	16.67%
Motor vehicles	20.00%
Office equipment	16.67%
IT equipment	33.33%
Leasehold improvements	20.00%
Security System	20.00%
Scientific Equipment	20.00%

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





1.7.5 Impairment

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

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

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

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

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss and is recognised in the Statement of Financial Performance. The increased carrying amount attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in the prior periods.

1.7.6 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the assets. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the statement of financial performance when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.8 INTANGIBLE ASSETS

1.8.1 Initial Recognition

Intangible asset is recognised when:

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

The entity has no internally generated intangible assets.

1.8.2 Initial Measurement

Intangible assets are initially measured at cost.

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

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

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

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, its deemed cost is the carrying amount of the asset(s) given up.

1.8.3 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.

1.8.4 Amortisation

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



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

ITEM	RATE PER ANNUM
Computer Software	50.00%

Intangible assets are considered to have finite useful lives. The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over the useful life. Amortisation begins when the asset is available for use and ceases at the earlier of the date on which the asset is classified as held for sale, or included in a disposal group that is classified as held for sale, and the date on which the asset is derecognised.

1.8.5 Impairment

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

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

1.8.6 Derecognition

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

1.9 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 or liability. This liability is not discounted.

1.10. EMPLOYEE BENEFITS

1.10.1 Short term employee benefits

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

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

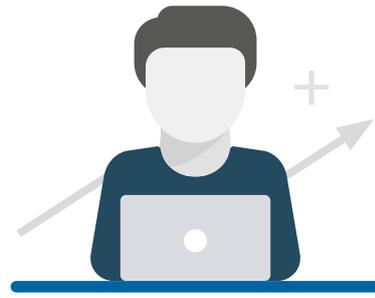
The liability for employee entitlements to wages, salaries and annual leave represents the amount which the entity has a present obligation to pay as a result of employees' services provided to the Statement of Financial Position date. The liability has been calculated at undiscounted amounts based on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

1.10.2 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

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

Actual results in the future could differ from these estimates which may be material to the annual financial statements.

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

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

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.

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

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

1.12.2 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.

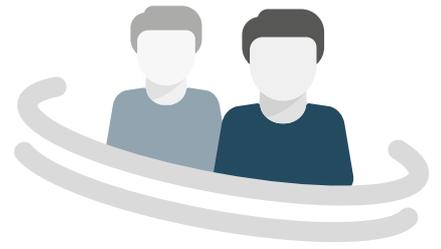
1.12.3 Trade and other receivables

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.

1.12.4 Budget Information

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



1.13 GRAP STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

GRAP 32 Service Concession Arrangements: Grantor

This Standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity. No significant impact is expected as the entity does not participate in such business transactions.

GRAP 17 Property Plant and equipment

The effective date of the standard is for years beginning on or after 01 April 2016. The Agency expects to adopt the standard for the first time in the 2017 annual financial year. It is unlikely that the standard will have a material impact on the Agency's annual financial statements.

GRAP 18 Segment Reporting

The Agency will adopt the standard for the first time once it becomes effective, but as the Agency does not have segments this will not have any impact.

GRAP 20 Related Party Disclosures

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

GRAP 108 Statutory Receivables

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

GRAP 109 Accounting by Principles and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. No significant impact is expected as the entity does not participate in such business transactions.

1.14 BUDGET INFORMATION

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

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

1.15 RELATED PARTIES

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

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

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT FIGURES IN RAND

	2016			2015		
	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
Furniture and fittings	1 344 500	(841 732)	502 768	887 700	(730 660)	157 039
Scientific equipment	68 447	(49 054)	19 393	68 447	(36 505)	31 942
Motor vehicles	2 423 051	(153 129)	2 269 922	635 430	(602 427)	33 003
Office equipment	315 121	(147 015)	168 105	266 156	(111 181)	154 974
IT equipment	2 754 632	(1 709 337)	1 045 295	1 568 477	(1 420 159)	148 318
Leasehold improvements	582 379	(135 141)	447 239	126 745	(118 832)	7 913
Security system	10 531	(10 531)	-	10 531	(10 270)	261
TOTAL	7 498 661	(3 045 939)	4 452 722	3 563 486	(3 030 036)	533 450

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – 2016

	OPENING BALANCE	WRITE-OFF	ADDITIONS	DEPRECIATION	TOTAL
Furniture and fittings	157 039	-	456 800	(111 071)	502 768
Scientific equipment	31 942	-	-	(12 549)	19 393
Motor vehicles	33 003	-	2 402 751	(165 832)	2 269 922
Office equipment	154 975	(12 357)	48 964	(23 476)	168 105
IT equipment	148 317	-	1 209 661	(312 683)	1 045 295
Leasehold improvements	7 913	-	455 635	(16 309)	447 239
Security system	261	-	-	(261)	-
TOTAL	533 450	(12 357)	4 573 811	(642 630)	4 452 722



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

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

3. INTANGIBLE ASSETS

	2016			2015		
	COST/ VALUATION	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST/ VALUATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
Software ArcGIS Server	931 621	91 706	839 915	501 362	501 362	-

RECONCILIATION OF INTANGIBLE ASSETS - 2016

	OPENING BALANCE	ADDITIONS	AMORTISATION	TOTAL
Software ArcGIS Server	-	931 611	91 706	839 915

RECONCILIATION OF INTANGIBLE ASSETS - 2015

	OPENING BALANCE	ADDITIONS	AMORTISATION	TOTAL
Software ArcGIS Server	30 142	-	30 142	-

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

4. TRADE AND OTHER RECEIVABLES

FIGURES IN RAND

	2016	2015
Prepayment on rent	94 665	-
Property rental deposit	59 525	34 525
	154 190	34 525

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

Recoverable debtors	2 299	2 299
	156 489	36 824

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's only expenses '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	937	24
Bank balances	5 420 247	22 571 558
	5 421 184	22 571 582

6. OPERATING LEASE LIABILITY

Lease liability	48 445	80 762
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7. OTHER PAYABLES

	2016	2015
Payables	1 898 657	666 634
Accrued leave pay	287 404	196 036
Staff bonus accrual	273 225	215 789
	2 459 286	1 078 459

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 2015 has been adjusted to the actual amount incurred during that period.

8. REVENUE

REVENUE RELATES TO NON-EXCHANGE TRANSACTIONS

Grants received	23 365 608	40 787 311
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9. OTHER INCOME

Profit with sale of asset	323 093	-
Other income	3 756	1 364
	326 849	1 364

10. OPERATING EXPENSES

OPERATING EXPENSES INCLUDE THE FOLLOWING:

Premises – lease and rental expenses	969 016	615 341
Depreciation and amortisation	734 336	479 121
Employee costs	18 928 711	14 653 485
Goods and services	17 751 790	8 502 670
	38 383 853	24 250 617

11. INTEREST INCOME

Interest received from ABSA

	2016	2015
Interest received from ABSA	1 071 340	277 952

12. AUDITOR'S REMUNERATION

Audit fees

Audit fees	288 900	474 607
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13. CASH GENERATED FROM OPERATIONS

Surplus/(Deficit) for the year

Surplus/(Deficit) for the year	(13 620 056)	16 816 010
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ADJUSTMENTS FOR:

Depreciation and amortisation

Depreciation and amortisation	734 336	479 121
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Interest received

Interest received	(1 071 340)	(277 952)
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Other income

Other income	(3 756)	(1 364)
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Loss/(Gain) on disposal of assets

Loss/(Gain) on disposal of assets	(323 093)	31 864
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Insurance gain with write off of assets

Insurance gain with write off of assets	(11 597)	-
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Non cash movement

Non cash movement	23 505	-
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MOVEMENT IN PROVISIONS

Lease liability

Lease liability	(32 317)	(127 811)
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Accrued leave pay

Accrued leave pay	91 371	58 740
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Bonus provision

Bonus provision	57 437	21 634
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CHANGES IN WORKING CAPITAL:

Other payables

Other payables	1 232 020	429 915
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Other receivables

Other receivables	(119 665)	58 449
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Decrease in trades receivable

Decrease in trades receivable	-	714
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	(13 043 155)	17 489 320
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14. RELATED PARTIES

RELATIONSHIPS

Department of Water and Sanitation	Executive Authority
Governing body	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 Delpont
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 ZM Mngoma (Chief Finance Officer)
Mr J. Van Staden (Senior Manager, Water Resources)

RELATED PARTY TRANSACTIONS

Grants received from related parties	2016	2015
Department of Water and Sanitation	(23 365 608)	(40 787 311)

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.

15. REMUNERATION

EXECUTIVE

		2016	2015
Chief Executive Officer	- Salary	1 428 186	1 181 469
	- Pension Fund	-	-
	- Bonus	47 259	47 258
Chief Financial Officer	- Salary	895 988	775 861
	- Pension Fund	119 299	98 381
	- Bonus	17 388	12 848
Senior Manager-Water Resources Management	- Salary	895 988	775 861
	- Pension Fund	119 299	98 381
	- Bonus	17 388	12 848
		3 540 795	3 002 907
NON-EXECUTIVE			
Chairperson		108 053	65 378
Deputy Chairperson		79 512	45 670
Non-executive Directors		488 800	272 750
		676 365	383 798

16. DEFINED CONTRIBUTION PLAN

16.1 PENSION FUND

The Breede-Gouritz Catchment Management Agency provides retirement benefits to its employees. The amount was recognised as an expense in the statement of financial performance.

The Agency moved from the NMG Umbrella Pension Fund from 1 October 2015 to the Government Employees Pension Fund. The total pension fund contributions for the 2016 financial year amounted to R2 161 140 compared with R1 577 154 for the 2015 financial year.





17. FINANCIAL RISK MANAGEMENT

17.1 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 management's 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.

17.2 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 R5 421 184 (cash and cash equivalents) for the 2016 financial year, compared to R22 571 582 for the 2015 financial year. The maximum exposure to interest risk at the reporting date in respect of non-interest bearing instruments amounts to R1 898 657 (other payables) for the 2016 financial year compared to R666 634 for the 2015 financial year.

A change of 50 basis points in interest rate at reporting date would have increased/(decreased) the deficit or surplus by R110 799 for the 2015 financial year and R24 547 for the 2016 financial year.

17.3 LIQUIDITY RISK

The carrying amounts of financial liabilities at the reporting date were the other payables of R2 459 287 for the 2016 financial year compared to R1 078 460 for the 2015 financial year. The contractual maturities for all payables outstanding at 31 March 2016 are 12 months or less. These are payable on demand and most accurately reflect the short-term nature of trading activities.

EXECUTIVE

OTHER PAYABLES	PAYABLE WITHIN 1 MONTH	PAYABLE WITHIN 1 TO 3 MONTHS	PAYABLE 3 TO 12 MONTHS
2015	666 634	0	411 825
2016	1 898 657	0	560 630

17.4 CREDIT RISK ANALYSIS

	2015	
DEBTOR	RECEIVABLE WITHIN 30 DAYS	RECEIVABLE WITHIN 60 DAYS
Department of Water and Sanitation	2 299	-
TOTALS	2 299	-

	2016	
DEBTOR	RECEIVABLE WITHIN 30 DAYS	RECEIVABLE WITHIN 60 DAYS
Department of Water and Sanitation	2 299	-
TOTALS	2 299	-
The debtors are neither past due nor impaired		-

18. UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

No unauthorised, fruitless and wasteful expenditure were identified.



19. COMMITMENTS

19.1 LEASE COMMITMENTS

BUILDINGS

Within one year

In second to fifth year inclusive

Later than five years

MINIMUM LEASE PAYMENTS

	2016	2015
Within one year	1 031 407	803 156
In second to fifth year inclusive	2 280 704	1 669 732
Later than five years	-	-
TOTAL	3 312 111	2 472 888

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

19.2 CAPITAL COMMITMENTS

APPROVED AND CONTRACTED FOR

Commitments for the validation and verification of water use in respect of the 2016/2017 financial year

Breede River Alien Clearing Project

Development of CMS

	2016	2015
Commitments for the validation and verification of water use in respect of the 2016/2017 financial year	238 566	1 153 835
Breede River Alien Clearing Project	1 679 882	2 711 992
Development of CMS	2 842 914	100 000
TOTAL	4 761 362	4 965 827

APPROVED AND NOT YET CONTRACTED FOR

Scientific Equipment

UBCEG

Ground and Surface Water Hydrological Study

Intergovernmental Projects

CapeNature Projects

TOTAL FUTURE CAPITAL COMMITMENTS

Scientific Equipment	52 340	-
UBCEG	34 556	227 264
Ground and Surface Water Hydrological Study	136 358	200 000
Intergovernmental Projects	210 462	278 270
CapeNature Projects	280 000	-
TOTAL	5 475 078	4 671 361

20. CORRECTION OF ERRORS IN TERMS OF GRAP 3

PRIOR YEAR ADJUSTMENTS DUE TO ERRORS

20.1 (a) The operating lease liability amounting to R341 961 relating to the 2014/15 financial year and previous years was incorrectly stated, with the result that the 2014/15 year office rental expenses was overstated, and Accumulated Surplus brought forward was understated. This error is now retrospectively rectified with the following entries:

(Dr) Operating lease liability, (Cr) Office rental and (Cr) Accumulated surplus (prior years).

The above representing the narrative of the following correction of errors.

20.2 ACCUMULATED SURPLUS

	2016	2015
Balance previously reported	21 721 437	5 039 143
Correction of errors – see note 20.1 (a)	261 199	127 480
RESTATED BALANCE	21 982 636	5 166 623

20.3 OPERATING LEASE LIABILITY

Balance previously reported	341 961	336 055
Correction of errors – see note 20.1 (a)	(261 197)	(191 103)
RESTATED BALANCE	80 764	144 952

20.4 OFFICE RENTAL

Balance previously reported	749 058	749 586
Correction of errors – see note 20.1 (a)	(133 717)	(134 245)
RESTATED BALANCE	615 341	615 341



21. RECONCILIATION BETWEEN STATEMENTS OF FINANCIAL PERFORMANCE

The entity obtained resources in the form of a government grant of R23 365 608 from the Department of Water and Sanitation and were used in accordance with the approved budget. The approved budget covers the period 1 April 2015 to 31 March 2016.

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 2016

	OPERATING	FINANCING	INVESTING	TOTAL
Actual amount on comparable basis as presented in the budget and actual comparative statement	(15 579 554)	-	-	(15 579 554)
Basis differences	4 659 330	-	(5 483 496)	(824 166)
Timing differences	(1 071 340)	-	-	(1 071 340)
Entity differences	-	-	-	-
Actual amount in the cash flow statement	(11 991 564)	-	(5 483 496)	(17 475 060)

DETAILED INCOME STATEMENT

FIGURES IN RAND

REVENUE

Grants received	
Other income	
Interest received	10

OPERATING EXPENSES

Advertising	
Auditors remuneration	11
Bank charges	
Legal Fees	
Cleaning	
Computer expenses	
Consulting and professional fees	
Catering and office tea expenses	
Consumables	
Depreciation and amortisation	
Employee costs	
Entertainment	
Office expenses	
Microbiological water analysis	
Chemical water analysis	
CMS development	
CapeNature Projects	
Validation and verification	
Alien clearing and other projects	
Ground water and surface water projects	
UBCEG	
Water Week	

NOTE(S)	2016	2015
	23 365 608	40 787 311
	326 849	1 364
10	1 071 340	277 952
	24 763 797	41 066 627
	-526 034	-348 288
11	-288 900	-474 607
	-22 918	-22 613
	-3 620	-81 316
	-35 469	-36 714
	-706 399	-310 613
	-73 828	-114 094
	-29 038	-
	-43 968	-1 240
	-734 336	-479 121
	-18 928 711	-14 653 485
	-762	-5 906
	-7 062	-12 166
	-189 508	-135 373
	-362 206	-295 732
	-530 789	-
	-248 269	-
	-678 875	-1 200 791
	-4 344 018	-901 078
	-	-72 736
	-10 500	-54 944
	-677 801	-442 276



FIGURES IN RAND

Board members costs
Notices and publications
Awareness and publicity
Institutional development
Recruitment cost
Bursaries
Insurance
Lease rentals on operating lease
Office machine rentals
Motor vehicle expenses
Postage
Printing and stationery
Repairs and maintenance
Security
Subscriptions
Telephone and fax
Training
Travel - local
Loss or stolen assets
Utilities

SURPLUS/ (DEFICIT) FOR THE YEAR

NOTE(S)	2016	2015
	-529 612	-428 614
	-44 889	-45 396
	-3 858 291	-936 638
	-45 925	-56 125
	-1 329 734	-211 223
	-52 133	-59 771
	-219 716	-138 545
	-969 016	-615 341
	-53 721	-42 980
	-109 925	-108 856
	-101 543	-108 755
	-276 335	-156 340
	-41 411	-11 316
	-59 455	-70 937
	-31 853	-25 350
	-273 673	-316 017
	-439 418	-300 077
	-1 404 869	-859 009
	-	-31 864
	-99 323	-84 370
	38 383 853	24 250 617
	-13 620 056	16 816 010

GLOSSARY

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



BREDE-GOURITZ

Catchment Management Agency
Opvanggebied Bestuursagentskap
I-Arhente yoLawulo lomMandla nokungqongileyo

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