BREEDE-OLIFANTS
CATCHMENT MANAGEMENT AGENCY

ANNUAL REPORT 2023/24

CONTENTS

PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:
Breede-Olifants Catchment Management Agency

REGISTRATION NUMBER (if applicable):
N/A

PHYSICAL ADDRESS:
Corner of Mountain Mill & East Lake Road, Worcester, 6850

POSTAL ADDRESS:
Private Bag X3055
Worcester
6850

TELEPHONE NUMBER/S:
+27 233468000

FAX NUMBER:
+27 233472012

EMAIL ADDRESS:
info@bocma.co.za

WEBSITE ADDRESS:
www.breedeolifantscma.co.za

EXTERNAL AUDITORS:
Cara Mpako Inc.
4 Conference Lane, Century City
Cape Town,
7441

BANKERS:
ABSA

2. ACRONYMS & DESCRIPTION

APP	Annual Performance Plan
ARC	Audit & Risk Committee
BEE	Black Economic Empowerment
BBBEE	Broad-Based Black Economic Empowerment
BERG	Berg-Olifants Proto-CMA
BG	Breede-Gouritz
BGCMA	Breede-Gouritz Catchment Management Agency
BGWMA	Breede-Gouritz Water Management Area
BOCMA	Breede-Olifants Catchment Management Agency
BOWMA	Breede-Olifants Water Management Area
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMA	Catchment Management Agency
CME	Compliance Monitoring and Enforcement
CMS	Catchment Management Strategy
DG	Director-General
DDG	Deputy Director-General
DPSA	Department of Public Service and Administration
DWS	Department of Water and Sanitation
ECMS	Enforcement Case Management System
EDMS	Electronic Document Management Committee
EE	Employment Equity
EMI	Environmental Management Inspectorate
ENE	Estimates of National Expenditure
4IR	Fourth Industrial Revolution
GDP	Gross Domestic Product
GGP	Gross Geographic Product
GIS	Geographical Information System
GRAP	Generally Recognized Accounting Practice
HDI	Historically Disadvantaged Individual
HSWS	Human Settlements, Water and Sanitation
HR	Human Resources
IB	Irrigation Board
IT	Information Technology
ILO	International Labour Organization
MoU	Memorandum of Understanding
MP	Member of Parliament
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NEMP	National Eutrophication Monitoring Programme
NCIMS	National Compliance Information Management System
NWA	National Water Act
NWRS	National Water Resources Strategy
OHS	Occupational Health and Safety
OSD	Occupation Specific Dispensation
OECD	Organisation for Economic Corporation and Development
PDMS	Performance and Development Management System
REMP	River Eco Status Monitoring Programme
RQOs	Resource Quality Objectives
RO	Regional Office
RORs	Record of Recommendations
PFMA	Public Finance Management Act
RPF	Resource Poor Farmers
PSP	Professional Service Provider
SANBI	South African National Biodiversity Institute
R	Rand (unit of South African currency)
ToR	Terms of Reference
V&V	Validation and Verification
VAT	Value Added Tax
WMA	Water Management Area
WARMS	Water Use Authorization and Registration Management System
WMIs	Water Management Institutions
WRM	Water Resource Management
WMS	Water Management System
WUA	Water User Association
WULAS	Water Use Licence Applications

3. FOREWORD BY THE MINISTER OF WATER AND SANITATION

The Breede-Olifants Catchment Management Agency (BOCMA), established in terms of Section 78 of the National Water Act 36 of 1998 (NWA) perform water resource management in the Breede-Olifants Water Management Area (WMA) as contemplated in the NWA. The BOCMA reports and is accountable to me as the Executive Authority.

As a water resource management entity, the BOCMA ensures that water resource management functions are brought to stakeholders at a local level with their participation and involvement in decision making.

It is noted that the BOCMA is increasing the level of awareness in various water resource challenges in operation, of its stakeholders. By raising awareness, actions to address water resources challenges can be better addressed. This is true in the prevention of pollution of water resources. Successful water resource management can only happen where there is buy in and local support.

The BOCMA is a recommending authority to the Department of Water & Sanitation in the processing of license applications. The achievement of the target for the processing of licensing applications within the required timeframe is noted. It is an indication that water resource management at a local level is working.

It is comforting to know that the stakeholders in the Breede-Olifants Water Management Area continue to support the BOCMA by partaking in public participation processes and paying of catchment management charges.

For sustainable water resource management, it is imperative to control the growth of alien vegetation in water catchments. The river rehabilitation projects that were implemented are essentially about the eradication of alien vegetation that is growing in river riparian areas. For the future availability of water from rivers, it is of critical importance to control the growth of the alien vegetation as they suck out large volumes of water from precious water resources. It is noted that the BOCMA was successful in implementing these projects.

The program to install rainwater harvesting tanks, where rainwater is collected and stored for later irrigation use was successfully implemented. This made a significant contribution to make water available especially for the irrigation of food gardens that provides food for people.

I would like to commend and thank the Governing Board, staff, and the stakeholders for making it possible for the BOCMA to achieve a clean audit for the fiscal year and that water resources were managed in a sustainable way.

P MAJODINA, MP
MINISTER OF WATER AND SANITATION
DATE: 15-08-2024

4. FOREWORD BY THE CHAIRPERSON OF THE GOVERNING BOARD

The Breede-Olifants Catchment Management Agency (BOCMA) is water management institution that manages water resources in a collaborative manner with stakeholders in its jurisdiction. The BOCMA currently operates from two offices located in Worcester and in George, respectively. These offices are centrally located and facilitate direct access to our stakeholders who require assistance with catchment management functions. The BOCMA for the year under review, laid the foundation for the expansion of water resources management functions to the previous area of the Berg-Olifants Water Management area, which is now incorporated in the BOCMA.

The seven strategic objectives of the BOCMA include Water Resources Planning; Water Use Management; Institutional and Stakeholder Relations; Water Allocation Reform; Water Resource Protection; Strategic Support, Management and Governance are supporting the vision of the BOCMA, "Quality water for all forever."

The buy-in and support of the stakeholders enabled the BOCMA to be successful in making widespread positive impacts in the 2023/2024 performance year. There were many notable achievements during the reporting period and some of them will be emphasised: -

The continued good performance of the BOCMA when it comes to the collection of the catchment charges from water users. A remarkable collection rate of 99% was achieved. I want to express my appreciation to the water users that are paying what is due. Without these payments, the BOCMA will not be able to manage water resources sustainably. I would also like to think that the efficient and people centred approach that the BOCMA is known for, is making it easier for water users to pay.

The processing of water use licenses within the specified timeframes. The applications for water licenses are one of the core functions of the BOCMA. There is no backlog of license applications. In a processed license application, there are so many opportunities, in investment social development and job creation.

The protection of water resources includes collaborating with our partners in the rehabilitation of rivers (removal of alien vegetation), extensive monitoring of water resources, and the necessary compliance monitoring and enforcement to ensure that the quality of water in water resources is maintained.

I serve with an experienced and skilled team of resolute Board Members, and I thank them for their selfless contributions to the governance of the BOCMA. I thank the senior management team and personnel across the organisation who continue to work tirelessly to provide an efficient water resource management function to all stakeholders in the BOCMA Water Management Area. The Governing Board recognises your efforts and appreciates you.

I thank the Honourable Minister of Water and Sanitation, for the continued support of the Board. The unsurpassed leadership and support of the Minister makes catchment management possible within the Breede-Olifants Water Management Area.

BONGANI E MNISI, CHAIRPERSON
BREEDE-OLIFANTS CATCHMENT MANAGEMENT AGENCY
DATE: 08-08-2024

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

5.1 Overview of total operating expenditure

Total expenditure during the 2023/24 fiscal year increased from R90.1million to R94.6million. The increase is attributed to the increase in Employee related costs and increase in the operating expenses. The annual salary costs resulted in 8.5% increase for employee related costs due to increase in the number of staff employed as well as cost of living increase. The employee-related costs include all salary staff benefits as well as travel and subsistence costs. The Provision for doubtful debt has decreased by 38.55%, this is a sign of good collection rate. The Agency has introduced a debt incentive scheme whereby the customers are encouraged to pay a certain percentage of the capital amount and in return of writing off the interest once the capital amount is settled in full or as agreed. The depreciation and amortisation increased from 634,686 in 2022/23 fiscal year to R1 505 225 in 2023/24. The increase in amortisation and depreciation its due to the assets that reached its useful life but still in use and was re-evaluated. Operational costs also increased by 24.82% compared to the previous year, the increase is caused by variable costs such as costs of operations and purchasing of IT software, furniture and equipment, etc.

FINANCIAL OVERVIEW IN RANDS

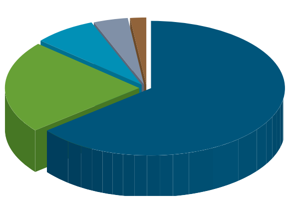


Figure 1: Expenditure Analysis

5.2 Revenue Analysis

5.2.1 Source of Funding

The revenue from catchment management charges reflects an increase of 8.6% when compared to the prior year. This can be attributed to the verification and validation of allocated volumes to various water users. The augmentation from the Department of Water and Sanitation has increased by 5% compared to the prior year from R 40 173 000 in the 2022/23 fiscal year to R42 182 000. The increase in grant was to accommodate the inflation rate. Interest charged on overdue debtors and interest earned on positive bank balance amounted to R18 288 463 compared to last fiscal year R15 051 106.

SOURCES OF FUNDING (R)

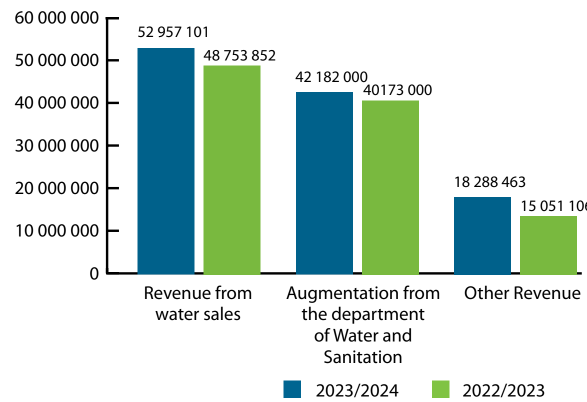


Figure 2: Revenue Analysis

5.3 Cash from operating activities

The revenue from water sales has increased by 9% R52 957 101 in 2023/24 fiscal year compared to 2022/23 fiscal year which amounted to R48 753 852. The increase can be caused by the collections measures that management has put in place to ensure that all monies due to the Agency are fully recovered. The collection debtor's day measures how quick cash is being collected from debtors. According to the policy of BOCMA all outstanding debt for water resource charges are payable within 30 days from the date of invoice. The Agency had a positive cash flow from operating activities amounting to R 23,8 million in 2023/24 fiscal year and R15,1 million in 2022/23 fiscal year. At the end of the 2023/24 fiscal year the cash and cash equivalent reflected a positive balance of R146,3 million. All these increases can be attributed by an increase in revenue from water sales. Management is continuing to maintain strict budget controls to prevent negative cash flows. This is an indication that the Agency has adequate financial resources to continue in operation for the near future. Also, the Agency can meet its short-term debt obligation.

5.4 Debtors Collection days

The debtors' days' analysis as tabulated below reflects slight decrease when compared to the prior year. The decrease on debtors' days from 196 days in 2022/23 to 164 days during 2023/24 is due to the effective collection strategy implemented.

	2023/2024	2022/2023
Debtors' days in sales (days)	164	196

Figure: Debtors days analysis

5.5 Financial viability assessment

FINANCIAL VIABILITY ASSESSMENT			
		AS AT 31 MARCH 2024	AS AT 31 MARCH 2023
EXPENDITURE MANAGEMENT			
1.1	Creditor payment period	28.86 Days	39.05 Days
REVENUE MANAGEMENT			
2.1	Debtor-collection period (after impairment)	164.38 Days	196.17
2.2	Debtors' impairment provision as a percentage of accounts receivable	191.41%	214.66%
	• Amount of debtors' impairment provision • Amount of accounts receivable	R99 640 502 R182 862 920	R120 768 423 R176 719 354
ASSET AND LIABILITY MANAGEMENT			
3.1	A surplus for the year was realised (total expenditure exceeded total revenue)	Yes	Yes
	• Amount of the surplus for the year	R21 006 820	R14 925 038
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	No	No
	• Amount of the net current assets/(liability) position	R187 411 297	R168 312 450
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	• Amount of the net asset/(liability) position	R193 445 234	R172 438 416
CASH MANAGEMENT			
4.1	The year-end bank balance was in overdraft	No	No
	• Amount of year-end bank balance (cash and cash equivalents)/ (bank overdraft)		
4.2	Net cash flows for the year from operating activities were negative	No	No
	• Amount of net cash in/(out)flows for the year from operating activities	R23 753 166	R15 085 049
4.3	Creditors as a percentage of cash and cash equivalents	5.11%	7.66%
	• Amount of creditors (accounts payable) • Amount of cash and cash equivalents / (bank overdraft) at year-end	R7 479 286 R146 313 789	R9 645 664 R125 977 450
OVERALL ASSESSMENT			
Overall, the financial viability is assessed as:		Green (Good)	Green (Good)

5.6 Capacity constraints and challenges facing the Agency

Water Resource Management

There are number of factors identified that prevent the Water Resources Management Unit from achieving more outputs. The following are the capacity constraints identified for the WRM Unit:

- The BOCMA area of operation is huge with a relatively small staff compliment to service the entire area.
- Severe weather events impacting planned operations.

Human Resources

The main capacity constraint and challenge currently being faced by the entity is skills shortage within the South Africa economy in general and the Water Sector in particular, with reference to engineering skills. This negatively impacts the process of water use authorisation as the said skills is required for investigation and provision of professional advice regarding the registration of water use in terms of the National Water Act, 1998. It further affects job creation as it delays the processing and issuing of a water use license further impacting the developmental agenda of the state.

5.7 Discontinued activities / activities to be discontinued

None.

5.8 New or proposed activities

Operationalisation of the BOCMA.

5.9 Rollover of funds

Capital Commitments: Approved and contracted for:

PROJECTS	AMOUNT
Rainwater tanks projects	1 125 023
TOTAL	1 125 023

Due to delays in receiving the invoice from the supplier. The invoice was received in the next fiscal year.

5.10 Supply Chain Management

The Agency did not conclude any unsolicited bids in 2023/24 fiscal year. The SCM Internal process and systems are in place. Management and staff are adhering to the rules as expected.

5.11 Challenges experienced and how it was resolved

DWS Systems reliability

The BOCMA uses the DWS's electronic Water Use Licence Authorization Application System (e-WULAAS). The e-WULAAS is a DWS system into which the BOCMA log as an external user. Below are some challenges that were experienced:

- access problems were experienced – this was resolved between the BOCMA IT and DWS IT officials as and when it occurred.
- Proxy Server Errors made it difficult for WARMS to access application forms – this was resolved with the assistance of the e-WULAAS help desk officials of the DWS National.
- e-WULAAS Exporting to WARMS caused delays – this was also resolved on a case-by-case basis as and when required.

Overall, the Department of Water and Sanitation continue to improve the processes of the e-WULAAS which resolved most of the BOCMA's challenges during 2023/2024.

- In terms of the shortage of skills in engineering field in particular, the Agency tries to resolve this challenge by paying an Occupation Specific Dispensation (ODS) like remuneration as adopted by the public sector. The Agency does this to attract the very scarce engineering skills that is still available leading to cut-throat competition within the labour market. Going forward, the Agency is thinking of contracting the few engineers who could come as and when required as a way of mitigating the challenge.
- With regards to resignation, there is no organization that can prevent it from happening. However, the Agency recruited very speedily to avoid compromising service delivery.

- Printing and sending out of invoices and statements: The Agency is facing challenges in printing out the invoices and statements. The contract between DWS and the printing service provider ended a year ago and the BOCMA was part of that contract. It was then difficult for the Agency to print and send out the invoices and statements to its customers, because the Agency did not budget for that service. This service is costing the Agency a lot of money which it cannot afford.

5.12 Events after the reporting date

Subsequent events
None.

5.13 Gifts and Donations received in kind from non-related parties

None.

5.14 Exemptions and deviations received from the National Treasury

No exemptions and deviations were received from the National Treasury during the fiscal year.

5.15 Audit report matters in the previous year and how they would be addressed

The audit opinion for the Agency has drastically improved compared to the two last fiscal years. The Agency has received Unqualified Audit Opinion with no findings. For the house keeping findings management has developed the audit finding register which will be monitored on a quarterly basis. Management is reporting to the Board quarterly the status quo of these findings (resolved and unresolved).

5.16 Irregular expenditure

No irregular expenditure incurred for the 2023/24 fiscal year.

5.17 Acknowledgement/s or Appreciation

We thank the Honourable Minister of Water and Sanitation, for the support that led to the achievement of the BOCMA performance objectives.

We thank the Governing Board for providing the necessary oversight and to all the BOCMA staff who are always committed to sustainable water resources management.

Thank you, to all the stakeholders in the BOCMA, who are supporting the BOCMA in numerous ways, to ensure that water resources are managed on a catchment basis.

JAN VAN STADEN, **CHIEF EXECUTIVE OFFICER (ACTING)**
BREEDE-OLIFANTS CATCHMENT MANAGEMENT AGENCY
DATE: 08-08-2024

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the External Auditors, Cara Mpako Inc.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the fiscal year ended 31 March 2024.

Yours faithfully

JAN VAN STADEN, **CHIEF EXECUTIVE OFFICER (ACTING)**
CHIEF EXECUTIVE OFFICER (ACTING)
DATE: 08-08-2024

BONGANI E MNISI
CHAIRPERSON OF THE GOVERNING BOARD
DATE: 08-08-2024

7. PRESENTATION OF THE ANNUAL REPORT

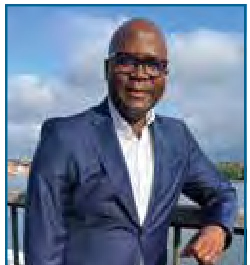
Dear Honourable Minister,

I have pleasure in presenting to you the 2023-2024 Annual Report of the Breede-Olifants Catchment Management Agency for the year ended 31 March 2024.

Yours faithfully

BONGANI E MNISI
CHAIRPERSON OF THE GOVERNING BOARD
DATE: 08-08-2024

8. THE GOVERNING BOARD MEMBERS



Mr BE Mnisi

CHAIRPERSON
OF THE GOVERNING BOARD

Mr TE Abrahams

DEPUTY CHAIRPERSON
OF THE GOVERNING BOARD

Mr AP Barnes

Dr. O Curtis-Scott

Mr HM Rossouw

Ms EM Palmer

Mr MJ Delport

Ms B Damane

Mr CJU Swart

9. STRATEGIC OVERVIEW

VISION

Quality water for all, forever

MISSION

The Breede-Olifants Catchment Management Agency exists to: manage the 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-Olifants area, including the environment

VALUES

Integrity

Accountability

Empowerment

Approachability

Equity

STRATEGIC OBJECTIVES

Water Resource Planning

Water Use Management

Institutional & Stakeholder Relations

Water Allocation Reform

Water Resource Protection

Strategic Support (Finance & Human Resources)

Management and Governance

10. LEGISLATIVE AND OTHER MANDATES

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) as amended, provides through the Bill of Rights that:

a) everyone has a right to an environment that is not harmful to their health or well-being.

b) the environment is protected for the benefit of present and future generations through reasonable legislative and other measures that,

   i prevent pollution and ecological degradation.

   ii promote conservation; and

   iii secure ecologically sustainable development and use of national resources while promoting justifiable economic and social development.

The Breede-Olifants Catchment Management Agency (BOCMA) is a Water Management Institution (WMI) established in terms of section 78 of the National Water Act, 1998 (Act No 36 of 1998 as amended) (hereafter referred to as "NWA" or "the Act") and is operational in the Breede-Olifants Water Management Area (WMA).

The Breede-Olifants Water Management Area came about when the Department of Water & Sanitation amalgamated the Breede-Gouritz Water Management Area (managed by the then Breede-Gouritz Catchment Management Agency) and the Berg-Olifants Water Management Area (managed by the Department's Western Cape Directorate: Proto CMA). The BOCMA falls under Schedule 3A of the Public Finance Management Act, 1998 (Act1 of 1998) (PFMA).

The BOCMA has the following inherent functions in terms of section 80 read together with section 79 and Schedule 3 of the NWA:

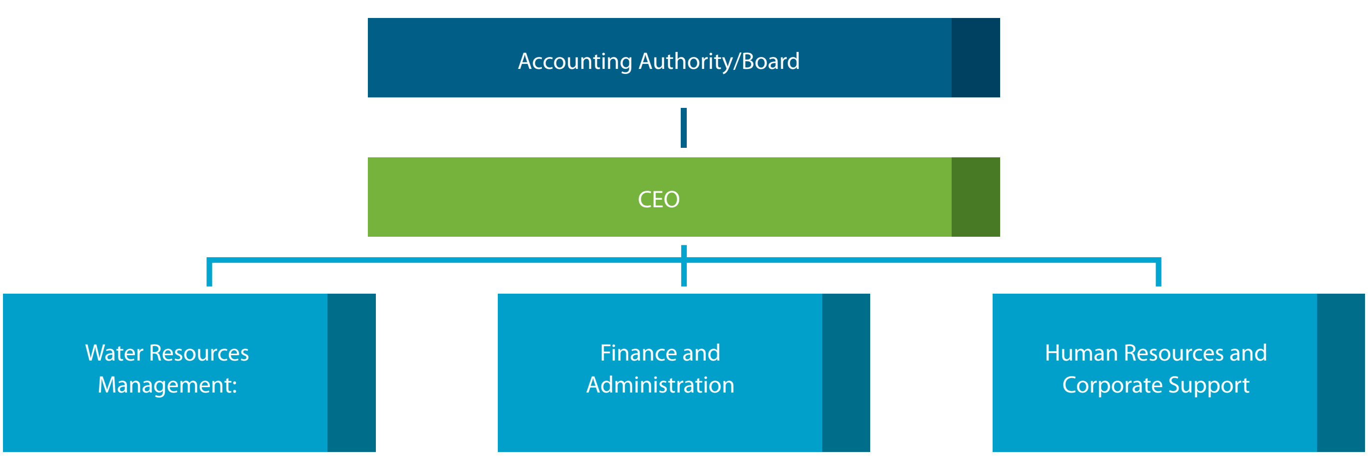
- Investigate and advise interested persons on water resource management.
- Compilation of the CMS
- Co-ordinate related activities of water users and WMIs
- Promote co-ordination of implementation of any applicable development plan.
- Promote community participation in water resource management.

In terms of section 5 of the National Water Act 36 of 1998, the National Water Resource Strategy determines the water management areas to be managed by catchment management agencies. This National Water Resource Management Strategy is also setting the national objectives for water resource management involving all water management institutions in terms of the National Water Act.

The Catchment Management Agency must, in terms of section 80(b) of the National Water Act, develop a catchment management strategy for its water management area which must not conflict with the National Water Resource Management Strategy III. The catchment management strategy will be a stakeholder driven document which, on completion, is a policy mandate by stakeholders. The CMS will be a key strategy to guide how the CMA will execute its mandate.

In terms of the National Pricing Strategy for Raw Water Use Charges the determination of sectorial water resource management charges and the determination of annual waste loads are to be per water management area. In terms of section 57(2) of the National Water Act the BOCMA can determine the charges payable to the agency, in line with the National Pricing Strategy.

11. ORGANISATIONAL STRUCTURE



PART B: PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

Location

The Breede-Olifants water management area (WMA) is the result of the amalgamation of the Breede-Gouritz WMA and the Berg-Olifants WMA. The new WMA is bounded by the Atlantic Ocean to the southwest, the Orange WMA to the north and the Mzimvubu-Tsitsikama WMA to the East. It largely falls within the Western Cape Province, with small portions of the upper catchment of the Olifants River falling in the Eastern Cape Province, and portions of the Northern section falling within the Northern Cape Province. Figure 1 below is a map of the new area with its various towns.

The four large rivers within the WMA are the Breede, Berg, Gouritz and Olifants Rivers. The Berg and Olifants Rivers are highly impacted by abstraction for irrigation. A Preliminary Comprehensive Reserve has been determined for the Olifants River with the recommendation that it is impractical to try and restore the river to a more natural system, and that water should not be taken back from existing lawful users for this purpose, due to the negative impact this will have on the area's economy. The protection of the Doring River is aimed at securing the ecological integrity of the lower reaches and estuary of the Olifants River, the latter being a major permanently open estuary and fish breeding area. The Resource Quality Objectives (RQOs) and Classification for both the Berg and Olifants rivers have been developed and is currently being implemented. The CMA will play a vital role in ensuring compliance to the RQOs.

As pollution of rivers, due to various contributing factors are common worldwide and not only in South Africa, the BOCMA aims to identify hotspot areas and develop an action plan with short-, medium- and long-term interventions to respond to the declining water quality of ecosystems.

Figure 1: The Map of the BOCMA with main towns

The BOCMA realize that transformation of the South Africa's water sector, inclusive of the BOCMA's area of jurisdiction, to date was slow, and will progressively implement means to address the challenges of transformation by starting to focus on finalizing verification of water use and subsequently call for Compulsory licensing within certain Quaternary drainage areas, by giving effect to section 27(1)(b) of the National Water Act, 1998 (Act 36 of 1998 as amended), by exploring the legislative position of reviewing active licence conditions and by working closely with Government Departments that have Reform programmes.

Municipalities

The BOCMA host 30 Municipalities which include a Metro, five (5) District Municipalities and twenty-four (24) Local Municipalities Figure 2: below shows the geographical location of the Municipalities within the jurisdiction of the BOCMA

Climate

The precipitation ranges from 160mm in the northern, more inland parts of the WMA to more than 3 000mm in the high mountainous regions of the Hottentos Holland and Franschhoek water divides between Berg and Breede WMAs. The average rainfall over the Breede area is 200 mm, Overberg 400 mm, Gouritz Coastal 600mm and Klein Karoo / Great Karoo 150 mm.

The Great Karoo and Olifants River catchment regions are classified as an extremely late summer rainfall region, with a large proportion of annual precipitation falling between March and May and October through storm events, whereas most of the rain in Breede Valley falls between the months of May and August.

Figure 2: Geographical location of the Municipalities (source: Municipalities.co.za)

The Breede Olifants Water Management areas host parts / areas / quaternary drainage areas that has the lowest annual rainfall and other, more to the coastal parts, which have the highest annual rainfall compared to the South African annual rainfall statistics.

The unpredictable weather patterns have shown, over the last year, more severe rainfall within a shorter period that led to many areas within the catchment being flooded.

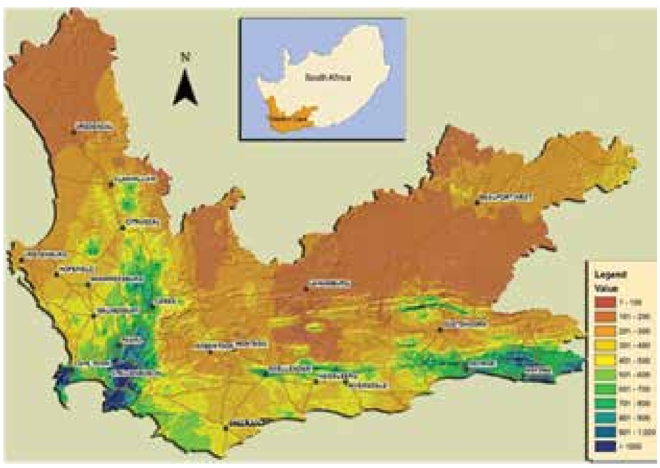


Figure 3: The Climate map of Western Cape showing average annual rainfall per previously known WMA.

1.1 Service Delivery Environment

The Western Cape Region where BOCMA is operating, has seen an exponential growth in people moving to the area. Those who can afford formal housing, have been accommodated by the existing infrastructure and services provided by local municipalities. For others, who moved to the area in reaction to the call for seasonal workers in the agricultural and industrial sector, obtaining formal housing had not been smooth sailing. As a result, the area had been experiencing illegal dwellings which were erected, with a notable increase since the hard lockdown period.

Illegal dwellings, with no access to services like waste management and sanitation, and potable water, have been erected in unfavourable areas. These areas most notably face a severe winter rainfall and as a result, poses major risk of flooding due to the location of the dwellings in and around a stormwater detention dam; stormwater canals; a flood plain and along various rivers.

The result often is the pollution of rivers and water resources because of the absence of water services and infrastructure. Over time, the compounding effect of diffuse pollution has a negative effect on ecosystem services, as well as the deterioration of ecological health.

The Blue Deal programme, an agreement between the Dutch Water Authorities and the South African Department of Water and Sanitation, sets out to address the problem of diffuse pollution of water resources, as well as addressing waste management within the Theewaterskloof municipal area. It is a platform whereby different stakeholders could add to the pool of expertise and join in to provide solutions to the challenge. In part, it sets out to obtain alternative sanitation solutions in informal settlements where municipal services are inaccessible. Phase II of the programme runs until 2030.

1.2 The economic geography of the Breede-Olifants WMA

The Gross Geographic Product (GGP) of the Breede-Olifants Water Management Areas is estimated at around R520 billion per annum and makes up 13% of South Africa's Gross Domestic Product (GDP). The economy of the area is dependent on export fruit, PetroSA, uranium mining, renewable energy, ostrich farming and tourism.

The largest sector in the Breede, Olifants and Gouritz areas are the agriculture and processing sector which contributes 23.2% to the GGP. The region is quite significantly dependant on the agricultural economy which provides 58% of jobs to the rural poor. Once the associated manufacturing, construction and services are considered, an even larger proportion of the economy is dependent on the agricultural sector. Trade and accommodation are the second largest sector of the economy in these areas, related to coastal residential retirement and tourism.

A strong and diversified economy exists in the Berg area, which is dominated by the commercial trade and industrial activities in the Cape Town Metropolitan area, the towns of Stellenbosch, Paarl, and Wellington and in the developing West Coast area of Saldanha Bay.

Agriculture, although one of the smallest sectors in terms of its contribution to the Gross Geographical Product (± 2,5%), has strong linkages to other sectors of the regional economy and provides livelihood to a substantial proportion of the rural population.

The economy of the Breede-Olifants WMA is heavily dependent upon the availability and health of water resources in the water management area because of its heavy dependence on agriculture, petroleum production (including by-products), inter-basin transfers of bulk water resources to Western Cape Water Supply System and tourism. Irrigated agriculture, wheat cultivation and associated activities such as processing and packaging are the primary economic activities in the Breede-Olifants WMA.

As a reflection of this, growth in the agricultural, forestry, and fisheries in the Western Cape economy was 2.7% per year and the residential-tourism economy has grown at a brisker 3.4% per year over the decade leading up to December 2010.

1.3 Organisational environment

The Breede-Olifants Catchment Management Agency will continue to acquire human capital as a way of organisational development, capacitation and strengthening the Agency. This is to enable the Agency to meet the ever changing demands or needs as enshrined in the founding legislation, the National Water Act, 1998. The agency must adequately be resourced to respond efficiently and effectively to the needs of the stakeholders, the public it serves and to mitigate the issues of climate change.

Government Gazette Notice No. 2793 of 25 November 2022 established the Breede-Olifants Catchment Management Agency (BOCMA) in terms of Section 78(4) of the National Water Act, 1998 (Act No. 36 of 1998 as amended).

Due to the organic growth and development of the entity, the organisation continues to expand its organisational structure in response to its extended mandate.

2. STRATEGIC OUTCOME ORIENTED GOALS

The Breede-Olifants Catchment Management Agency has the following Programmes that support the Strategic outcomes of the BOCMA:

- Water Resources Planning
- Water Use Management
- Water Allocation Reform
- Water Resource Protection
- Institutional and Stakeholder Relations
- Strategic support, which includes finance, human resources, and administration.
- Management & Governance

Water Resource Management

The Water Resources Management (WRM) Unit is responsible for the management and co-ordination of functions performed by the Breede-Olifants Catchment Management Agency (BOCMA) for the implementation of the National Water Act, (Act No. 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 (DWS), (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 Resources Protection, Water Use Management, and Water Use Authorizations.

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

3. PERFORMANCE INFORMATION BY OBJECTIVE

3.1 Objective 1: Water Resource Planning

Water resources planning includes the Breede-Olifants Catchment Management Strategy ("CMS"), which is a priority for the BOCMA, as well as conducting other assessments, engaging with DWS planning processes and advising DWS and other interested parties on the management of water resources in the Breede-Olifants Water Management Area.

3.1.1 Key highlights under the Water Resource Planning:

Land use applications

The BOCMA monitored and managed water resources within the Breede-Olifants catchment. An average of 96% land use planning and rezoning applications were assessed and commented on within the regulated timeframes.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS								
Objective: Water Resources Planning								
			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
Legal water use maintained	Water Resource Planning Processes	Percentage of land use planning and rezoning applications commented on (letters sent)	97%	93%	90%	96%	Target exceeded	Proactive communi-cation with case officers managing the due dates.

Strategy to overcome areas of underperformance

No strategy put in place as the target was exceeded.

Changes to planned targets

None

LINKING PERFORMANCE WITH BUDGETS						
	2022/2023			2023/2024		
Objective	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Water Resource Planning; Water Use Management; Water Allocation Reform and Water Resource Protection	35 558	34 611	947	39 752	38 897	855

Water Resources Planning; Water Use Management; Water Allocation Reform and Water Resource Protection. The reason these strategic objectives are combined, is because the personnel cost is intertwined between the objectives.

3.2 Objective 2: Water Use Management

Water use management includes activities such as water use authorisation, registration of water users, pollution control and ensuring water use compliance and enforcement for the eleven prescribed water uses.

The BOCMA ensure that Water Use Authorisation Applications are processed within the timelines required as per the Water Use Regulations. The BOCMA aim is also to not have a backlog therefore proactive management is of importance. The validation and verification of water users remain important. This is to ensure that the BOCMA can effectively manage water availability withing the WMA.

The BOCMA achieved a 100% finalisation of all Water Use Applications within the fiscal year with no backlogs. The organisation also audited 87 properties with water use authorisations to ensure compliance with the conditions of such water use authorisations. In addition to that, a total of 217 properties were verified to have an Existing Lawful Water Use.

3.2.1 Key highlights under the Water Use Management:

Water Use Authorisation and Registration

BOCMA processed all water use licence applications that were submitted for the 2023/2024 fiscal year, and the office did not have any backlog applications from previous years. A total of 56 Water Use Licence Applications were received and finalised within the 90 days regulated time frame. In addition to the WULAs finalised, BOCMA also confirmed 132 applications through General Authorisation (GA).

Several Water Use License Applications that were recommended by BOCMA and eventually approved by DWS during the 2023/2024 fiscal year supported the transformation of agricultural water to support BBBEE in the agriculture sector in line with the BOCMA allocation principles resulting in several licences issued to 100% BBBEE applicants.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Objective: Water Use Management

			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
Legal water use maintained	Registered Water Use	Percentage of water registrations finalised (incoming requests logged)	87%	96.96%	85%	96.96%	Target exceeded	Increased Prioritization; Concise Role Allocation; Segregation of Duties
		Number of signed and finalised Validation & Verification confirmation letters captured	260	149	200	217	Target exceeded	Increased Prioritization; Concise Role Allocation; Segregation of Duties
		Percentage of Water use authorizations captured on WARMS	98%	96.15%	100%	100%	Target achieved	N/A

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS								
Objective: Water Use Management								
			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
	Processed Water Use Applications	Percentage of water use licence applications recommended	89%	100%	85%	100%	Target exceeded	Initiative-taking communication regarding applications to be prioritise. Sending out reminders.
		Percentage of General Authorisations processed	100%	100%	100%	100%	Target achieved	N/A.
	Water use complied with Water Use License / General Authorisation	Number of audit reports completed for water use compliance	96	98	80	87	Target exceeded	Due to compliance issues in some areas, there was a need to verify compliance of the ELU confirmation letters (authorisations) that makes the target to be exceeded.
		Number of Water Quality Compliance Reports of Municipal Wastewater Treatment Works (WWTW) that discharges to Water Resources	4	7	4	5	Target exceeded	Proactive planning and send out reminders to case officers to prioritise.
	Water Users Validated and verified in selected Catchments	Number of properties verified for water use	120	163	200	217	Target exceeded	Many requests for V&V were received and processed.

Strategy to overcome areas of underperformance: No strategy put in place as the targets were either achieved or exceeded.
Changes to planned targets: None.
Linking performance with budgets: Budget is included in 3.1 Water Resource Planning.

3.3 Objective 3: Institutional and Stakeholder Relations

The Institutional and Stakeholder Relations continued with capacity building initiatives and awareness campaigns, ensuring that all BOCMA stakeholders are made aware of their role in water resource management and take ownership of the management of their environment. Successful Water Week activities with schools and other awareness days were held to capacitate stakeholders in Water Resource Management. Social Responsibility projects were funded, supported, and capacity building provided where necessary.

The BOCMA continued to support and participate in intergovernmental forums such as the Western Cape Sustainable Water Management Plan committee, the Upper Breede River Collaborative Extension Group and the Breede Sonderend Collaborative Committee where cross-cutting mandates are discussed and optimally managed and monitored as required by Cooperative Governance. Collaborative initiatives with the Department of Agriculture, SANBI, local municipalities and the Dutch driven Blue Deal Project included capacity building of Resource Poor Farmers, Environmental Infrastructure training, river clean-ups, Mini SASS at schools etc.

3.3.1 Key highlights under the Institutional and Stakeholder Relations

3.3.1.1 Stakeholder Engagement, Marketing and Communication

Several awareness drives were conducted where the different units within the BOCMA were involved to divulge critical information to stakeholders regarding our services. Successful Water Week activities with schools and other awareness days were held to capacitate stakeholders in Water Resource Management. Social Responsibility projects were funded, supported, and capacity building provided where necessary.

3.3.1.2 Grant Projects Financially Supported

BOCMA financially supported Water related community projects with Grant funding as indicated in the table below:

PROJECT NAME	PROJECT SUMMARY	AMOUNT FUNDED
1. ORHA - Onrus River Estuary Reed Control Project	The success of the Onrus River Estuary Reed Control Project hinges on the continuous maintenance of the reed cutting cycle as well as the application of approved herbicides to deplete the invasive resistance and control resurgence of their growth in the estuary. Follow - up control is essential to control alien saplings, seedlings, and coppice regrowth to achieve and sustain the progress that was made with the initial control work in the initial phase. If the follow-up control phase is neglected, the alien infestation will become worse and denser than before the eradication process started. The purpose of this grant application to BOCMA is to obtain funding to enable follow-up control measures such as successive reed cutting, application of (an authorised) herbicide and the removal of reed rhizomes to achieve and sustain the long-term objectives of the of the project.	R200 000
2. Wolseley Community Care Centre	The purpose of the project is to establish a sustainable soup kitchen with support and a sustainable vegetable garden. They currently make use of donations or buy produce from the funds they raise. Objective of the project is to establish vegetable gardens and a soup kitchen to feed the sick and poor – once the vegetable garden has been established, to use the produce in a soup kitchen and feed the needy in the community. Department of Agriculture will assist with training in the form of basic vegetable gardening, compost making and cultivation.	R200,000

PROJECT NAME	PROJECT SUMMARY	AMOUNT FUNDED
3. Vrolike Vinkies – Ceres & Op die Berg	The purpose of the project is to provide for the poor, to be sustainable, to increase their healthy food system, to learn how to be responsible, to decrease their expenses, to learn skills development to children with disabilities, to educate children on how to eat healthy food and where it came from, to assist other food gardens in the Witzenberg area. Request was for the instalment of water tanks and water pipes, seedlings, garden equipment, compost, and plant treatment equipment.	R200,000
4. Ceres Haven Nightshelter	The mission of this shelter is to ensure that no one stays on the streets, that is why they provide temporary accommodation to reintegrate and reunify the homeless back into the community. The request was for seedlings and implements to establish a food garden and use the produce to supplement the food given to the homeless.	R13 273, 90
5. Overstrand Conservation Foundation (Whale Coast Conservation) - Mill Stream Rehabilitation, conservation, and education project	The purpose of this project: Stormwater discharge point filtration experiment; Road verge wedge toad conservation experiment; Initiation, training, and facilitation of citizen science monitoring group; Creation of new pathways; Development and hosting of new tourism product ie wetland tour; Education area development; Education program development and offering; Project facilitation.	R200 000
6. Railton Foundation – Swellendam	The purpose of the project is to set up agricultural seedling tunnels for community gardens, home grown gardens, grown for community service, elderly homes, schools, hospitals in the community for the community and safety for themselves to feed their families. Community participation, leadership, training, and tourism gardening, organic training, serving the community, schools, hospitals while serving themselves. Request is for wastewater removal line, electrical cable, clean household water (line for water), security/ safety office Wendy house.	R200 000
7. Van Wyksdorp Development Institute	Purpose of the project is to: Develop the agricultural component through the teaching and demonstration of sustainable farming methods, using the VDI's 3-hectare farmland, as a functional farm; Courses in water management, soil restoration and conservation agriculture; Upcoming smallholder farmer entrepreneurs are using regenerative agriculture practices to produce and sell various products from the VDI's micro-farms, 240 square metres each; Create the opportunity for entrepreneurial development. Request is for u-PVC Pipe. Aluminium Epoxy Coated Fittings or U-PVC, Galvanised Fittings, Valves, Irrikwik (Perrot tipe) Pipe and Fitting, Irrikwik (Agrico tipe) PVC Pipe, Dragline and Equipment, Civil Works.	R178 690,46
8. Rainwater Harvesting Tanks 2023/2024	Request is for installation of approximately 340 RWHTs of varied sizes and in different areas as allocated where needed the most throughout the entire WMA.	R2 500 000

3.3.1.3 Number of Intergovernmental Cooperative initiatives

The BOCMA formed an integral part of the Upper Breede Collaborative Extension Group and the Breede Sonderend Collaborative Committee forums that support co-operative governance of resources between National Departments of Environmental affairs (through SANBI), Local Government, District Government, Western Cape Department of Agriculture, Western Cape Department of Environmental Affairs and Development Planning, CapeNature and local Water User Associations and Irrigation Boards. These forums supported collaborative efforts towards river maintenance management plans for rivers in the Breede and Overberg districts, Alien Clearing and Rehabilitation projects in these districts and collaboration with water quality management in the main river stream and estuaries.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS								
Objective: Institutional and Stakeholder Relations								
			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
Effective IWRM and empowered Stakeholders	Stakeholders capacitated and awareness created in Water Resource Management	Number of learners and stakeholders capacitated and awareness in Water Resource Management (WRM)	5574	6660	5000	5594	Target exceeded	Pro Active Planning to achieve target
		Number of Intergov-ernmental Cooperation initiatives facilitated to enhance WRM	4	5	4	9	Target exceeded	Pro Active Planning to achieve target.
		Number of newsletter articles compiled.	4	4	4	4	Target achieved	N/A
	Water related community projects financially supported with Grant funding	Percentage of approved water related community projects funded.	100%	100%	100%	100%	Target achieved	N/A
	Forums supported in WRM.	Number of Forums supported in WRM	37	24	40	44	Target exceeded	Officials returned to office and meetings were opened after covid leading that attendance increased.

Strategy to overcome areas of underperformance:

No strategy is required as all targets are either achieved or exceeded.

Changes to planned targets:

No changes were made.

LINKING PERFORMANCE WITH BUDGETS						
	2022/2023			2023/2024		
Objective	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Institutional and Stakeholders Relations	9 784	9 041	743	9 140	9 543	-403

3.4 Objective 4: Water Allocation Reform

The BOCMA has prioritised programmes promoting water allocation reform (and equity arrangements) giving assistance to resource-poor farmers, particularly in terms of water use authorisations. The provision of rainwater harvesting tanks to households with vegetable gardens contributed to the BOCMA's social responsibility towards alleviation of poverty.

The construction that will allow the inlet canal to the Department's Greater Brandvlei Dam to provide additional water for allocation was finalised during the 2022/2023 fiscal year. This allowed the BOCMA to consider applications for water use licences for use of this water. Two (2) applications from Partnerships for this water was finalised during the fiscal year 2023/2024.

In addition to the above, several other applications for water use authorisation within the BOCMA catchments was finalised during the fiscal year that will contribute to Water Allocation Reform, either directly or indirectly.

3.4.1 Key highlights under the Water Allocation Reform

During the 2023/2024 fiscal year a total of Five (5) Historically Disadvantaged Individuals were assisted with water use licences issued to them. Of these two (2) water use licences were linked to the Greater Brandvlei Dam Government Water Scheme initiative initiated in the 2022/2023 initiative. The remainder applications were linked to the constructions of storage facilities (dams), groundwater abstraction as well as surface water from other water resources.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS								
Objective: Water Allocation Reform								
			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
Capacitated Resource Poor Farmers with water supply	HDIs and Resource Poor Farmers supported.	Percentage of HDIs and RPF technically supported on water use.	100%	100%	100%	100%	Target achieved	N/A
		Number of workshops held to capacitate and empower Resource Poor Farmers in WRM	2	4	2	2	Target achieved	N/A
		Number of Rainwater Harvesting Tanks installed	400	400	400	340	Target not achieved	Budget was cut to R2.5m and had to reduce the number of RWHTs to be installed

Strategy to overcome areas of underperformance.
The DWS budget for RPF's is now allocated to the Department of Agriculture, BOCMA to continue with the collaboration with Department of Agriculture to assist RPFs.

Changes to planned targets.
No changes were made.

Linking performance with budgets
Budget is included in 3.1 Water Resource Planning.

3.5 Objective 5: Water Resource Protection

The focus of the Water Resource Protection since the finalisation of Reserve determination and Classification study by DWS was to ensure compliance. This involves ongoing assessments of Water Resources and Water Use monitoring information in the WMA against objectives and standard/licence conditions.

A collaborative initiative with the Department of Environmental Affairs and Development Planning (Western Cape Government) for a joint sampling programme within the Breede and Overberg Catchment Areas allowed for the monitoring of resources in these areas to be optimised.

The BOCMA has several monitoring programmes put in place to ensure water quality of the river systems within the WMA are monitored and managed. Pollution incidents were acted on timeously to prevent any lasting damage to water resources. Several properties were inspected during Blitz operations conducted by the BOCMA.

A total of 4 River Rehabilitation projects were identified and funded for the 2023/2024 fiscal year. The BOCMA successfully supported the implementation of 3 Alien Clearing and Rehabilitation projects in the Upper and Central Breede River, the Sonderend River confluence with the Breede River and the lower part of the Koringlands river in Swellendam. The latter was in collaboration with the Swellendam Municipality in relation with their Alien Clearing Programme. These projects supported the clearing of approximately 1 446 ha riparian areas (this includes both initial clearing and follow up clearing), 12 areas supported with rehabilitation with indigenous species and the associated person days (up to seven-thousand-person days). BOCMA also supported a river rehabilitation project in the Gouritz Area in collaboration with Stormdrift-Kammanasie Water User Association. The total financial contribution for all four projects from BOCMA for the 2023/2024 fiscal year towards river rehabilitation projects was R3,399,895.51.

3.5.1 Key highlights under the Water Resource Protection:

3.5.1.1 Water Quality Monitoring

A collaborative initiative with the Department of Environmental Affairs and Development Planning (Western Cape Government) for a joint sampling programme within the Breede and Overberg Water Management Areas allowed for the monitoring of resources in these areas to be optimised.

The BOCMA monitored water resources for water quality at 115 monitoring points and assisted with the NEMP monitoring which was previously conducted for DWS however BOCMA has taken over the monitoring program.

River Eco status Monitoring Programme (REMP) Monitoring

The REMP Monitoring Programme is conducted on 37 Resource Quality Objectives (RQO) points.

- 20 Points in Gouritz
- 17 Points in Breede

The programme is meant to assess compliance with the RQOs set by DWS.

3.5.1.2 River Rehabilitation Projects

A total of 4 River Rehabilitation projects were identified and funded for the 2023/2024 fiscal year. These projects were focused on providing support to local water users associations to continue with keeping key areas along the main stem of the Breede River clear of new growth (follow-up clearing). In supporting these projects, the BOCMA also supported the job security of the units working on these projects and several in-formal SMME's resulting from the clearing work such as informal wood cutters.

3.5.1.3 Compliance Monitoring and Enforcement (CME)

During the 2023/2024 fiscal year, the CME unit of BOCMA received 55 new cases of unlawful water use. BOCMA also had ongoing cases from the 2022/2023 financial year that were investigated during the 2023/2024 fiscal year. The investigated cases were issued with 8 notices for pollution incidences and 29 notices for unlawful water use activities. In addition to the notices issued, a total of 7 directive notices were issued to unlawful water users. By the end of the 2023/2024 financial year, a total of 24 investigated cases were finalized and closed and about 63 cases are still ongoing administrative process cases. Administrative actions were taken successfully, and four Criminal cases were opened and reported to NPA against the water users who are exercising water use activities without authorisations including non-compliance with the Section 53(1) Directive in terms of the NWA.

BOCMA also conducted compliance monitoring of 87 properties with water use authorizations to ascertain compliance with the conditions of the issued water use authorizations. The water users that were found non-complying were investigated.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS								
Objective: Water Resource Protection								
			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
Good Water quality and legal water use	Protected Resources	Number of BOCMA Water Resource points monitored.	110	106	80	115	Target exceeded	Having a schedule in place and ensuring that samplers adhere to schedules . Ad hoc samples are also prioritised whenever it is needed e.g. pollution incidents
		Number of Rehabilitation Projects funded and technically supported.	3	3	3	4	Target exceeded	Having open communication with implementing agents and sending reminders should documents be submitted
		Percentage of reported non-compliant cases investigated (Investigation reports, administrative notices (Pre-Directive). representation response letters and follow-up investigation reports)	78%	100%	100%	90.9%	Target not achieved	Lack of capacity especially in the Breede-Overberg region. Appointment of additional CME officials and current CM vacancy will resolve the challange
		Percentage of resolved investigated cases (Directive, Criminal process and closing letter)	**New indicator**	**100%**	**80%**	**100%**	Target exceeded	N/A

Strategy to overcome areas of underperformance: The CME unit will be capacitated by adding one more official.
Changes to planned targets: No changes were made.
Linking performance with budgets: Budget is included in 3.1 Water Resource Planning.

3.6 Objective 6: Strategic Support

The strategic support section is made of the following: Finance & Administration, Information systems and Human Resource Management.

(i) Finance unit

Is the backbone of financial management and administration for the organisation, with the priority of ensuring financial viability and financial sustainability through water use charges and effective organisational development.

(ii) Information Systems

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

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Objective: Strategic Support								
			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
Compliance with listed financial reporting prescripts	Finance Statutory reporting documents submitted.	Number of reports complying with listed financial reporting prescripts	100%	100%	8	8	Target achieved	N/A
	Annual Tariffs Proposal approved	Number of proposed tariff reports submitted to DWS complying with pricing strategy.	1	1	1	1	Target achieved	N/A
	Effective risk management	Number of risk assessment reports	1	1	1	1	Target achieved	N/A
	Effective internal controls	Percentage of compliance to audit recommendation.	100%	85%	100%	96.15%	Target not achieved	The process is ongoing, as the pending audit finding takes longer to resolve.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS								
Objective: Strategic Support								
			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
	Increased BBBEE spending	50% targeted procurement budget spent on or more than 51% black owned enterprises. 50% targeted procurement budget spent on, or more than 51% Black women owned enterprises.	84%	78%	100%	67% 26%	Target not achieved. Difficulties to get the Black women owned enterprise and Black business owned enterprise residing within the area of demarcation.	The Agency is planning an awareness campaign and will try to assist the service providers who are in this category to register on Central Supplier database (CSD)
	Effective Revenue Management	Percentage of WRM charges collected.	84%	89%	77%	99%	Target exceeded	The Agency introduced the debt incentive scheme.

REVENUE COLLECTION						
	2022/2023			2023/2024		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R’000	R’000	R’000	R’000	R’000	R’000
Water Resources Collected Charges	33 000	48 753	(15 753)	33 880	52 957	19 077

Intervention taken to improve the situation:

Recovery plan - the BOCMA developed and implemented a recovery plan to support effective and efficient recovery of debt owed to the agency. The results of cost recovery are reported monthly to monitor progress against targeted revenue collection.

Automating distribution of invoices and statements to customers for the purpose of reducing the turnaround time to deliver invoices to customers.

Debt incentive scheme – The Agency has introduced a debt incentive scheme whereby the customers are encouraged to pay a certain percentage of the capital amount and in return of writing off the interest once the capital amount is settled in full or as agreed.

Appointed debt collection Agency - The agency was performing the debt collection function in-house and all collection targets as per the annual performance plan were achieved since 2018. In February 2023, the agency introduced a new measure to strengthen its debt management process by appointing debt collectors.

The Agency is participating in RT27-2019 contract for debt collection facilitated by National Treasury.

Strengthening Customer relations - BOCMA has acknowledged the need to improve all facets of customer experience with the aim of improving debt collection. Several meetings with significant customers were held to resolve long outstanding issues which contributed positively on revenue collection.

Future intervention to improve the current situation:

The agency intends to improve the way it interfaces with its customers through utilizing technology. The Agency has implemented part of a self-service portal whereby the customers can view their statements online. The Agency is in the process of implementing a dunning process that will enable and empower the customers to request services, find information, register, and resolve queries online. The initiative will enhance communication between the agency and its customers and improve.

(iii) Human Resources Management

The Human Resources is a strategic pattern and plays a supportive role within the Agency to enable it to achieve its objectives. It further supports capacity building and creates a conducive and enabling environment that is legislatively compliant. Above all, its main functions are to plan, co-ordinate and manage the human resources function of the Agency through the design, development, formulation, and implementation of policies, procedures, and systems in line with all applicable Board approved policies, legislations, and prescripts.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Objective: Human Resources Management

			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
Organisational development	Effective Organizational development	Percentage of approved and filled posts on the organogram	79%	80.4%	90%	97.3%	Target exceeded	Availability of funds and renewed recruitment to enhance service delivery.

Strategy to overcome areas of underperformance: Renewal of recruitment to enhance service delivery.
Changes to planned targets: None.

LINKING PERFORMANCE WITH BUDGETS
(FINANCE, HUMAN RESOURCE MANAGEMENT, AND INFORMATION SYSTEM UNITS)

	2022/2023			2023/2024		
Objective	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Support	36 328	31 978	4 350	38 718	37 533	1 185

3.7 Objective 7: 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 Memorandum of Understanding (MoU) with DWS Regional Office (RO) and other relevant Chief Directorates into the operation of the CMA together with DWS.

The collaborative agreement with the South African National Biodiversity Initiative (SANBI) continued to be honoured in as far as possible in the absence of a coordinator from the SANBI. During the fiscal year, several projects were supported under this agreement such as the mapping of water uses, wetlands, alien clearing initiatives etc.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS								
Objective: Management and Governance								
			Audited Actual Performance		Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator	2021/2022	2022/2023				
Compliance with corporate governance regulatory prescripts	Strategic Management & Governance provided	Percentage of Corporate Compliance reports and non-financial reporting scripts produced.	100%	100%	100%	100%	Target achieved	N/A
	Shareholder Compact developed and implemented	Number of Shareholder compacts signed.	1	1	1	1	Target achieved	N/A
Inter-Governmental Relation Initiatives maintained.	Inter-Governmental relation initiatives	Number of agreements signed	**2**	**1**	**1**	**1**	Target not achieved	N/A

Strategy to overcome areas of underperformance.
Not applicable.

Changes to planned targets.
None.

LINKING PERFORMANCE WITH BUDGETS						
	2022/2023			2023/2024		
Objective	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management & Governance	328	332	-4	340	358	-18

PART C: GOVERNANCE

1. GOVERNANCE OF THE BOCMA AT A GLANCE

The Board of the Breede-Olifants Catchment Management Agency (BOCMA) is the focal point and the custodian of corporate governance framework which is the overarching policy that directs how all governance structures should operate. The BOCMA's corporate governance framework clearly articulates the basic principles and operational processes for the application of good corporate governance throughout the governance structures within the business.

The Board views corporate governance as a vital component in operating a successful and sustainable business, as well as providing assurance to all stakeholders. To that end, the Board continues to adhere to the principles of the King IV Code, which was adopted in the 2015/16 fiscal year. This ensures the Board's pivotal role in creating value by setting policy, overseeing corporate governance, compliance frameworks and control environment as well as maintaining sound corporate governance practices within the entity. The BOCMA is to implement and disclose the King IV corporate governance practices in addition to complying with other legislative imperatives pertaining to a 3A Public entity to the PFMA.

2. PORTFOLIO COMMITTEE ON WATER AND SANITATION

Parliament exercises its role through evaluating the performance of the entity. The Portfolio Committee does this by interrogating both the Annual Performance Plan (APP) and the Annual Financial Statement (AFS) and other relevant documents that are tabled before it from time to time. The Parliamentary Portfolio Committee on Water and Sanitation exercises oversight role over service delivery performance of the entity and all the water management entities reporting to the Minister of Water and Sanitation. For the reporting period, there was only one (1) engagement with the Portfolio Committee on Water and Sanitation which was on 17 October 2023.

It was a briefing by Entities supporting the work of the Department of Water and Sanitation on the Expenditure Trends as depicted in the Financial and Non-Financial Statements of the entities for 2022/23 Annual Reports.

3. THE EXECUTIVE AUTHORITY

The Executive Authority of the BOCMA is the Minster of Water and Sanitation, to who the Accounting Authority report in terms of the National Water Act, 1998 (Act No 36 of 1998 as amended). The Executive Authority must also ensure that the appropriate mix of executives and non-executives is appointed, and that the Board members have the necessary skills to guide the public entity. Provide commentary on the reports submitted to the Executive Authority and the dates submitted. Discuss any issues raised by the executive authority.

Shareholder compact

The Executive Authority contracts with the Accounting Authority on an annual basis through a shareholder compact agreement. During the reporting period, the Board actively engaged with the shareholder through various fora and platforms with regards to the performance of the entity. The Shareholder Compact agreement regulates the relationship between the parties, on the one, the Minister and on the other, the Board.

4. THE ACCOUNTING AUTHORITY

The Board is the accounting authority of the entity. The Board recognises the importance of implementing the Delegation of Authority (DoA) within its governance structures to promote independence and assist with the balance of power and effective discharge of its duties. The DoA "outlines the level of materiality in relation to the business and has reserved specific powers to the Chief Executive Officer." The authority delegated is not subject to sub-delegation without prior and express written consent from the Chairperson of the Board. In terms of section 56 (2)(c) of the PFMA, the DoA does not in way divest the Accounting Authority of its duties, authorities, responsibilities, and accountability or the performance of the assigned duty. Section 56(3) of the PFMA states that "the accounting authority may confirm, vary, or revoke any decision taken by an official as a result of a delegation or instruction in terms of subsection (1), subject to any rights that may have become vested as a consequence of the decision".

Business Ethics, Values and Leadership

The BOCMA Board is responsible for providing effective leadership based on an ethical foundation to promote an ethical corporate culture within the entity. The BOCMA's five values: integrity, accountability, empowerment, approachability, and equity are embedded, in all business operations of the entity. The BOCMA promotes ethical behaviour through its systems and processes, it has given life to ethical culture that is cultivated across the entity demonstrating its commitment to sound governance principles.

Consistent with its long history of integrity and good corporate citizenship, the Board and employees are committed to conducting business in accordance with the highest ethical standards. Through effective ethical leadership, the Board sets the tone at the top, thereby encouraging ethical conduct at Board level and throughout the entity.

The Board Charter

The Accounting Authority adopted an appropriate Board Charter to regulate its affairs and is satisfied that it has discharged its responsibilities contained therein. The members collectively understand their roles and responsibilities, as outlined in the Board Charter and Schedule 4 of the National Water Act, 1998 (Act No. 36 of 1998). The Board Charter is reviewed as and when legislative, policy, and regulatory developments dictate and provides a framework for fiduciary duties, responsibilities, and overall functioning of the Board. The Board Charter is read in conjunction with:

- The Public Finance Management Act (Act No.1 of 1999), as amended by the Public Finance Management Amendment Act (Act 29 of 1999), herein referred to as the PFMA.
- Treasury Regulations (GG27338) as amended from time to time.
- The National Water Act, 1998 (Act No. 36 of 1998).
- The King Code of Governance Principles, 2016 (King IV).

BOCMA Board composition

Aligned with King IV and the Board Charter, the Board comprises a majority of independent non-executive members. The BOCMA Board currently comprises a total of nine (9) Board Members, i.e., nine (9) Non-Executive Directors and one (1) Executive Director who is the Chief Executive Officer (Acting) by virtue of the post being accountable to the Governing Board.

How Board members are appointed

Section 78(1) read in conjunction with section 81 of the National Water Act, 1998 (Act No. 36 of 1998), empowers the Minister to establish Catchment Management Agencies (CMAs) and procedure for the recommendation of persons for appointment as members of the Governing Board of CMAs. Meanwhile sections 81(11), 82(2)(3)(a)(b) and 83(1)(2) regulate the term of office of Board members, the procedure for the recommendation of persons for appointment as chairperson and deputy chairperson of the Board and finally, the termination of office of the Board.

Board term and responsibilities

The appointment of the Board members was approved by Cabinet and the Board assumed office effective from 13 September 2007. The Board is serving its seventeenth (17) year since its initial 3 (three) year term of office which was extended on 01 October 2013 until a new Board is appointed.

The Board is accountable for, inter alia:

- Fulfilling the role of the CMA as set out in the National Water Act, 1998 (Act No. 36 of 1998) [the Act].
- Ensuring that the CMA when exercising its powers and performing its duties, achieves a balance between striving to provide efficient, reliable, and sustainable water resource management using available resources as well as taking reasonable measures to promote conservation and demand management, including public awareness of these matters.
- The appointment of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) including determining the duties and conditions of service, remuneration, performance appraisal, and termination of employment of the CEO and CFO.
- Providing effective oversight to the BOCMA business by, inter alia:

    Ensuring that the Delegation of Authority Framework is reviewed regularly to assist effective decision-making throughout the BOCMA and monitoring the exercise of delegated powers by management.

    Defining the required levels of materiality and significance, reserving specific powers to itself, and formally delegating other matters, with the necessary written authority to management and or specific Committees of the Board.

Monitoring and evaluating the implementation of strategies, policies, management performance criteria and the Annual Performance Plans (APPs) while having regard to its own reporting and performance responsibilities to the Executive Authority.

Continually reviewing the Key Performance Areas (KPAs) and Key Performance Indicators (KPIs) of the BOCMA and monitoring reporting against these exercising objective judgment on the business affairs of the BOCMA, independent from management, but with sufficient management information to enable a proper and objective assessment to be made.

Safeguarding a comprehensive system of policies and procedures and appropriate governance structures at management level to ensure the effective implementation of Board decisions and/or resolutions.

Instituting a system of employee remuneration that is equitable, responsible, and motivating and that recognises and rewards excellent performance.

Monitoring the implementation of the required strategies and plans to ensure business continuity, effective disaster management and disaster recovery across the entity through Business Continuity Plan (BCP).

Establishing the necessary structures to independently verify and safeguard the integrity of both financial and non-financial reporting.

Safeguarding compliance with all relevant policies, laws, guidelines, prescripts, regulations, audit and accounting practices, principles, and the BOCMA's Code of Conduct and Ethics.

Performance evaluation of the Board

For purposes of ensuring continuous improvement in the Board's performance and effectiveness, members of the Board are individually subjected to a process of performance evaluation on an annual basis. The process is conducted in accordance with the Policy regarding Board Practices and the Remuneration of Board Members of Entities Reporting to the Minister of Water and Sanitation. The evaluation includes an assessment of the performance of the governance structures. The members of the Board have skills that are put to good use in providing leadership, controlling, directing strategy, guidance, organizing, and oversight for the period under review. For the reporting period, the assessment was done on 27 March 2024 and in general, the Board performed as expected.

Key performance indicator outputs

During the reporting period, all the statutory reports were submitted in line with the targets as informed by the Table below.

Performance Target	Actual Performance	% Achieved
All statutory reports to be submitted on time	All statutory reports submitted on time	100%

During the reporting period, the Board consisted of the following nine (9) members and the Chief Executive Officer (Acting) as an Ex-Officio member as informed by the Table below:

Name/s	Role	Committee
Bongani Mnisi	Chairperson	N/A
Trevor Abrahams	Deputy Chairperson & Committee Chairperson	HR & Remuneration & Aduit & Risk
Dr. Odette Curtis-Scott	Committee Chairperson	Technical
MJ Deport	Committee Chairperson	Audit & Risk
EM Palmer	Member	HR & Remuneration
HM Rossouw	Member	HR & Remuneration
CJU Swart	Member	Technical
B Damane	Member	Audit & Risk
AP Barnes	Member	Technical
Jan van Staden	Chief Executive Officer (Acting)	Ex-officio

Board Meeting Attendance

During the current reporting period, the Board held three (3) ordinary meetings.

Membership	Meetings Attended 2023/24 Financial Year
BE Mnisi (Chairperson)	3/3
TE Abrahams (Deputy Chairperson)	3/3
Dr. O Curtis-Scott	3/3
MJ Delport	3/3
CJU Swart	3/3
HM Rossouw	3/3
B Damane	3/3
EM Palmer	3/3
AP Barnes	3/3
J van Staden [Chief Executive Officer (Acting)]	3/3

Board Committees

The Board Committees were established to assist the Board discharge its roles and responsibilities. The Committees of the Board comprise of the Audit and Risk Committee as required by section 77 of the Public Finance Management Act (PFMA), the Human Resources and Renumeration Committee and the Technical (Water) Committee. The Committees are appropriately constituted, and members are appointed by the Chairperson of the Board.

TABLE OF THE BOCMA BOARD COMMITTEES	
Aduit & Risk Committee	HR & Remuneration Committee
Mr. MJ Delport Chairperson	Mr. T Abrahams Chairperson
Committee Members: Mr. T Abrahams Ms B Damane Mr. CJW Swart	Committee Members: Mr. HM Rossouw Ms EM Palmer Mr. AP Barnes
Number of meetings attended: 3	Number of meetings attended: 3
• The effectiveness of the BOCMA's assurance functions and services, with particular focus on combined assurance arrangements, including external assurance service providers, the internal audit function, and the finance function. • The implementation of Enterprise-wide risk management strategy which is supported by an effective enterprise risk management framework. • The quality and effectiveness of the BOCMA's risk management systems processes and procedures including strategies and policies for the management of risks across the organisation. • The quality and integrate of BOCMA's integrated reporting and the consolidated financial statement. • The independence of the external auditors and the audit scope and assessment of the effectiveness of the external audit function. • Compliance with legal and regulatory requirements to the extent that it might have impact on the financial statements. • Audited consolidated annual financial statement for the period ended 31 March 2024. • Approved the Annual strategic Risk Register. • Approved the appointment of independent assurance provider. • Approved the 3-year internal audit plan. • Considered and monitored the IT strategy and cybersecurity.	• Oversee the development of human capital management strategies, policies and recommend to the Governing Board for approval. • Oversee the implementation of human capital management strategies and policies intended to attract, retain, and motivate employees. • Oversee the development of the required strategic human resource related policies. • Approvals in line with the delegation of authority, the mandate for annual salary adjustment for employees. • Recommend to the Board the annual salary adjustment of all the employees and further consider and inform the Board on the approval of employees' Annual salary adjustments. • Recommend to the Board the payment of performance bonuses in line with the approved Performance Development system (PMDS) Policy • Recommend to the Board the approval of an organisational structure that is fit for purpose bearing in mind both the vastness of the current area of authority and personnel costs associated with an approved organizational structure.

Technical committee
Chairperson: Dr. O Curtis-Scott
Committee Members: CJU Swart HM Rossouw
Number of meetings attended: 23
The committee was established by the Board to assist in discharging its responsibilities related to water resources management including any technical service as determined by the Board. The Committee is entrusted with the following among others: • To guide and review the Catchment Management Strategy as well as driving the involvement of stakeholders to enable their participation in the management of water resources in line with NWA, 1998 • Provision of oversight in the allocation of water to ensure alignment with the National Policies and guideline imperatives of the state to address the imbalances of the past. • Provision of oversight in the management of and dissemination of water related information to stakeholders in an appropriate and accessible manner for the benefit of all water users. • Exercising oversight over water resources management including enforcement in line with NWA, 1998. Of paramount importance, the Committee contributes to the building of the credibility of the CMA in relation to key stakeholders at local, provincial, and national levels and further positions the CMA within SADC, Africa, in line with the Africa agenda and internationally.

Board Members' Remuneration

The Board Members received remuneration and fees as determined by the Minister in line with Practice Note 1 of 2017 regarding the "Board Practices and Remuneration of Board members of entities reporting to the Minister of Water and Sanitation". Board Members are also reimbursed for out-of-pocket expenses on the Agency's behalf. Therefore, no Board participated in determining his / her own renumeration. Board members' remuneration is fully disclosed in the BOCMA's Annual Financial Statement for the reporting period as per the Table below.

Name	Remuneration	Other re-imbursements	Total
BE Mnisi	R 58 676.39	R 38 820.13	R 97 496.52
TE Abrahams	R 27 008.87	R 11 431.85	R 38 440.72
Dr. O Curtis-Scott	R 16 376.62	-	R 16 376.62
MJ Delport	R 19 459.05	R 7 007.62	R 26 466.67
AP Barnes	-	-	-
HM Rossouw	R 20 378.69	R 9 216.10	R 29 594.79
CIU Swart	R 22 680.77	R 6 336.20	R 29 016.97
B Damane	R 16 947.43	R 524.01	R 17 471.44
EM Palmer	R 13 672.32	R 4 500.91	R 18 173.23
Total			R 273 036.97

5. RISK MANAGEMENT

The organization recognises that risk exposure cannot totally be removed and eliminated hence effective risk management and reduction has remined a top focus and priority for the Board. Risk Management remains and enables management to identify threats and activities that, should they arise, may negatively impact on the ability of the entity to accomplish its objectives. It also creates an environment where management can prioritise risks and develop a risk response strategy in accordance with the entity's risk register. The Accounting Authority is responsible for ensuring that the entity has and maintains effective, efficient, and transparent systems of financial and risk management, as well as internal controls.

In managing risks, the entity has internal controls to assist in the orderly conduct of business. For the reporting period, the organisation conducted a risk assessment workshop to identify risks that may impact on accomplishing its key objectives. Risk assessment was also conducted at both unit and organisational level to identify, rate, and prioritise operational risks. Operational risks are managed by management at business unit levels.

Beyond the management of strategic risks, the Audit and Risk Committee played a significant role in identifying strategic areas of concern for the Agency. This culminated in the formulation of the Audit and Risk Workshop Matrix used to track achievement against set targets. The Audit and Risk Committee played a significant role in ensuring compliance with good corporate governance principles, aiding the Board in the management of the Agency better.

6. INTERNAL CONTROL

The Board is satisfied that internal controls and systems are implemented and that they provide reasonable assurance that the entity's assets are safeguarded, transactions are properly authorised and recorded, and material errors and irregularities are either prevented and/or detected in a timely manner. These controls are monitored throughout the organization by management and employees, with the necessary delegation of authority and segregation of duties. The Board is satisfied with the content and quality of quarterly reports prepared and issued by management.

7. INTERNAL AUDIT

In line with the PFMA and the King IV Code, the internal audit provides the BOCMA with objective and reasonable assurance, thereby contributing to the effectiveness of governance, risk management and control processes. The Audit and Risk Committee is responsible for ensuring that the Internal Audit function is independent and has the necessary authority to enable it to discharge its duties. Furthermore, the Committee oversees cooperation between the internal and external auditors and serves as a link between the Board and these functions. The internal audit function was effective in providing reasonable assurance to the state of internal financial controls and the level of maturity of the control environment in general, which were found to be adequate and effective for the reporting period.

In accordance with the principles of the Institute of Internal Auditors (IIA), Internal Audit is an independent objective assurance designed to add value and improve the entity's operations throughout its value chain. It helps the entity to accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal Audit is an outsourced function within the BOCMA and adheres to the principles and prescripts of an independent assurance provider to ensure optimum objectivity. To achieve this independence, the development of proper governance and line of reporting and authority remain paramount to the success of the Internal Audit function. In line with the requirements of the Public Finance Management Act (PFMA) and Good Governance, the Internal Audit function gives the Audit Committee and Management assurance on the appropriateness and effectiveness of internal controls.

The Chief Executive Officer as the custodian of the internal audit function, reports regularly to the Audit & Risk Committee and has unrestricted access to the Committee Chairperson. Internal Audit assists the organization in closing out where there are identified gaps and weaknesses.

External Audit

The external auditors are responsible for testing procedures to obtain audit evidence regarding the amounts and discloses in the financial statement, the report on the predetermined objectives, and compliance with laws and regulations applicable to the entity, which are based on amongst others:

- Assessment of the risks of material misstatement of the financial statement, the report on predetermined objectives and material non-compliance with laws and regulations.

- Considering internal controls relevant to the entity's preparation and fair presentation of the financial statements, the report on the predetermined objectives and compliance with laws and regulations.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, and

- Evaluating the appropriateness of systems and processes that ensure the accuracy and completeness of the financial statements, the report on predetermined objectives and compliance with laws and regulations.

The external auditors express an opinion on the financial statement and report on findings relating to their audit of the report on predetermined objectives applicable to the entity for the reporting period.

8. COMPLIANCE WITH LAWS AND REGULATIONS

The BOCMA Board acknowledges that compliance with legislation and regulatory requirements is paramount in transactions and the business dealings of the entity. The Board provides oversight on all protocols and processes within the business. Therefore, compliance responsibility is assigned to all employees in ensuring conformance to all applicable laws, standards, codes, guidelines, rules, regulations, and prescripts.

The BOCMA as a Public entity consists of several legislations with associated regulations, codes, prescripts, and guidelines. These require the attention of management on a continues basis. These legislations include the National Water Act, 1998 (Act No. 36 of 1998), the Public Finance Management Act of 1999 9Act No. of 1999) as amended, the Basic conditions of Employment Act, 1997 (Act No. 75 of 1997) as amended, the Labour Relations Act,1995 (Act No. 66 of 1995) as amended, the Protection of Personal Information Act, 2013 (Act No. 4 of 2013 as amended, the Pension Laws, among others and the list is not exhaustive.

As a public entity, the BOCMA provides access information to stakeholders and other third parties in line with the provisions of section 32 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) as amended read in conjunction with the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000). During the 2023/24 reporting period, the entity received requests for information disclosure which were duly and promptly provided.

The Board acknowledges that compliance with legislative, regulatory, and corporate governance requirements is of paramount importance in all transactions and business dealings of the organization. To this end, all employees are expected to play a role in ensuring conformance to all applicable laws, standards, codes, rules, guidelines, regulations, and prescripts. In addition, regular compliance reports are tabled to the relevant structures of the Board for effective management and monitoring.

- **KING IV Principles applications – 2023/2024**

The BOCMA complies with the principles of King IV, and the Board encourages the entity to uphold the governance principles and recommended practices contained and align its practices, policies, and procedures thereto. During the reporting period, the BOCMA applied the principles of King IV. The report below provides details of the BOCMA application of the King IV principles.

The King IV principal applications

KING IV PRINCIPLES		APPLY AND EXPLAIN
1.	**The governing body should lead Ethically and Effectively**	Notwithstanding the Board, along with management, have made provisions that ensure that any conflicts of interest are adequately accounted for. As a standing item at all Board and Board Committee, and Management, an opportunity is given to all members to accordingly declare conflict of interest. Further, members continuously equip themselves with the necessary working knowledge of the organisation, the field within which it operates, and any laws, codes and standards that may be applicable. After the appointment of the Board, an induction process was undertaken to ensure that all members are handed the tools they require to perform their tasks. Ref to "section 11.2 of the approved charter"
2.	**The governing body should govern the ethics of the entity in a way that supports the establishment of an ethical culture.**	Through the governance of the ethics process, a direction of how ethics should be initiated and implemented in the entity is undertaken, wherein the Board: a) Approves codes of conduct and ethics polices, and further, ensures the adherence to the entity's ethical standards by employees and other stakeholders, and b) Delegate implementation of codes of conduct and ethics policies to management and provide ongoing oversight of the management ethics. Ref to "section 11 of the approved Charter"
3.	**The governing body should ensure the entity is seen to be a responsible corporate citizen**	The BOCMA exists to carry out some social responsibility role related to water use and to support such activities as may be deemed necessary by the entity and promotion of improved related use within its area of jurisdiction. The Board has included employment equity through transformation framework that gives opportunities to women and previously disadvantaged individuals in line with affirmative action. The Board has approved governance framework that implements responsible corporate practice. Ref to section 6(3) of the approved Charter
4.	**The governing Body should serve as the focal point of corporate governance in the entity**	The entity has developed a Board Charter that ensures effective functioning of the Board in terms of its roles and responsibilities. Each Committee of the Board has adopted formal ToRs to guide its mandate and oversight responsibilities. The Tors of each Committee include a review of strategic institutional policies relevant the mandate(s) of the Committee(s). Further, management has been given the responsibility of reporting to the Board on organizational performance on a regular basis through a submission of quarterly reports. The Board reviews the performance of the entity on a quarterly basis and submits quarterly performance reports to the Shareholder in line with the requirements of the Annual Shareholder Compact entered between the BOCMA and the Minister of Water and Sanitation in terms of the PFMA and relevant National Treasury Regulations. Ref to "section 1.1.(4) of the approved Charter"

KING IV PRINCIPLES		APPLY AND EXPLAIN
5.	**The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.**	The percentage of women serving on the Board of the BOCMA is 33% and 67% males. The Board members have vast skills and experience in the fields of Governance & Compliance, Accountancy and Finance, Audit and Risk Management, Strategic business management and Administration, and Human Capital Management and water resources management, Asset Management and Environmental management. Except for the CEO, all members are non-executive members. Ref to "to page section 4(2) Of the approved Charter".
6.	**The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties**	Accordingly, the Board has set clear governance structures that indicate the role players and their responsibilities throughout the entity. The Board has delegated roles and responsibilities to the following Committees: • The Audit & Risk Committee • The Human Resources and Remuneration Committee • The Technical (Water) Committee Ref to "section 12 of the approved charter"
7.	**The governing body should ensure that the evaluation of its own performance & that of its committees, its chair, and its individual members, support continued improvement in its performance and effectiveness.**	The Board has undertaken this process in its stride by reconfiguring Committees. The Board has also included in its assessment, an outline of all Board related matters, the extent of delegations to be given to the CEO, and other Committees. Ref. to "section 13 of the approved charter"
8.	**The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.**	Clear directives of the entity's mandate are required by the CEO who, serves as an intermediary between the Board, management, and all subordinates thereof. By appointing the CEO, and through the DoA framework, the Board has ensured that there is a clear indication of roles and responsibilities. Further, such a process has ensured that relevant parties throughout the entity have been transferred or assigned powers, as authorised by the Board, within which they may act. The Board has also maintained and promoted optimal corporate governance structures through its construction of the Board and Corporate Secretariat division. Accordingly, it therefore has access to a professional and independent governance procedure that promotes the adherence all its legal duties conferred by relevant legislation, policies, and/or regulations. Ref to section 18(2) of the approved Charter
9.	**The governing body should govern risk in a way that supports the entity in setting and achieving its strategic objectives**	By keeping and updating a strategic risk register, the Board, along with management, has initiated, in real-time, a process that allows for the constant mitigation of strategic and emerging risks. The Board has therefore afforded itself an opportunity to consider the effectiveness of various risk mitigation action plans as captured and stored by respective risk owners throughout the entity and its operations. On a quarterly basis, it is a prerequisite that all owners submit consolidated updates, which are then considered by numerous governance structures i.e., the Aduit and Risk Committee. Ref to section 19(1) of the approved charter

KING IV PRINCIPLES		APPLY AND EXPLAIN
10.	**The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the entity's external reports.**	The Audit and Risk Committee has been established by the Board to oversee: • The effectiveness of BOCMA's assurance functions and services, with particular focus on combined assurance arrangements, including external assurance service providers, the internal audit function, and the finance function. • The implementation of enterprise-wide risk management strategy which is supported by an effective risk management framework. • The quality and effectiveness of BOCMA's risk management systems processes and procedures including strategies and policies for the management of risks across the entity. • The quality and integrity of BOCMA's integrated reporting, the consolidated BOCMA financial statement. • The independence of the external auditors for the BOCMA and the audit scope and assessment of effectiveness of the external audit function. • Compliance with legal and regulatory requirements to the extent that it might have an impact on the financial statements. Further, the establishment of the Combined Assurance framework within the structures of the entity, ensures that the Board adheres to good corporate principles which stipulate that a more holistic view of assurance is beneficial to the entity and provides more than just compliance alone. Accordingly, the following benefits of having such assurance structure have been identified by the Board and its management: • Coordinated efforts that focus on key exposures. • Minimal disruptions throughout the business operations • Sufficient trucking of remedial action on identified improvement opportunities / weaknesses. • Improved reporting to the Board and all Committee The use of combined assurance to support the Audit and Risk Committee and the Board in decision-making processes.
11.	**In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the entity**	In all its operations, the Board is cognisant of the fact that the entity cannot act in isolation of others and the environment within which it operates. Accordingly, and for purposes of being sustainable, the Board has initiated a Stakeholder Engagement Strategy that aims to assist the organisation in further developing its relations with various. Particularly, the organisation operates within an ecosystem that includes the Department of Water and Sanitation, Municipalities, and various individuals with interest in the water sector. Ref. to section 21(4) of the approved
12.	**The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the entity being ethical and a good corporate citizen**	The culture of compliance is part of the entity, and its structure, particularly because it exists through relevant statutory provisions under the National Water Act, 1998 (Act No. 36 of 1998) and PFMA. Consequently, the potential risk of non-compliance to applicable laws, non-binding rules, codes and standards may have an adverse effect on the overall standing of the entity. The Board has adopted a decentralised model of compliance risk management. This denotes that compliance risk management accountability is assumed by each business unit, and regular engagements that are undertaken through regulatory and compliance services ensure compliance throughout the entity. In doing so, the Board has also catered for the adoption of a multi-phase risk management process that identifies, assesses, manages, monitors and reports risk to engender sufficient compliance mechanism. Ref to section 23 of the approved Charter

KING IV PRINCIPLES		APPLY AND EXPLAIN
13.	**The governing body should ensure that the entity remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term**	The Boad understands the role that human capital plays throughout the entity. Accordingly, it assumes responsibility for the governance of remuneration by setting direction for how remuneration should be approached and addressed on an organisation-wide basis. The aforementioned is achieved through a two-pronged policy that: • Attracts and retains human capital having remuneration policies that are competitive in the market. • Motivates and rewards human capital by making provision for incentives and performance bonuses. Ref. to section 18(7) of the approved Charter
14.	**The governing body should ensure that reports issued by the entity enable stakeholders to make informed assessments of the entity's performance, and its short, medium, and long-term prospects.**	The BOCMA ensures that the quality of reports produced (quarterly and annually) enables stakeholders to make informed decisions. It aims to adhere to the disclosure requirements as required by the King IV, the National Water Act, 1998 (Act No. 36 of 1998) and all relevant legislation and codes that the BOCMA abides by. The BOCMA complies with International Integrated Reporting Standards (IFRS). It is audited by the AGSA to ensure that they represent the correct financial position of the entity. "Section 9(6) of the approved Charter".
15.	**The governing body should govern technology and in a way that supports the entity setting and achieving it strategic objectives.**	The Board along with management and its committees, has created a data governance framework that supports information and data handling through planning, collecting, processing, analysing, publishing, and archiving. As a result, the following objectives have been set and are central to effective data management throughout the entity. • Improvement of data quality, accuracy, and completeness • Improvement of business decision-making effectiveness through providing data. • Compliance with data protection laws and regulations, and • Implementation of a knowledge-sharing network throughout the entity. TMC has established a sub-Committee structure at corporate level (Digital Technology and Information Communication) DTIC, and the Sub-Committee is responsible for ensuring that the enterprise -wide digital technology and information governance, risk, compliance, and internal controls are defined, implemented, and operated effectively across the BOCMA. The Digital Technology and Information Management (DTIM) strategy that outlines the objectives of Digital Technology and Information was developed and a DTIM Governance Report that incorporates the risk, audit action log and cyber security is submitted to the Board on a quarterly basis to ensure accountability to the Board. "Section 19 of the approved Charter"

9. FRAUD AND CORRUPTION

The BOCMA is committed to "Zero tolerance and a no-nonsense approach" to fraud and corruption. The entity continually improves its internal controls and systems as part of being always alert and pro-active so that fraud and corruption is detected and appropriately dealt with. The state of governance plays a significant role in setting the right tone and implementing consequence management against individuals who have transgressed the law. To ensure sound governance culture, the Board ensures that several committees are in place to support it in discharging its governance and fiduciary responsibilities. The main objective henceforth is to obtain the audit opinion that builds public confidence. Accordingly, an unqualified audit opinion is the zenith point for building the public image. However, the Board always aims at achieving a "clean audit."

10. MINIMISING CONFLICT OF INTEREST

The BOCMA in line with the relevant legislative provisions i.e., the PFMA, National Treasury Regulations, and the Policy on Combating of Corrupt Activities minimizes conflict of interest. In addition, other mechanisms such as annual declaration of interest and gifts are disclosed in a gift register. All Board members adhere to the provisions of section 7(i) of Schedule 4 of the NWA, 1998 (disclosure of interest). The Board subscribes to the principles that conflicts of interest should be avoided to prevent personal interests from influencing and clouding the interests of the organization. Board members are required to inform the Board Chair timeously of conflicts, or potential conflicts of interest they may have in relation to items of business. Declarations of interest are tabled at Board meetings or whenever a Board member has a conflict of interest on any matter before the Board and/or sub-committee meeting. No conflict of interest was noted in terms of the Board the reporting period.

11. CODE OF CONDUCT

The BOCMA subscribes to the King Code of Good Practice and to any governance instrument geared towards good corporate governance. The Board continuously advocates an elevated level of conduct from employees. Ethics and Code of Conduct are seen as the best preventive measure by the Board in guiding decision-making processes. The adopted values of the Agency are merely guidelines that are followed for the benefit of society at large. The BOCMA has a Code of Conduct that is applicable to the Board, Management, and all employees of the organization. Any contravention of the Code attracts consequence management.

All Board Members are aware of their responsibilities and the need for fair, transparent, and accountable decisions, and actions. Board Members are individually and collectively liable for all Board decisions and actions of omission and commission during their term of office. The Board Members both individually and collectively are fully responsible for the fiduciary duties in terms of the National Water Act, 1998 and the PFMA, 1999. The Governing Board confirms that the King Code remains an instrument for good corporate governance and practice at the entity.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The BOCMA takes extremely high regard and seriously the issue pertaining to the health and safety of its employees. The Agency has made strides in ensuring that there is a structured approach towards overall health and safety measures in place to create a safe working environment for employees and stakeholders in general. The health and safety functions continue to build and promote a safety culture among employees.

The Board has a legal care and duty to provide a safe and secure work environment for its employees and stakeholders as well as to safeguard assets including information. Security of the Agency information and premises is critical to ensure continuous provision of services to stakeholders and members of the public. There are policies, procedures, and standards in place for accessing both information and the physical building.

13. SOCIAL RESPONSIBILITY

The entity recognises its responsibility as a corporate citizen towards its stakeholders and the communities. The BOCMA supports socio-economic programmes through community development initiatives to improve the livelihoods of communities within its area of authority. The Grant Policy informs the Agency in this regard. The core mandate of the Agency is integrated water resource management. Therefore, all community-based projects are water resource management related. To ensure that the organisation's strategic goals and intent are adhered to when funding these projects, there are application and assessment processes followed with set criteria. The BOCMA supported several community projects which included household vegetable gardens, community gardens, recycling, soup kitchens and river clean-ups.

Water month was celebrated through various initiatives at several schools throughout the water management area. Booklets, that were developed to make water resource management easy and accessible to children were distributed and discussed during these water week sessions.

It is also imperative to keep our resource poor farmers up to date regarding licencing, new developments within the water and agriculture fields and therefore a number of successful capacity development workshops were held through intergovernmental initiatives.

Well established inter-governmental relations with several departments and universities lead to collaboration to the benefit of our stakeholders and skills transfer to the different participating entities and to the BOCMA staff.

The installation of rainwater harvesting tanks for schools, resource poor farmers, backyard and community food gardens made an enormous difference in the livelihoods of the beneficiaries.

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Our human capital are the people we employ who possess mixed skills, qualifications, knowledge, and experience to ensure "Excellence" in the performance of the Breede-Olifants Catchment Management Agency (BOCMA). For the past 17 years, the BOCMA has been delivering on its mandate, the management of water resources at the local level to millions of South Africans within its area of jurisdiction. This was made possible by our employees, who are committed to serving our communities. We value their effort in ensuring the BOCMA achieves its vision of "quality water for all, for ever."

The BOCMA, is a highly competitive organization with an objective of achieving a high-performance culture and is continuously looking at ways to effectively manage its strategic capital, which is its people (employees). Our greatest asset, our people are at the centre of everything because they can improve the organisation's performance and productivity when they are capable, competent, and well-managed.

We ensure that our people are fully trained and competent to be able to improve their performance and value to the bottom line. To meet the current and future challenges of the business, capacity building undertakes a wide range of learning interventions for their present job functions and knowledge sharing to improve the business horizon. The focus is also on employee personal development, which increases the effectiveness of individuals, groups, and the organisation.

The entity seeks to maintain a workforce that enables it to deliver quality services to all stakeholders. All employees are based within the BOCMA water management jurisdictional area and within commuting distance from all operational areas within the Western Cape Province. All full-time employees on basic salary and salary level 10 and below are provided with several benefits, including membership of the Government Employees Pension Fund (GEPF), housing allowance and medical aid. All female employees are entitled to maternity leave. During the reporting period, only 1 female employee qualified for 100% maternity leave benefit.

2. EFFECTIVE ORGANIZATIONAL DEVELOPMENT AND STRENGTHENING

The Workforce

At the end of the fiscal year, the BOCMA had a staff compliment of 71 employees,70 is on permanent contracts while one (1) is on a fixed term contract. There is an overall 73% black representation, followed by 20% coloureds, 7% white and 0% Indian. Out of 73% black representation, there are no foreign nationals represented in the workforce. Females represent 59% of the total employee's population. The number of persons with disability has remained constant for the past four (4) years and this component of the workforce make up 3% of the total workforce, above the 2% of the national sector target.

The Table below outlines representation of the workforce occupational level and demographics as of 31 March 2024.

Total Workforce per occupational level

Occupation category	Total	Male				Female			
		African	Coloured	White	Indian	African	Coloured	White	Indian
Senior Management	2	0	0	1	0	1	0	0	0
Professionally Qualified	67	20	7	1	0	29	7	3	0
Semi-Skilled	2	0	0	0	0	2	0	0	0
GRAND TOTAL	71	20	7	2	0	32	7	3	0

Investing in our people

The BOCMA recognises the importance of continuous learning and development of its employees and has put in place procedures for training intervention opportunities for all employees. Opportunities are provided for employees to develop themselves through initiatives aligned with the National Qualifications Framework (NQF). Training initiatives are designed to improve business efficiencies and productivity. These are clearly upheld and carried out through the legislative imperatives of the Workplace Skills Plan (WSP) and the Annual Training Report (ATR) submitted annually to the Energy and Water Sector Education and Training Authority (EWSETA). The targeted learning and development initiatives are designed to provide employees with the competencies, behaviours, and capabilities needed to address organizational challenges identified in the corporate risk register, as well as to comply with applicable policies and relevant legislation.

The implementation of training and development initiatives is aligned with the Skills Development Act 97 of 1998 and other related legislation for purposes of developing the workforce skills requisite to improve the quality of life, productivity and competitiveness and delivery of service to our clientele. Further, it is to respond to the water sector skills needs and requirements. The Table below show the trainings completed per occupational level for the reporting period.

Training per occupational level

Compliance, conferences & functional training employed	Gender	No. of Employees	Skills Program & Short Courses	Conferences & workshops	Total
Senior Management	Female	1	0	0	0
	Male	1	0	0	0
Professional qualified & experienced specialists & middle management	Female	39	6	1	7
	Male	29	1	2	3
Semi-Skilled	Female	2	0	0	0
	Male	0	0	0	0
TOTAL		71	7	3	10

Internal Bursaries

Internal employees are granted an opportunity to study various formal qualifications linked to their roles. The aim is to acquire skills and knowledge that will be invested back in the organization, in resolving organizational challenges and risks, and to allow the employees to be more efficient in their current and future roles. During the reporting period, seven (7) BOCMA employees were awarded bursaries to pursue various part-time studies in different higher institutions of learning within the Republic. The employees' qualifications range from undergraduate to post graduate qualifications.

New Appointments

The BOCMA has recognised and acknowledged the notion of talent management for its role in advancing and prioritising the need to retain people and promote mobility. To support a high-performance culture, the emphasis was on fostering talent mobility and retention through various talent management interventions. The year under witnessed only 2 (two) appointments being made. One was the appointment of Billing and Revenue Clerk, and the other was the talent retention exercised by the BOCMA to retain the services of the Human Resources Manager to assist in the management of the transition currently underway. Recruitment and appointment have been curtailed due to the current cost-containment measures in place and the pending taking over of the functions of water resources management in the former Berg-Olifants Proto-CMA.

Corporate on-boarding

The goal of corporate on-boarding process is to quickly integrate new hires into the organisation. Employees change jobs more frequently in fluid and dynamic global labour markets, and employees demand change as markets change. Thus, with the corporate on-boarding, the BOCMA can market its name and establish itself as an "Employer of Choice." Additionally, it enables employees to become familiar with the culture, value systems, and knowledge of the BOCMA so that they may perform at their best in their new roles. For the year under review, two officials were on-boarded.

New appointment/s 2023/24

Appointment Type	African		Coloured		Indian		White		Grand TOTAL
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
External Appointment	0	1	0	0	0	0	0	0	1
Internal Appointment	1	0	0	0	0	0	0	0	1
GRAND TOTAL	1	1	0	0	0	0	0	0	2

Employee exit in the 2023/24 Financial year

For the reporting period, three (3) employees exited the Agency as informed by the Table below. Despite the three (3) exits, the workforce remained stable and service delivery continued unabated and uninterrupted in line with mandate.

Reasons for exit	African		Coloured		Indian		White		Grand TOTAL
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Resignations	0	2	0	0	0	0	0	0	2
Dismissals	0	0	0	0	0	0	0	0	0
Abscondment	0	0	0	0	0	0	0	0	0
Deceased	0	0	0	0	0	0	0	0	0
Ill-health	0	0	0	0	0	0	0	0	0
Early Retirement	0	0	0	0	0	0	0	0	0
Retired	1	0	0	0	0	0	0	0	1
Contract ended	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1	2	0	0	0	0	0	0	3

The table below show the total employee profile and workforce by employment for the year under review, ended 31 March 2024.

Workforce by employment, type, race, and gender

Occupation category	Total	Male				Female			
		African	Coloured	White	Indian	African	Coloured	White	Indian
Senior Management	2	0	0	1	0	1	0	0	0
Professionally Qualified	67	20	7	1	0	29	7	3	0
Semi-Skilled	2	0	0	0	0	2	0	0	0
GRAND TOTAL	71	20	7	2	0	32	7	3	0

Wellbeing of our people

The main driver behind the BOCMA employee assistance program is to ensure that employees perform at their best and achieve their optimum levels of productivity. Mental and physical health issues can often impede employees and they struggle to function optimally both in their personal and work arenas. The aftermath of COVID-19 has left its scars on many of our employees, and most are still grappling with relationship, financial, and work-life-balance and this did not happen without the anxiety, depression, stress and addiction problems that resulted from COVID-19 related loss of lives, social isolation, fear and rebuilding of lives and the economy.

The BOCMA employees were also affected by the disastrous flood that hit the Western Cape in late 2023, which was the most catastrophic natural disaster yet recorded in the Western Cape Province. Whilst employees were not geographically impacted directly, many of them have the stakeholders and in some instance families who live within the BOCMA Water Management Area affected to some degree. The culmination of these psychosocial issues manifests in the organization in the form of absenteeism, presenteeism, “quiet quitting,” grievance, accidents, etc. if these challenges are not mitigated, it will result in high employee turnover, sickness absenteeism, high stress levels, low performance, interpersonal conflicts at work, etc.

Labour Relations

The BOCMA strives to create an environment in which employees feel valued and support the entity’s values, strategies, and priorities. The rights and well-being of all employees are safe-guarded and protected through alignment of organisational policies with relevant legislations and regulations. The entity also has relations specially, with two trade unions, namely: the National Education Health and Allied Workers Union (NEHAWU) and Solidarity trade union with recognition agreements.

Governance

To enhance and strengthen internal controls, several policies were formulated and developed while others were reviewed by the accounting authority. However, going forward the entity will continue developing and reviewing its policies to improve and promote operational efficiencies and requirements in working towards achieving organizational goals in a highly dynamic global work environment characterised technological advancement and “Employee Remote Working” becoming a new “normal.” This is on the backdrop of the devastating impact of COVID-19.

Performance Management Development System (PMDS) Policy

The main objective of the PMDS Policy within the entity is to ensure that all employees have the requisite knowledge and awareness of their roles and performance requirements relative to the strategy of the entity. Therefore, a structured performance management development system is a vehicle to the implementation of the entity’s strategic objectives. It is of paramount importance that the Agency utilizes the PMDS Policy on a regular basis because it provides a mechanism to improve performance through counselling, discipline, and training interventions. The PMDS provides a justification for decisions related to performance linked adjustment such as remuneration and performance bonus which are extremely critical in improving organizational performance. However, ongoing management oversight and employee support remains vital in ensuring continued efficiency and effectiveness of the individual employee performance management.

Promotion of Equality and Prevention of Unfair Discrimination

The purpose of the Promotion of Equality and Prevention of Unfair Discrimination Act (PEPUDA), 2000 (Act No. 4 of 2000) is to give effect to the spirit of the Constitution and, to promote equality, non-racialism, non-sexism, prevent unfair discrimination and protect human dignity as contemplated in Sections 9 and 10 of the Constitution. It prohibits unfair discrimination by government and private organisations and individuals and forbids hate speech and harassment. In compliance with the above, the entity strengthens itself in respect to constitutionalism and the rule of law, the Constitution being the Supreme Law of the land. For the reporting period, none of the above values was transgressed.

Code of Conduct and Ethics

The BOCMA promotes and encourages ethical behaviour and is facilitated through a Code of Ethics. The BOCMA conducted its business with integrity, honesty, and transparency and in full compliance with all applicable laws and regulations. The Code of Conduct and business ethics reflects the entity’s core values and provides guidance to employees and other stakeholders on important ethical issues in the organization’s’ operating environment. The entity has “zero-tolerance to dishonesty or unethical behaviour.” All stakeholders and suppliers are expected to observe the Code of Conduct when doing business for and with the entity irrespective of location. Any transgression of the Code of Conduct should be promptly reported to the relevant authorities as by keeping the information, you become an accomplish.

Human Rights

The BOCMA as an organ of State is committed to a system of acquisition of goods and services that is fair, equitable, transparent, competitive, and cost-effective and promotes the objectives of the Broad Based Black Economic Empowerment (BBBEE). The entity remains confident that it is contributing to effective economic transformation for the greater good of society as whole.

Child and Forced Labour

The BOCMA, as a state entity, fully subscribes to the National Legislation that ensures a healthy and safe work environment for its employees. The entity's Human Resource Policies comply and are in line with the Labour Relations Act, 1995 (Act No. 66 of 1995), the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997) and their relevant Codes of Good Practice. The Agency is also aligned to the United Nations Global Compact Principles and the Organisation for Economic Corporation and Development (OECD) recommendations in this regard. The entity "does not practice child and forced labour as this is prohibited by the South African Constitution, the supreme law of the land and the international convention on the right of the child as per the International Labour Organization (ILO).

Non-Discrimination

For the 2023/2024 fiscal year, zero incident of discrimination was reported.

Indigenous Rights

The BOCMA subscribes fully to the Bill of Rights in terms of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) as amended. During the year, there were zero reported incidents of violation of the rights of Indigenous people in any aspect of the entity's business.

Human Rights Remediation

Zero grievances related to human rights issues and/ or contravention was filed during the reporting period.

Occupational Health and Safety

The BOCMA places significant importance on the Health and Safety and welfare of its employees and its stakeholders and passionately believes in risk aversion and the promotion of Health and Safety in the workplace, as these are key factors that improve job quality, working conditions, competitiveness, and sustainability of operations. Health and Safety is a way of doing business and it is not the responsibility of a single person or unit but a collective effort where every employee is responsible for playing their part.

The entity's commitment is driven by acknowledging that while it operates in an inherently high-risk industry, it cannot ignore the moral and legal obligation to safeguard the wellbeing of its people and community and other stakeholders. It is further driven by ensuring that employees understand the hazards and risks associated with the entity's activities. By prioritising and addressing and mitigating Healthy and Safety risks. The entity's approach is that health and safety always come first and that there are no shortcuts. The entity strives to ensures and create a culture where every employee understands the importance of working safely and can go home safe and healthy to their families daily after field trips.

Abiding by one of the core values of caring, the wellbeing of our people remains number one priority in our pursuit for zero harm vision. While we strive for producing quality water for all, for ever, this can never be at the expense of the health and safety of our people. The 2023/24 financial has seen no increase in injuries to personnel. Work still needs to be done to ensure that BOCMA invests a lot of time and effort in making sure that we eliminate disabling injuries.

For the period under review, the BOCMA recorded no injury on duty and to that effect, it received a "Letter of Good Standing" from the Department of Employment and Labour, the Compensation Commissioner's Office. It is a testimony that the entity never experienced any serious incident or fatal accident while employees were on duty. In the coming years, efforts will be intensified with more focus on operational discipline and preventing high severity injuries.

The BOCMA places significant importance on the protection, health and safety of its employees, stakeholders, and members of the public. The entity passionately believes in risk aversion and the promotion of health and safety working environment. Health and safety is a collective responsibility of every employee within the organization.

3. HUMAN RESOURCE OVERSIGHT STATISTICS

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	R6 765 387	11.31	3	R2 255 129
Professional qualified	R52 595 971	87.90	66	R796 909
Semi-skilled	R474 619	0.79	2	R237 310
TOTAL	R59 835 977	100%	71	R842 760

Performance Rewards

For the reporting period, the entity paid performance bonuses as per the Table blow. The payment is in line with the results of the audit outcome which is "unqualified audit opinion with no findings." For performance bonus to be paid, the audit outcome of the entity must be either "clean or unqualified" as per section 27 of the BOCMA Performance Management Development System (PMDS) Policy directives. The payment of performance must further be approved by the HR & Remuneration Committee and finally, by the Board Resolution as the ownership of the policy is the Board as the accounting authority while the operational activities rest with the office of the Chief Executive Officer. This practice is supported by the King Code of Good Corporate Governance and Accountability.

Programme	Performance Rewards	Personnel Expenditure	% of performance rewards to total personnel cost	Average personnel cost per employee
Senior Management	R92 465.15	R6 765 387	0.15	R30 821.71
Professional qualified	R727 391.81	R52 595 972	1.21	R12 123.19
Semi-skilled	R6 382.00	R474 619	0.01	R3 191
TOTAL	R826 238.96	R59 835 978	1.37	R12 711.37

Employment and Vacancies

Programme	No. of employees beginning FY	Approved post	No. of employees end of FY	% of filled vacancies
Senior Management	3	3	3	100%
Professional qualified	69	87	66	76%
Semi-skilled	2	2	2	100%
TOTAL	74	92	71	

Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Senior Management	3	Nil	Nil	3
Professional qualified	69	03	03	66
Semi-skilled	2	00	Nil	2
TOTAL	74	03	03	71

Labour Relations: Misconduct and disciplinary action

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

As per the table above, the there was no labour related issues of either misconduct or any disciplinary action for the year under review.

Employment Equity Status

Current Employment Equity Data									
	BF	BM	CF	CM	IF	IM	WF	WM	Total number of staff
CFO	1								
Senior Manager : WRM								1	
IT / strategic Support Manager		1							
IT Technician		1							
Performance & Planning Coordinator	1								
Executive PA to CEO	1								
Human Resources Manager		1							
Human Resources Officers	2								
Finance Manager: Expenditure								1	1
Finance Manager: Revenue		1							
Finance Officer: Expenditure x 2	1		1						
Finance Officer: Revenue	1								
Payroll Clerk			1						
Finance Admin. Clerk		1							
Administration Officer x 2	2								
Data Manager	1								
ISR Manager							1		
Water Liaison Officer x 3		1	1	1					
Principal Water Liaison Officer			1						
Principal Data Capturer				1					
Data Capturer X 4	2		2						
Senior Data Capturer	2								
Manager: CM&E	1								
CM&E Officer X 1	1	1							
Compliance Officer		3							
Supply Chain Officer	1								
Water Data (GIS) Officer	1								
Water Use Specialist X 4		1		2			1		
Water use Officer X 7	3	3		1					
Water Licensing Clerk x 2	1						1		
PR & Marketing Officer	1								
Receptionist	1	1							

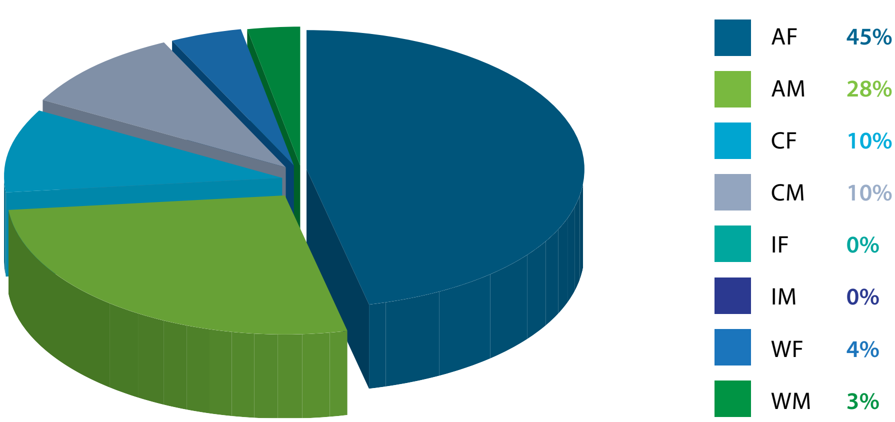
Employment Equity Status

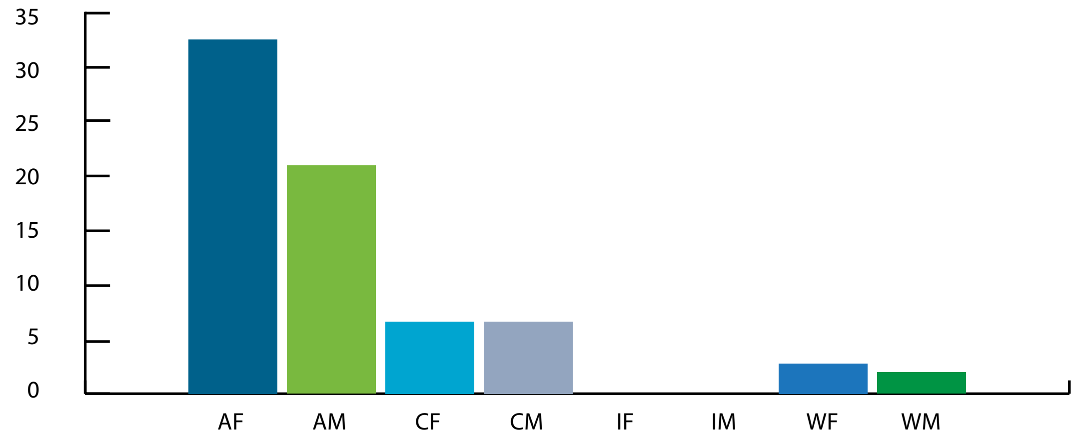
Current Employment Equity Data									
	BF	BM	CF	CM	IF	IM	WF	WM	Total number of staff
Registry Clerk	1								
Cleaner	2								
Auxiliary Officer X 2		1		1					
Geohydrologist		1							
Freshwater Ecologist X 2	2								
Professional Engineer: WRM		1							
Water Use Manager	1								
Billing & Invoicing Clerk				1					
WARMS Help Desk			1						
Revenue Help Desk	1								
Finance Officer: Billing Manager	1								
Finance Officer: Debt Manager		2							
TOTAL	32	20	7	7	0	0	3	2	71

NB: BF = Black Females, BM = Black Males, CF = Coloured Females, CM = Coloured Males, IF = Indian Females, IM = Indian Males, WF = White Females and WM = White Males

Gender Employment Profile	Number/s	Percentage
AF	32	45%
AM	20	28%
CF	07	10%
CM	07	10%
IF	00	0%
IM	00	0%
WF	03	4%
WM	02	3%
TOTAL	71	100%

Employment Equity Stats 2023/2024





The Breede-Olifants Catchment Management Agency (BOCMA) views employment equity as a strategic priority. The entity is committed to ensuring effective implementation of Employment Equity Act (the Act). Sound progress is being made on the entity employment profile. The entity is still short in reaching coloured female representation at management level. To address this situation, emphasis on recruitment of employees from the said group remains a priority. The table below is an indication of the BOCMA equity target.

Equity Target and Employment Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Senior Management	0	1	0	0	0	0	1	0
Professionally qualified	19	2	5	1	0	0	1	0
Semi-skilled	2	1	2	1	0	0	0	0
Total	21	4	7	2	0	0	2	0

Occupational Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Senior Management	1	0	0	0	0	0	0	0
Professionally qualified	30	0	7	2	0	0	3	0
Semi-skilled	2	0	0	0	0	0	0	0
Total	33	0	7	2	0	0	3	0

PART E: FINANCIAL INFORMATION

1. GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Type of entity	Schedule 3A Public Entity
Governing board members	Mr BE Mnisi (Chairperson) Mr TE Abrahams (Deputy-Chairperson) Mr AP Barnes Dr O Curtis-Scott Ms B Damane Mr MJ Delport Ms EM Palmer Mr HM Rossouw Mr CJU Swart Mr Jan van Staden (Acting Chief Executive Officer) Mr S Maseko (DWS Ex Officio member)
Registered office	Breede-Olifants CMA Cnr of Mountain Mill and East Lake Road Private Bag X3055 Worcester 6850
Business address	Breede-Olifants CMA Cnr of Mountain Mill and East Lake Road Worcester 6850
Postal address	The Chief Executive Officer Breede-Olifants CMA Private bag X3055 Worcester 6850
Bankers	ABSA Bank Limited

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Chartered Accountants | Registered Auditors

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Independent Auditors Report to Parliament on Breede-Olifants Catchment Management Agency

Report on the audit of the financial statements

Unqualified with no findings opinion

1. I have audited the financial statements of the Breede-Olifants Catchment Management Agencyset out on pages 13 to 45, which comprise the statement of financial position as at 31 March 2024, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Breede-Olifants Catchment Management Agency as at 31 March 2024, and its financial performance and cash flows for the year then ended 31 March 2024 in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for Unqualified with no findings opinion

3. Management have corrected all the material misstatements.

Responsibilities of the accounting authority for the financial statements

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

5. In preparing the financial statements, the accounting authority is responsible for assessing the Schedule 3A entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, orhas no realistic alternative but to do so.

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Chartered Accountants | Registered Auditors

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Auditor's responsibilities for the audit of the financial statements

6. My responsibility is to conduct the audit in accordance with International Standards on Auditingto obtain reasonable assurance about whether the financial statements are free frommaterial misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guaranteethat an audit conducted in accordance with the ISAs will always detect a material misstatementwhen it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could be expected to influence the economic decisions of users taken based on these financial statements.

7. I am independent auditor of the Schedule 3A Public Entity in accordance with the IndependentRegulatory Board for Auditors' Code of professional conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance withthe IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). Further description of my responsibilities for the audit of the financial statements is included in the annexure to thisauditor's report.

Report on the audit of the annual performance report

Introduction and scope

8. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in termsthereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not togather evidence to express assurance.

9. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relatingto the extent of achievements in the current year or planned performance strategies and information in respect of future

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periods that may be included as part of the reported performanceinformation. Accordingly, my findings do not extend to these matters.

10. I evaluated the usefulness and reliability of the reported performance information in accordancewith the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected presented in the entity's annual performance report for the year ended 31 March 2024:

Programmes	Pages in annual performance report	Opinion
Programme 1: Water Resources Planning	2	Unqualified
Programme 2: Water Use Management	3	Unqualified
Programme 4: Water Allocation Reform	5 6	Unqualified
Programme 5: Water Resource Protection	6-7	Unqualified

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11. I performed procedures to determine whether the reported performance information wasproperly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

12. There were no findings on the usefulness and reliability of the performance information of the selected programme.

Other matter

13. There are no other matters in relation to the reported performance information.

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Report on the audit of compliance with legislation

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility toreport material findings on the entity's compliance with specific matters in key legislation. I performedprocedures to identify findings but not to gather evidence to express assurance.

No findings on compliance with specific matters in key legislation was identified.

Other information

14. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not includethe financial statements, the auditor's report and the selected programme and the financial statements that was submitted for auditing.

15. My opinion on the financial statements and on the reported performance information and compliance with legislation do not cover the other information and I do not express an auditopinion or any form of assurance conclusion on it.

16. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

17. I did not receive the other information prior to the date of this auditor's report. When I do receiveand read this information, If I conclude there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I must retract this auditor'sreport and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

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Internal control deficiencies

18. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation, however, my objective was not to express any form of assurance on it.

Tshisikhawe Khangale

CA(SA), RA

Cape Town

30 July 2024

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 Standards 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 establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements. Ensuring that complete, accurate and reliable accounting records for the basis of preparing annual financial statements. The financial statements include judgemen ts and estimates that are reasonable and prudent, made by management, reviewed, and accepted by the Board.

The Board ensures that accounting policies are appropriate to the agency's circumstances. 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 year and all employees are required to maintain the highest ethical standards in ensuring that the agency business is conducted in a manner that is in all reasonable circumstances above reproach.

The Board is of the opinion, that the annual financial statements fairly reflect the operations of the Agency for the year en ded 31st March 2024.

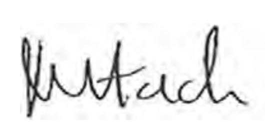
The Accounting Authority have reviewed the agency's cash flow forecast for the year to March 31, 2025 and, in the light of th is review and the current financial position, they are satisfied that the agency has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Agency is partly dependent on the Department of Water and Sanitation (DWS) for continued augmentation in the funding of operations over and above own revenue collection from water users. The annual financial statements are prepared on the basis that the agency is a going concern and that the Department of Water and Sanitation has neither the intention nor the need to liquidate or curtail materially the scale of the augmentation funding to the Agency.

The external auditors are responsible to express an independent opinion on the annual financial statements of the Agency.

The annual financial statements set out on pages 13 to 45, which have been prepared on the going concern basis, were approved by the Audit and Risks Committee together with the Board of Directors and were signed:

MR BE MNISI
CHAIRPERSON: GOVERNING BOARD



MR JAN VAN STADEN
ACTING: CHIEF EXECUTIVE OFFICER

REPORT OF THE ACCOUNTING AUTHORITY

The members of the Governing Board submit their report for the year ended 31 March 2024.

1. Review of activities

Main business and operations

The Breede-Olifants Catchment Management Agency is responsible for the integrated management of the water resource in the Breede-Olifants Catchment Management Area (BOCMA). The operating results and state of affairs of the agency are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

The Board believes that the agency has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared based on 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 mee t its foreseeable cash requirements. The Board is not aware of any new material changes that may adversely impact on the agency.

The Board is satisfied that the actions below for the next financial year (2024/25) supports the statement.

	2024/25
Income	
- Augmentation grant	63,738,000
- Water resource charges	82,777,252
- Waste water charge	12,500,000
- Interest received	2,436,462
- Surplus funds	52,506,777
Total income	**213,958,491**
Expenditure	
- Employee related cost	120,562,036
- Projects	36,500,000
- Goods and services	44,300,278
- Repairs and maintenance	236,000
- Capital outlay	10,870,000
- Board related costs	1,490,177
Total expenditure	**213,958,491**
Surplus	-

Solvency	**As at 31 March 2024**
Total assets	204,403,945
Minus total liabilities	(10,958,711)
Net asset position	**193,445,234**
Liquidity	**As at 31 March 2024**
Current assets	198,370,008
Current liabilities	(10,958,711)
Net liquidity position	**187,411,297**

3. Subsequent after the reporting period

The members are not aware of any matter of concern or circumstance arising since the end of the financial year.
Refer to note 26 in the financial statements.

4. Governing Board

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

Name	Appointment date
Mr BE Mnisi (Chairperson)	13 September 2007
Mr TE Abrahams(Deputy-Chairperson)	13 September 2007
Mr AP Barnes	13 September 2007
Dr O Curtis-Scott	13 September 2007
Ms B Damane	13 September 2007
Mr MJ Delport	13 September 2007
Ms EM Palmer	13 September 2007
Mr HM Rossouw	13 September 2007
Mr CJU Swart	13 September 2007
Mr Jan van Staden (Acting Chief Executive Officer)	
Mr S Maseko (DWS Ex Officio member)	

REPORT OF THE AUDIT & RISKS COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee Terms of Reference

The Audit and Risks Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(i) of the Public Finance Management Act 1 of 1999, as amended December 2010 and Treasury Regulations 27.1.8 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 committee also reports that it has adopted 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 2023/24 financial year.

The effectiveness of 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. The committee noted that there were challenges experienced by the Agency with the handing over of the billing and revenue from Department of Water and Sanitation (WTE) in that customers will need to be continually be sensitised of these new developments.

Internal Audit

In line with the PFMA, and the King IV 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 functional ly 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.

Areas of concern in the financial year under review are the significant doubts on the full recoverable amount of debtors on t he Debtors balances that was transferred by DWS (Water trading Entity) into the Agency's book. The Agency is committed to do its best to try and recover the monies due from water users.

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 Accounting Authority have reviewed the agency's financial statements for the year ended 31 March 2024 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.

THYS DELPORT
CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE

AUDIT AND RISK COMMITTEE MEMBERS: MR TE ABRAHAMS
MS BULELWA DAMANE
MR CORNIE SWART

DATE: 31 JULY 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	5	4,899,998	2,846,923
Intangible assets	6	1,133,939	1,279,043
		6,033,937	**4,125,966**
Current Assets			
Receivables from exchange transactions	7	52,056,219	56,260,038
Cash and cash equivalents	8	146,313,789	125,977,450
		198,370,008	**182,237,488**
Total Assets		**204,403,945**	**186,363,454**
Net Assets and Liabilities			
Net Assets		**193,445,234**	**172,438,416**
Accumulated surplus		193,445,234	172,438,416
Liabilities			
Current Liabilities			
Operating lease liability		560,087	588,184
Payables from exchange transactions	9	7,479,286	9,645,664
Employee benefits	10	2,919,338	3,691,190
		10,958,711	**13,925,038**
Total Liabilities		**10,958,711**	**13,925,038**
Total Net Assets and Liabilities		**204,403,945**	**186,363,454**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

Figures in Rand	Note(s)	2024	2023
Revenue			
Revenue from exchange transactions			
Water resource management	11	52,957,101	48,753,852
Other income	12	2,159,582	102,705
Revenue - Other projects	12	-	600,000
Interest received	16	18,288,463	15,051,106
Total revenue from exchange transactions		**73,405,146**	**64,507,663**
Revenue from non-exchange transactions			
Transfer revenue			
Grants received	11	42,182,000	40,173,000
Total revenue	11	**115,587,146**	**104,680,663**
Expenditure			
Loss on disposal of assets	5	(3,630)	(1,882)
Depreciation	5	(1,057,289)	406,237
Amortisation	6	(447,936)	228,449
Employee related costs	13	(59,835,977)	(55,144,645)
Lease rentals on operating lease	14	(3,272,867)	(3,245,603)
Operating expenses	15	(19,802,155)	(15,864,377)
Impairment of doubtful debt	21.5	(10,160,472)	(16,534,247)
Total expenditure		**(94,580,326)**	**(90,156,068)**
Surplus for the year		**21,006,820**	**14,524,595**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2024

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2022	**157,913,821**	**157,913,821**
Changes in net assets Surplus for the year	14,524,595	14,524,5955
Total changes	14,524,595	14,524,595
Balance at 01 April 2023	**172,438,414**	**172,438,414**
Changes in net assets Surplus for the year	21,006,820	21,006,820
Total changes	21,006,820	21,006,820
Balance at 31 March 2024	**193,445,234**	**193,445,234**
Note(s)		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Receipts			
Cash receipts from the Department of Water and Sanitation		42,182,000	40,173,000
Interest received		10,696,747	5,984,078
Customer receipts		54,107,258	43,550,835
		106,986,005	89,707,913
Payments			
Cash paid to employees		(60,607,829)	(55,169,699)
Cash paid to suppliers		(22,625,010)	(19,453,165)
		(83,232,839)	(74,622,864)
Net cash flows from operating activities	18	**23,753,166**	**15,085,049**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(3,113,995)	(1,086,590)
Purchase of other intangible assets	6	(302,833)	(613,578
Net cash flows from investing activities		**(3,416,828)**	**(1,700,168)**
Net increase/(decrease) in cash and cash equivalents		**20,336,338**	**13,384,881**
Cash and cash equivalents at the beginning of the year		125,977,450	112,592,562
Cash and cash equivalents at the end of the year	8	**146,313,789**	**125,977,443**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	%Variance	Reference
Statement of Financial Performance							
Revenue							
Revenue from exchange transactions							
Billing Income	33,880,000	-	**33,880,000**	52,957,101	**19,077,101**	56.31%	Note d
Other income	-	-	-	2,159,582	**2,159,582**	100.00%	Note e
Interest Received	9,000,000	-	**9,000,000**	18,288,463	**9,288,463**	103.21%	Note a
Total revenue from exchange transactions	**42,880,000**	-	**42,880,000**	**73,405,146**	**30,525,146**		
Revenue from non-exchange transactions							
Transfer revenue							
Government grants & subsidies	45,070,000	-	**45,070,000**	42,182,000	**(2,888,000)**	(6.41%)	
Total revenue	**87,950,000**	-	**87,950,000**	**115,587,146**	**27,637,146**	**31.42%**	
Expenditure							
Employee Costs	(59,015,846)	653,417	**(58,362,429)**	(59,835,978)	**(1,473,549)**	2.52%	
Depreciation & amortisation		-	-	(1,505,225)	**(1,505,225)**	100.00%	Note b
Lease rentals and operating lease	(3,273,088)	-	**(3,273,088)**	(3,272,867)	**221**	(0.01)%	
Provision for doubtful debt	-	-	-	(10,160,472)	**(10,160,472)**	100.00%	Note c
Loss on disposal of assets	-	-	-	(3,630)	**(3,630)**	100.00%	Note f
Operating expenses	(24,007,633)	1,508,727	**(22,498,906)**	(19,802,153)	**2,696,753**	(11.99)%	
Capital expenditure	(1,653,433)	(2,162,144)	**(3,815,577)**	(3,416,828)	**398,749**	(10.45)%	
Total expenditure	**(87,950,000)**	-	**(87,950,000)**	**(97,997,153)**	**(10,047,153)**	11.42%	
Surplus before taxation	-	-	-	**17,589,993**	**17,589,993**		
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	**17,589,993**	**17,589,993**		

The accounting policies on pages 18 to 27 and the notes on pages 28 to 45 form an integral part of the annual financial statements.

The following material differences were identified during the financial year.

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

- Note a: Interest charged on late payments to the amount of R7,591,716
- Note b: Depreciation were not included in the budget.
- Note c: Doubtfull debts R10,160,472 not budgeted for
- Note d: Reason for higher billing is that billing income has been under estimated in the Annual Performance Plan
- Note e: Other income were not budgeted for as a result of the inability to predict unforseen income.
- Note f: Loss incurred with the write of and disposal of asset.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

1. Basis of preparation

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

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

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

Going concern

The annual statements have been prepared based on the accounting policies applicable to a going concern. This basis presumes that funds will be available for finance future operations and that realisation of assets and settlement of liabilit ies, contingent obligation and commitments will occur in the ordinary course of business.

Off-setting

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

Materiality and aggregation

Each material class of similar items shall be presented separately in the financial statements. Items of a dissimilar nature or function shall be presented separately unless they are immaterial.

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 Revenue

Revenue from Non-Exchange Transactions

A corresponding liability is raised to the extent that the grant, transfer or donations is conditional. The liability is tran sferred 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 th e amount required to settle the present obligation at the reporting date.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. An annual transfer of revenue as per the approved Annual Performance Plan is received from the DWS WTE.
Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Revenue from 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. Control of an asset arise w hen the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Water Resources Management Charges are statutory charges determined in terms of section 57 of the National Water Act (NWA) and these charges are payable to the Agency as the relevant water management institution within the Breede -Olifants Water Management Area. These charges are statutory charges which are billed to water users in line with the water pricing strategy set tariffs based on the allocation of the amount or volume of raw water as it appears on the water users authorisation.

Interest

Interest is recognised, in surplus or deficit, using the effective interest method.

License Application Fee

Delegated authority determined an applicable fee to process applications to authorised water use.

1.3 Statutory receivables

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

Statutory receivables are classified and recognised as exchange or non-exchange in accordance with the relevant standards on Revenue and essentially based on whether there is a supply of goods and services in exchange for economic benefits of similar value.

Initial measurement

Statutory receivables are measured at their transaction amount in accordance with the relevant standards on revenue based on the classification between exchange and non-exchange (refer accounting policy 1.2).

Subsequent measurement

Statutory receivables are measured at cost, plus nominally accrued interest, less any impairment recognised. Interest is calculated using the nominal interest rate as stipulated in legislation.
Impairment losses

Impairment is assessed on an annual basis based on objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. The water resource management charges are due within 30 days from invoice date. If the client does not pay within the 30 days, the receivable is considered for impairment.

An impairment loss is recognised firstly on individually significant receivables. Thereafter, an impairment loss is recognise d on a group of receivables with the same credit risk. Impairment assessments are based on objective evidence as a result of one o r more events that occurred during the reporting period. For clients that have defaulted, management made judgements based on history to determine if the receivable or group of receivables have to be impaired.

If there is an indication that a statutory receivable may be impaired, the entity measures that impairment loss as the differ ence between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable shall be reduced directly or through the use of an allowan ce account. The amount of the loss is recognised in the Statement of Financial Performance.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estima tes used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

Derecognition

Statutory receivables are derecognised when the asset is extinguised, settled or through transferring of all significant risk s and rewards to a third party. Extinguishing the asset would usually be in terms of legislation or other similar means.

Derecognition also occurs where despite having retained some significant risks and rewards of ownership of the receivable, control of the receivable is transferred to another party and the other party has the practical ability to sell the receivabl e in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additio nal restrictions on the transfer.

The difference between the consideration received and amount derecognised shall be recognised in the surplus or deficit of th e period of transfer.

1.4 Financial instruments

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 financi al liability or residual interest in accordance with the substance of the contractual arrangement.

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

Trade and other receivables

Trade and other receivables are initially recorded at fair value plus transactions costs that are directly attributable to th e acquisition and subsequently stated at amortised costs, less provision for impairment. All trades and other receivables are assessed at least annually for possible impairment. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables . The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of the 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.

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 ini tially and subsequently recorded at amortised cost.

In accordance with GRAP 104 the financial assets of the entity are all classified as financial assets at amortised cost, exce pt for cash floats and petty cash, which are classified as financial assets at fair value.

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.

Impairment of financial assets

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the costs of the assets. Impairment is a loss in the future economic benefit or service potential of an asset, over and above the recognition of the loss of the asset's future economic benefit.

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 amo unt of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

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.

Derecognition

Is the removal of a previously recognised financial asset or financial liability from the Agency's statement of financial position.

A financial asset is derecognised at trade date, when:

- The cash flow from the asset expired are settled or waived;
- Significant risks and rewards are transferrable to another party.

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for a s having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial mo dification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financia l liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transf erred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non -exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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 it cost.

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.

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.

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 Agency. The depreciation charge for each asset 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	**Item**
Furniture and fixtures	5 - 17 years
Motor vehicles	5 - 17 years
Office equipment	5 - 17 years
IT equipment	5 - 17 years
Leasehold improvements	5 - 17 years
Security systems	5 - 17 years

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.

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 recoverab le 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.

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.

1.6 Intangible assets

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 Agency and
- the cost of the asset can be measured reliably.

The Agency has no internally generated intangible assets.

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

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 fo r use.

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

Item	Item
Computer software	2 - 10 years

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

Derecognition

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

1.7 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.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased as set and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

1.8 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employee rendered the related services.

Such short term employee benefits include items such as:

- Wages, salaries and social security contributions;

- Bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employee rendered the related services; and

- Non-monetary benefits (for example, medical aid, medical care, housing, cell phone and any other benefits) for current employees.

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 Agency 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 Agency has a present obligation to pay as a result of employees' services provided to the Statement of Financial Position date. The liabil ity has been calculated at undiscounted amounts based on current wage and salary rates.

Long term employee benefits
Are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the reporting period in which the employee rendered the related service.

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.

Defined contribution plans
The Agency provides benefit to all its employees. The BOCMA is a member of GEPF pension fund which is subject to the Pension Fund Act. The 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.

1.9 Commitment and provisions

1.9.1 Commitments

Commitments are future expenditure to which the entity committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are included in the disclosure Notes. A distinction is made between capital and current commitments. Lease commitments as defined per GRAP 13: Leases are disclosed in note 22. Commitments are disclosed for:

- Items are classified as capital commitments where the agency commits itself to future transactions that will normally result in the outflow of resources;

- Approved and contracted capital commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.

1.9.2 Provisions

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

Provisions are not recognised for future operating losses.

1.10 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 esti mates which may be material to the annual financial statements.

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

Assumptions and estimation uncertainties that may have significant risk of resulting in a material adjustment within the next financial year include:

- Useful lives and residual values
- Measurement of fair value
- Receivable from Exchange Transaction (including statutory receivable)

Detail on the nature of these estimates is provided below, and quantification of the affected items provided in the notes to the financial statements, as applicable.

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 revi ewed 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.

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.

Receivable from Exchange Transaction (including statutory receivable)

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 a ble to collect all amounts due according to the original terms of receivables. The water resource management charges are due within 30 days from invoice date. If client do not pay within 30 days, the receivable is considered for impairment.

An impairment loss is recognised firstly on individually significant receivables. Thereafter, an impairment loss is recogn ised on a group of receivables with the same credit risk. Impairment assessments are based on objective evidence as a result of one or more events that occurred during the reporting period. For clients that have defaulted, management made judgements based on history to determine if the receivable or group of receivables have to be impaired.

The current year impairment is based on management's best estimate of the expected cash flows for amounts that are outstanding.

Budget Information

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

2. Unauthorised, Irregular, Fruitless and Wasteful Expenditure

2.1 Unauthorised expenditure

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, entity or organ of state., and expenditure in the form of a grant that is not permitted in terms of the Public Finance Management Act (Act No 1 of 1999).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that th e expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

2.2 Irregular expenditure

Irregular Expenditure is expenditure that is contrary to the Public Finance Management Act (Act No 1 of 1999), the Public Off ice Bearers Act (Act No 20 of 1998), Treasury Regulations or is in contravention of the Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

2.3 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ru ling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

3. Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise signific ant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making fi nancial and/or operating decisions.

An entity is related to the reporting entity where they are members of the same economic entity or controlled by the same gro up of individuals or related individuals who exercise significant influence over their operational and financial decision making (such as group, associate or joint venture).

Management is regarded as a related party and comprises the non-executive members of the governing board, executive management and persons having the authority and responsibility for planning, directing and controlling the activities of the reporting agency.

Remuneration of management includes remuneration derived for services provided to the agency in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the agency for services in any capacity oth er than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of th e agency.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the agency such as:

- A person married to or live together in a relationship similar to a marriage.

- People who are separated by no more than two degrees of natural or legal consanguinity or affinity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4. New standards and interpretations

4.1 Standards and interpretations effective and adopted in the current year

In the current year, the Agency has not adopted any standards and interpretations that are effective for the current financial year and that are relevant to its operations:

4.2 Standards and interpretations issued, but not yet effective

The Agency has not applied the following standards and interpretations, which have been published and are mandatory for the Agency's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25 (as revised): Employee Benefits	01 April 2024	As above
iGRAP 7 Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2024	As above
Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2024	As above
GRAP 104 (as revised): Financial Instruments	01 April 2025	As above
GRAP 1 Presentation of Financial Statements	01 April 2024	As above
GRAP 20 Improvement to related party disclosures	01 April 2024	As above

Figures in Rand	2024	2023

5. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold property	560,595	(470,326)	90,269	560,595	(493,998)	66,597
Scientific equipment	151,004	(141,867)	9,137	151,004	(122,215)	28,789
Furniture and fixtures	3,423,809	(2,680,151)	743,658	3,204,377	(2,555,382)	648,995
Motor vehicles	4,001,975	(1,205,613)	2,796,362	2,859,712	(2,121,959)	737,753
IT equipment	4,679,486	(3,418,914)	1,260,572	4,218,061	(2,853,272)	1,364,789
Total	**12,816,869**	**(7,916,871)**	**4,899,998**	**10,993,749**	**(8,146,826)**	**2,846,923**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Disposals	Additions	Accumulated depreciation on disposals	Depreciation	Total
Leasehold property	66,597	-	-	-	23,672	90,269
Scientific equipment	28,789	-	-	-	(19,652)	9,137
Furniture and fixtures	648,995	-	219,432	-	(124,769)	743,658
Motor vehicles	737,753	(1,274,774)	2,417,037	1,274,775	(358,429)	2,796,362
IT equipment	1,364,789	(16,100)	477,526	12,469	(578,112)	1,260,572
	2,846,923	**(1,290,874)**	**3,113,995**	**1,287,244**	**(1,057,290)**	**4,899,998**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Accumulated depreciation on disposals	Depreciation	Total
Leasehold property	-	-	-	-	66,597	66,597
Scientific equipment	2,618	-	-	-	26,171	28,789
Furniture and fixtures	486,767	12,931	(10,874)	8,992	151,179	648,995
Motor vehicles	38,703	568,603	(5,075)	5,075	130,447	737,753
IT equipment	827,890	505,056	(1,112,632)	1,112,632	31,843	1,364,789
	1,355,978	**1,086,590**	**(1,128,581)**	**1,126,699**	**406,237**	**2,846,923**

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

Repairs and maintenance including to leasehold improvements amounted to R157,075 (2023: R89,594).

Loss on disposal of asset was recognised as a result of an asset being disposed off with a carrying value of R3,630. The asset was no longer in a functional position and could not be sold, therefore it was written off.

Figures in Rand	2024	2023

6. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Software ArcGIS Server	3,810,820	(2,676,881)	1,133,939	3,507,988	(2,228,945)	1,279,043

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Software ArcGIS Server	1,279,043	302,833	(447,937)	1,133,939

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Software ArcGIS Server	437,016	613,578	228,449	1,279,043

7. Receivables from exchange transactions

	2024	2023
Recoverable Debtors	51,934,025	55,950,931
Gross debtors	182,862,920	176,719,354
Allowance for doubtful debts	(99,640,502)	(120,768,423)
Trade receivables written off	(31,288,393)	-
Prepayments and deposits	122,194	309,107
	52,056,219	**56,260,038**

Bad debt expenses

The Agency has written off irrecoverable debt during the period under review. The Agency will continue to assess a debt that will no longer considered to be collectable.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024	2023
Cash on hand	2,391	1,231
Bank balances	5,019,848	2,356,838
Bank Balances Deposit Account	141,291,550	123,619,381
	146,313,789	**125,977,450**

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

	2024	2023
The total amount of undrawn facilities available for future operating activities and commitments	86,000	86,000

Figures in Rand		2024	2023

9. Payables from exchange transactions

Trade payables		3,383,316	3,092,120
Debtors in credit refund		6,020,093	6,125,710
Unallocated cash suspense account		88,935	427,834
Unclaimed credit refund		(2,013,058)	-
		7,479,286	**9,645,664**

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.

10. Employee benefits

Staff bonus accrual		826,239	879,593
Accrued leave pay		2,093,100	2,811,597
		2,919,339	**3,691,190**

11. Revenue

Other income	12	130,569	102,705
Grants received from Department of Water and Sanitation	19	42,182,000	40,173,000
Interest received		18,288,463	15,051,106
Billing for Water Resourse Management		52,957,101	48,753,852
Revenue - Other projects		-	600,000
Insurance claim on laptop		15,960	-
Recoveries		2,013,053	-
		115,587,146	**104,680,663**

The amount included in revenue arising from exchanges of goods or services are as follows:			
Other income	12	130,569	102,705
Interest received		18,288,463	15,051,106
Billing for Water Resource Management		52,957,101	48,753,852
Recoveries		2,013,053	-
Revenue - Other projects		-	600,000
Insurance claim on laptop		15,960	-
		73,405,146	**64,507,663**

The amount included in revenue arising from exchanges of goods or services are as follows:			
Grants received from Department of Water and Sanitation	19	42,182,000	40,173,000

12. Other income

Registration fees received		130,569	102,705
Unclaimed credits		2,013,053	-
Revenue - Other projects		-	600,000
Insurance claim on laptop		15,960	-
		2,159,582	**702,705**

Figures in Rand	2024	2023

13. Employee related costs

Basic salaries	33,199,334	31,225,921
Board members costs	273,037	247,110
Employee taxes	13,287,128	11,796,318
Medical aid contributions	3,838,154	3,215,888
Pension expenditure	7,428,561	6,858,619
Travel allowances	1,809,763	1,800,789
	59,835,977	**55,144,645**

14. Lease rentals on operating lease

Operating lease: Land & Building	3,272,867	3,245,603

15. Operating expenses

Advertising	176,047	5,141
Auditors remuneration	1,549,691	913,304
Bank charges	46,185	43,574
Cleaning	57,788	44,526
Conferences and seminars	27,512	62,933
Consulting and professional fees	1,960,247	2,134,227
Consumables	24,604	16,135
Electricity	266,745	72,735
Equipment hire	84,365	74,129
Fines and penalties	400	1,799
Fleet	460,417	497,013
IT expenses	837,195	619,233
Insurance	1,092,212	813,420
Maintenance of Water Dams	3,399,896	1,241,648
Placement fees	26,101	342,383
Postage and courier	13,367	88,756
Printing and stationery	755,095	930,871
Promotions and sponsorships	5,104,323	4,682,932
Repairs and maintenance consumables	157,075	89,594
Safety and signage	3,214	-
Security	4,248	4,093
Subscriptions and membership fees	204,121	119,521
Telephone and fax	915,496	877,587
Training	388,270	239,047
Travel - local	2,242,644	1,938,979
Uniforms	-	5,367
Vehicles licenses	4,897	5,430
	19,802,155	**15,864,377**

16. Interest received

Interest received from ABSA	10,696,747	5,984,078
Interest charged to late payments	7,591,716	9,067,028
	18,288,463	**15,051,106**

17. Auditors' remuneration

Audit fees (internal and external)	1,549,691	913,304

Figures in Rand	2024	2023

18. Cash generated from operations

Surplus	21,006,820	14,524,595
Adjustments for:		
Depreciation and amortisation	1,505,225	(634,686)
Debt impairment	10,160,472	16,534,247
Movements in operating lease assets and accruals	(28,098)	424,711
Movements in accrued leave pay and staff bonusses accrual	(771,851)	(31,329)
Loss on disposal of assets and liabilities	3,630	-
Changes in working capital:		
Receivables from exchange transactions	(6,143,566)	(15,736,563)
Payables from exchange transactions	(1,979,466)	4,074
	23,753,166	**15,085,049**

19. Related parties

Relationships	
Department of Water and Sanitation	Executive Authority
Governing Body	Accounting Authority

The Governing Body includes the following members:

Mr BE Mnisi (Chairperson)
Mr TE Abrahams (Deputy-Chairperson)
Mr AP Barnes
Dr O Curtis-Scott
Ms B Damane
Mr MJ Delport
Ms EM Palmer
Mr HM Rossouw
Mr CJU Swart
Mr J. Van Staden (Acting Chief Executive Officer)
Mr S Maseko (DWS Ex Officio member)

Figures in Rand	2024	2023

Related party balances

Department of Water and Sanitation

Receivables	632,495	550,359

Receivable balance		**2024**			**2023**	
	Gross	**Impairment**	**Net balance**	**Gross**	**Impairment**	**Net balance**
Overberg Water	36,333	(8,891)	27,442	26,925	-	26,925
Jan Fourieskraal Water User Association	282,518	(255,914)	26,604	291,091	(284,642)	6,449
Gamkarivier Irrigation Board	339,865	(85,206)	254,659	731,190	(24,098)	707,092
Duivenhoks Water User Association	114,674	(7,370)	107,304	101,691	(4,463)	97,228
Calitzdorp Irrigation Board	54,616	(2,824)	51,792	100,395	(60,663)	39,732
Buffelsrivier Irrigation Board	2,829,720	(553,865)	2,275,855	2,996,558	(2,996,558)	-
Buffelskloof Irrigation Board	354,931	(354,931)	-	262,479	(256,094)	6,385
Buffelsvlei - Gamka Irrigation Board	800,823	(775,418)	25,405	854,890	(854,890)	-
Bleshoek Irrigation Board	24,380	(14,242)	10,138	21,449	(12,026)	9,423
Verkeerdevlei Irrigation Board	911,547	(911,547)	-	1,146,876	(1,146,876)	-
Vanwyksdorp WGV	9,410	(554)	8,856	8,578	(1,732)	6,846
Stompdirft-Kamanassie WGV	872,683	(842,935)	29,748	1,396,839	(343,259)	1,053,580
Oukloof Irrigation Board	715,466	(715,466)	-	850,536	(850,536)	-
Korente Vette Board	86,804	(83,748)	3,056	(69,667)	-	(69,667)
Kweekvallei Irrigation Board	20,257	(1,282)	18,975	17,962	(788)	17,174
Huisrivier Irrigation Board	13,535	(856)	12,679	12,001	(527)	11,474
Hoeko Irrigation Board	55,506	(1,829)	53,677	100,533	(59,952)	40,581
Baden Irrigation Board	17,280	(977)	16,303	31,298	(18,401)	12,897
Bossieveld Irrigation Board	153,209	(9,694)	143,515	135,846	(5,962)	129,884
Brandwag Irrigation Board	60,872	(3,851)	57,021	53,973	(2,369)	51,604
Dwariga Irrigation Board	13,140	(7,271)	5,869	23,799	(14,203)	9,596
Grootbosberg Irrigation Board	40,320	(2,531)	37,789	35,750	(1,550)	34,200
Groenland Water User Association	539,569	(60,305)	479,264	602,444	(177,337)	425,107
Agterkliphoogte Water User Association Municipality	(5,165)	-	(5,165)	8,378	(3,534)	4,844
Bo -Doornrivier Irrigation Board	995,869	(986,665)	9,204	635,194	(635,194)	-
Boesmansrivier Irrigation Board	62,175	(2,049)	60,126	69,637	(16,360)	53,277
Titusrivier Irrigation Board	46,725	(2,956)	43,769	41,430	(1,818)	39,612
Grooteiland Klipdrift Irrigation Board Municipality	83,740	(2,760)	80,980	558,814	(511,025)	47,789
Hoopsrivier WGV	300,182	(169,142)	131,040	274,634	(213,357)	61,277
Houtveld Irrigation Board	22,805	(1,443)	21,362	20,221	(666)	19,555
Keurkloof Water User Association	42,138	(1,389)	40,749	37,961	(1,251)	36,710

Figures in Rand	2024	2023

19. Related parties (continued)

Receivable balance		2024			2023	
	Gross	Impairment	Net balance	Gross	Impairment	Net balance
Elandkloof Irrigation Board	174,759	-	174,759	823,763	(487,745)	336,018
Kingna Irrigation Board	27,683	(24,430)	3,253	(9,441)	-	(9,441)
Klaasvoogds Water User Association	236,333	(7,789)	228,544	215,106	(140,374)	74,732
Bovenstewater Irrigation Board	16,373	(1,985)	14,388	14,580	(1,569)	13,011
Koekedouw Irrigation Board	105,000	(6,450)	98,550	93,100	(3,912)	89,188
Zonderend River Water User Association	705,477	-	705,477	3,556,282	(2,930,759)	625,523
Willemnelsrivier WGV	109,269	(3,601)	105,668	95,417	-	95,417
Worcester East Water User Association	1,719,911	(489,417)	1,230,494	1,514,260	(1,323,631)	190,629
Warmbokveld Irrigation Board	86,850	(5,495)	81,355	77,007	(3,380)	73,627
Vyeboom Irrigation Board	197,281	(12,482)	184,799	174,922	(7,677)	167,245
Vrolikheid Water User Association	362,599	(155,924)	206,675	344,399	(287,932)	56,467
Olifantsberg Irrigation Board	61,705	-	61,705	56,721	(47,964)	8,757
Noree Water User Association	285,991	(9,425)	276,566	274,084	(248,229)	25,855
Martinusvlei WGV	45,883	(24,667)	21,216	40,199	-	40,199
Kabous River Water User Association Municipality	21,225	(1,343)	19,882	18,820	(826)	17,994
Stettyn Irrigation Board	77,898	(13,438)	64,460	69,625	(11,386)	58,239
Smalblaarrivier Irrigation Board	27,565	(908)	26,657	24,188	-	24,188
Matroosberg Irrigation Board	40,020	(4,156)	35,864	37,143	(4,643)	32,500
Koningsrivier WGV	362,891	-	362,891	429,755	(419,597)	10,158
Leeu Gamka Irrigation Board	61,704	(3,904)	57,800	54,711	(2,401)	52,310
Modderrivier Irrigation Board	42,476	(4,831)	37,645	156,888	(135,787)	21,101
Prinsrivier Irrigation Board	15,000	(494)	14,506	75,566	-	75,566
Brandrivier Irrigation Board	143,685	(4,735)	138,950	201,496	(86,546)	114,950
Sentraal-Breërivier WGV	6,776,441	-	6,776,441	3,043,890	-	3,043,890
Buffeljagdsrivier Irrigation Board	2,234,137	(698,736)	1,535,401	1,834,493	(1,331,586)	502,907
Maalgate Water User Association	54,723	(35,445)	19,278	15,960	(526)	15,434
Mc Gregor Irrigation Board	510,903	(277,872)	233,031	447,894	(370,455)	77,439
Groothoek Irrigation Board	49,141	(10,297)	38,844	44,042	(8,079)	35,963
Hexvalley Water User Association	1,004,511	(749,293)	255,218	867,611	(626,080)	241,531
Wolseley Water User Association	142,184	(8,996)	133,188	126,070	(126,070)	-
Koo Irrigation Board	11,232	(370)	10,862	50,420	-	50,420
Jan Du Toitsrivier Irrigation Board	29,176	(15,196)	13,980	26,735	(14,198)	12,537
Waaihoek Irrigation Board	108,808	(87,214)	21,594	98,231	(86,303)	11,928
Rooikloof Irrigation Board	51,405	(3,252)	48,153	45,579	(2,000)	43,579
Doornrivier Irrigation Board	211,269	(211,269)	-	-	-	-
	26,007,435	**(8,741,325)**	**17,266,110**	**26,319,221**	**(17,209,786)**	**9,109,435**

Figures in Rand	2024	2023

Related party transactions

Grants received from related parties		
Department of Water and Sanitation	42,182,000	40,173,000
Board payments received		
Mr BE Mnisi	97,497	90,052
Mr TE Abrahams	38,441	34,852
Mr AP Barnes	-	-
Dr O Curtis-Scott	16,377	11,229
Ms B Damane	17,471	13,387
Mr MJ Delport	26,467	26,687
Ms EM Palmer	18,173	13,948
Mr HM Rossouw	29,595	26,941
Mr CJU Swart	29,017	30,014
Mr J van Staden	-	-
Mr S Maseko	-	-

The Agency has a related party called Department of Water and Sanitation and transaction or amount received from the related party for operational expenses have been disclosed under note 11 to the financial statements.

Receivables transaction		**2024**			**2023**	
	Revenue	**Interest**	**Impairment**	**Revenue**	**Interest**	**Impairmente**
Jan Fourieskraal Water User Association	57,600	20,676	-	51,072	18,889	106,902
Gamkarivier Irrigation Board	292,612	47,252	61,109	259,450	-	-
Duivenhoks Water User Association	229,104	-	2,907	203,139	122	4,463
Calitzdorp Irrigation Board	109,232	-	-	96,852	2,183	60,663
Buffelsrivier Irrigation Board	508,162	-	-	450,570	188,840	639,410
Buffelskloof Irrigation Board	64,770	27,682	98,838	57,429	16,224	102,845
Buffelsvlei - Gamka Irrigation Board	64,359	54,923	-	57,065	52,375	854,890
Bleshoek Irrigation Board	23,684	696	2,215	21,000	448	12,026
Verkeerdevlei Irrigation Board	67,584	56,126	-	59,924	70,780	130,704
Vanwyksdorp Wgv	18,820	-	-	16,687	-	1,732
Stompdirft-Kamanassie Wgv	202,814	-	499,676	179,828	83,817	-
Oukloof Irrigation Board	48,425	45,705	-	42,936	52,468	153,531
Korente Vette Board	173,607	-	83,748	153,932	-	-
Kweekvallei Irrigation Board	40,514	-	493	35,923	-	788
Huisrivier Irrigation Board	27,069	-	330	24,001	-	527
Hoeko Irrigation Board	111,012	-	-	98,431	2,102	59,952
Baden Irrigation Board	34,560	-	-	30,643	654	18,401
Bossieveld Irrigation Board	306,419	-	3,732	271,691	-	5,962
Brandwag Irrigation Board	121,744	-	1,483	107,946	-	2,369
Dwariga Irrigation Board	26,280	-	-	23,302	498	14,203
Grootbosberg Irrigation Board	80,640	-	981	71,501	-	1,550
Cogmanskloof Irrigation Board	566,166	16,230	-	506,122	949	-
Groenland Water User Association	1,307,031	-	-	1,197,643	3,250	177,337
Agterkliphoogte Water User Association	50,578	931	-	44,846	-	3,534
Bo -Doornrivier Irrigation Board	303,936	56,739	351,471	65,223	42,752	167,393
Boesmansrivier Irrigation Board	124,350	-	-	110,257	594	16,360

Figures in Rand	2024	2023

Receivables transaction		2024			2023	
	Revenue	**Interest**	**Impairment**	**Revenue**	**Interest**	**Impairmente**
Titusrivier Irrigation Board	93,450	-	1,138	82,859	-	1,818
Grooteiland Klipdrift Irrigation Board	84,240	-	-	74,693	32,220	114,087
Hoopsrivier Wgv	49,710	19,914	-	44,076	14,583	-
Houtveld Irrigation Board	45,611	-	776	40,441	-	666
Keurkloof Water User Association	11,012	2,929	138	9,764	1,827	-
Elandkloof Irrigation Board	392,205	-	-	351,956	199,440	487,745
Kingna Irrigation Board	55,367	-	24,430	49,092	-	-
Klaasvoogds Water User Association	220,665	25,476	-	195,656	-	-
Bovenstewater Irrigation Board	30,600	60	416	27,132	42	1,569
Koekedouw Irrigation Board	210,000	-	2,538	186,200	-	3,912
Zonderend River Water User Association	1,410,954	-	-	1,251,046	196,965	2,930,759
Zanddrift Wgv	190,325	5,591	-	168,755	-	-
Willemnelsrivier Wgv	31,304	10,304	3,601	27,756	-	-
Worcester East Water User Association	897,010	189,631	-	795,569	-	-
Warmbokveld Irrigation Board	173,700	-	2,115	154,014	-	3,380
Vyeboom Irrigation Board	394,561	-	4,805	349,844	-	7,677
Vrolikheid Water User Association	63,096	37,234	-	55,945	-	-
Olifantsberg Irrigation Board	13,260	4,233	-	11,757	3,280	2,800
Noree Water User Association	98,453	29,641	-	87,411	-	-
Martinusvlei Wgv	7,820	4,786	24,667	7,022	-	-
Kabous River Water User Association	42,450	-	517	37,639	-	826
Stettyn Irrigation Board	136,559	534	2,053	121,082	372	11,386
Smalblaarrivier Irrigation Board	59,592	-	908	52,838	-	-
Matroosberg Irrigation Board	76,371	102	-	67,716	135	4,643
Koningsrivier Wgv	25,305	36,623	-	22,437	-	-
Leeu Gamka Irrigation Board	123,408	-	1,503	109,422	-	2,401
Modderrivier Irrigation Board	54,750	838	-	48,545	9,001	135,787
Prinsrivier Irrigation Board	30,000	-	494	26,600	-	-
Brandrivier Irrigation Board	10,058	7,681	-	8,918	11,495	-
Sentraal-Breërivier Wgv	5,225,327	-	-	4,642,686	-	-
Buffeljagsrivier Irrigation Board	315,529	153,277	-	279,769	99,718	1,331,586
Maalgate Water User Association	36,000	2,763	34,919	31,920	-	526
Uitnood Water User Association	43,190	1,237	-	38,630	28	-
Mc Gregor Irrigation Board	75,600	54,441	-	67,032	-	-
Groothoek Irrigation Board	82,035	451	2,218	72,737	314	8,079
Hexvalley Water User Association	348,395	20,553	123,213	318,144	-	165,562
Drie Riviere Irrigation Board	75,001	39,235	-	66,501	36,197	-
Wolseley Water User Association	284,369	-	-	252,140	-	126,070
Koo Irrigation Board	22,465	-	370	19,919	2,698	-
Jan Du Toitsrivier Irrigation Board	28,158	846	998	24,967	629	14,198
Waaihoek Irrigation Board	28,139	8,983	911	24,949	6,150	-
Rooikloof Irrigation Board	102,810	-	1,252	91,158	-	2,000
Doornrivier Irrigation Board	211,269	-	211,269	-	-	-
Overberg Water	127,399	-	8,891	122,265	-	-
	16,998,594	**984,323**	**1,561,123**	**14,756,415**	**1,152,039**	**7,893,019**

Figures in Rand	2024	2023

Remuneration

Executive

2024

	Basic Salary	Pension	Other short-term benefits and allowances	Performance bonus	Total
Mr JW van Staden (Acting Chief Executive Officer)	1,143,407	238,349	1,104,285	31,385	2,517,426
Ms ZM Mngoma (Chief Finance Officer)	1,143,407	238,349	897,637	31,385	2,310,778
PT Mahlaba (Acting Senior Manager - Water Resources)	673,943	140,304	1,093,243	29,696	1,937,186
	2,960,757	**617,002**	**3,095,165**	**92,466**	**6,765,390**

2023

	Basic Salary	Pension	Other short-term benefits and allowances	Total
Mr JW van Staden (Acting Chief Executive Officer)	996,575	213,819	847,935	2,058,329
Ms ZM Mngoma (Chief Finance Officer)	996,575	213,819	661,895	1,872,289
PT Mahlaba (Acting Senior Manager - Water Resources)	618,186	130,868	882,579	1,631,633
	2,611,336	**558,506**	**2,392,409**	**5,562,251**

Non-executive

2024

	Members' fees	Total
Chairman	97,497	97,497
Deputy Chairman	38,441	38,441
Non-executive members	137,100	137,100
	273,038	**273,038**

2023

	Members' fees	Total
Chairman	90,052	90,052
Deputy Chairman	34,852	34,852
Non-executive members	122,206	122,206
	247,110	**247,110**

Figures in Rand	2024	2023

20. Defined contribution plan

Pension fund

The Breede-Olifants Catchment Management Agency provides retirement benefits to its employees. The amount was recognised as an expense in the Statement of Financial Performance. The total pension fund contributions for the 2024 financial year amounted to R7,428,561 compared with R6,858,619 for the 2023 financial year.

The entity accounts for this defined benefit state plan as a defined contribution plan, as there is no consistent and reliabl e basis for allocating the obligation, plan assets and cost to the individual employers participating in the plan and the plan expose s the participating employers to actuarial risks associated with the current and former employees of other employers participating in the plan. That statutory valuation performed as at 20 November 2023 stated that net assets of the fund amounte d to R2 266 839 800 (20 October 2022: R1 812 702 086) with funding levels of 110.1% (31 March 2016: 108.3%). The contribution rate paid by employers (13 %) and members (7.5 %) is sufficient to fund the benefits accruing from the fund in the future. The entity has 70 members (2022/23: 72 members) that are members of this fund.

21. Financial risk management

21.1 Financial risk factors

The management of the Agency has overall responsibility for the establishment and monitoring of the Agency's risk management policies and procedures which have been established to identify and analyse the risks faced by the Agency, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and procedure s are reviewed regularly to reflect changes in market conditions and the Agency'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 th e entity's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. The entity's exposure to changes in the interest rates is on a floating rate basis t o funds invested with reputable financial institutions.

(b) Credit risk

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

(c) Liquidity risk

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

21.2 Liquidity risk

The carrying amounts of financial liabilities at the reporting date were the other payables of R7,477,848 for the 2024 financ ial year compared with R9,643,317 for the 2023 financial year.

The contractual maturities for other payables outstanding at 31

March 2024 are 12 months or less. These are payable on demand and most accurately reflects the short -term nature of trading activities.

Figures in Rand	2024	2023

Other Payables

	Payable within 1 month	**Payable 3 to 12 months**	Total
2023	3,089,773	6,553,544	9,643,317
2024	3,381,878	4,095,970	7,477,848
	6,471,651	**10,649,514**	**17,121,165**

21.3 Credit risk

Water resource management charges

	2024	2023
Current (0 - 30 days)	31,315,176	31,930,992
31 - 60 days	874,518	1,013,144
61 - 90 days	-	601,805
91 days +	119,384,833	143,173,411
	151,574,527	**176,719,352**

Impairment Aging

	2024	2023
Current (0 - 30 days)	(20,585,648)	(21,417,830)
31 - 60 days	(574,882)	(695,233)
61 - 90 days	-	(412,967)
91 days +	(78,479,972)	(98,242,392)
	(99,640,502)	**(120,768,422)**

Statutory receivables included in receivables from exchange transactions above are as follows:

	2024	2023
Water resource management charges	151,574,527	176,719,352

Statutory receivables general information

Receivable type	Revenue type	Legislation that gives rise to the transactions	Rates and interest charges	Impairment considerations
Water resource management charges	Exchange	National Water Act 36 of 1998	The Act determines rates and interest charged	Firstly on individually significant receivables, thereafter on a group of receivables with the same credit risk based on the collection rate.

Interest on other charges levied/charged

Interest was only charged on outstanding on water resource management accounts. No other levies were charged.

Figures in Rand	2024	2023

Discount rate applied to the estimated future cash flows
Interest is calculated using the nominal interest rate as stipulated in the legislation (prime + 1%). This rate is also cons idered an appropriate discount rate.

Statutory receivables past due but not impaired

Statutory receivables which are not current are considered as past due. At 31 March 2024, R41,204,497 (2023: R45,841,293) were past due but not impaired.
No statutory receivables are pledged as security.
The ageing of amounts past due but not impaired is as follows:

	2024 Past due	2024 Impaired	2024 Past due not Impaired
31 - 60 days	874,518	(574,882)	299,636
61 - 90 days	-	-	-
91 days +	119,384,833	(78,479,972)	40,904,861
	120,259,351	**(79,054,854)**	**41,204,497**

	2023 Past due	2023 Impaired	2023 Past due not Impaired
31 - 60 days	1,013,144	(62,374)	320,771
61 - 90 days	601,805	(411,268)	190,537
91 days +	143,173,411	(97,843,426)	45,329,985
	144,788,360	**(98,317,068)**	**45,841,293**

Factors the entity considered in assessing statutory receivables past due but not impaired
Receivables are assessed in terms of an objective evidence as a result of one or more events that occurred during the reporting period. Some debtors are therefore past due, but the balances are still expected to be recoverable based on payment patterns reflecting a positive recovery rate.

Reconciliation of provision for impairment for statutory receivables

	2024	2023
Opening balance	120,768,423	104,234,176
Impairment for the year	10,160,472	16,534,247
Trade receivables written off	(31,288,393)	-
Closing balance	**99,640,502**	**120,768,423**

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables
Significant impairment losses recognised or reversed

Water resouce management charges: Impairment recognised: Annually, the outstanding receivables are assessed in terms of GRAP 104. The impairment loss is similar to our expectation, but quantitatively the impairment is significant and therefore disclosed separately.

The credit quality of receivables that are neither past due nor impaired can be assessed to historical information. The entit y's historical experience in collection of receivables falls within recorded allowances. Due to these factors, management believe s that no additional risk beyond amounts provided for collection losses is inherent in the entity's receivables.

The allowance for impairment was calculated after grouping all the financial assets of similar nature and risk ratings, and by calculating the historical payment ratios for the groupings.

Figures in Rand	2024	2023

Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of GRAP 108: Statutory Receivables.

GRAP 108: Statutory Receivables

In the prior financial year, the entity adopted its accounting policy with respect to the treatment of GRAP 108: Statutory Receivables. The significant judgements were also updated accordingly. The standard does not significantly impact measurement of these receivables, but resulted in additional disclosures as per note 19.

The Implication of Prescription Act to Water Resource Charges

The 30 years prescription may apply to water resource charges(statutory charge), the water resource charges are levied in terms of section 57 of the National Water Act.

Section 11 (a) (iii) of the Prescription Act states that any debt in respect of any taxation imposed or levied by or under an y law prescribes in 30 years.

Management has considered both the Prescription Act and the court judgment CASE NO. 1040/2018, the judge of the high court ruled in favor of the Minister of Water and Sanitation. The court maintained that the prescription act does not apply t o charges levied in terms of section 57 of the National Water Act as it is a constitutional obligation to pay for water resource charges.

The following categories of debtors who have been fully provided for represent a minimum estimate of accounts the recovery of which could lead to a test for prescription.

Debtor category per provision computation	**Balance**
Closed cancelled and inactive accounts	6,350,925
Return to sender	16,557,096
Deregistered/Deceased/Resuce	7,596,449
Slow payers handed over	29,033,968
	59,538,438

21.4 Interest rate 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 R146,313,789 (Ca sh and cash equivalents) for the 2024 financial year compared with R125,977,450 for the 2023 financial year. The maximum exposure to interest risk at the reporting date in respect of interest bearing instruments amount to R3,383,316 (trade payabl es) for the 2024 financial year compared to R3,092,120 for the 2023 financial year.

A change of 50 basis points in interest rate at reporting date would have increased/(decreased) the deficit or surplus by R731,589 for the 2024 financial year and R629,887 for the 2023 financial year.

21.5. Impairment of doubtful debt

Impairment of doubtful debt	10,160,472	16,534,247

Figures in Rand	2024	2023

22. Commitments

Operating Premise Lease Commitments

Minimum lease payments due		
- within one year	3,358,962	3,142,761
- in second to fifth year inclusive	2,941,152	6,300,114
- later than five years	-	-
Minimum lease payments	**6,300,114**	**9,442,875**

Operating Equipment Lease Commitments

Leased office equipment		
- within one year	173,464	148,017
- in second to fifth year inclusive	251,771	212,037
- later than five years	-	-
	425,235	**360,054**

Leases premises are contracted for periods between 2 and 5 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%.

Lease equipment relates to the rental contracts on printing and office equipment contracted for a period of 5 years. The commitments above comprise of future minimum lease payments under non-cancellable operating leases.

Capital commitments

Minimum lease payments due		
- within one year	100,983	30,444

23. Reconciliation between Statements of Financial Performanc

The entity obtained resources in the form of a government grant R42,180,000 from the Department of Water and Sanitation and were used in accordance with the approved budget, e.g. the period of the concession, re-pricing dates, and the basis upon which re-pricing and re-negotiation is determined from the Department of Water and Sanitation and were used in accordance with the approved budget. The approved budget covers the period 1 April 2023 to 31 March 2024.

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 State objective and purpose

	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the	21,006,820	-	-	21,006,820
budget and actual comparative statementBasis differences	2,746,346	-	(3,416,828)	(670,482)
Entity Differences	-	-	-	-
Actual amount in the cash flow statement	23,753,166	-	(3,416,828)	20,336,338

Figures in Rand	2024	2023

24. Financial instruments

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	52,056,219	52,056,219
Cash and cash equivalents	146,313,788	146,313,788
Minimum lease payments	**198,370,007**	**198,370,007**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	7,479,286	7,479,286

2023

Financial assets

	At amortised cost	Total
Receivables from cash exchange transactions	56,260,038	56,260,038
Cash and cash equivalents	125,977,450	125,977,450
	182,237,488	**182,237,488**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	9,643,317	9,643,317

25. Irregular expenditure

	2024	2023
Opening balance	**8,057,927**	**-**
Add: Irregular Expenditure - current	-	1,745,846
Add: Irregular Expenditure - prior period	-	6,312,081
Closing balance	**8,057,927**	**8,057,927**

Incident	2024	2023
Due process not followed when 3 quotations were not obtained	-	39,089
Non-compliance with Treasury Regulation 16A8.4 - No declaration of interest	-	4,423
Non-compliance with Treasury Regulation 16A6.3(b) - Evaluation and adjudication criteria	-	1,702,334
	-	**1,745,846**

26. Subsequent events

The board are not aware of any material event which occurred after the reporting date and up to the date of this report.

NOTES

BREEDE-OLIFANTS
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