WATERBERG DISTRICT MUNICIPALITY

DRAFT 2020/21 ANNUAL REPORT

Table of Contents

CHAPTER 1 –EXECUTIVE MAYOR FOREWORD AND EXECUTIVE SUMMARY

1.1 COMPONENT A – EXECUTIVE MAYOR‘S FOREWORD

(a) Vision

“To be the energy hub and eco-tourism destination in Southern Africa”.

(b) Mission

“ To invest in a constituency of talented human capital who are motivated and innovative to build a sustainable economy in the field of energy, minerals and eco-tourism for the benefit of all our communities “

It is my humble honour and pleasure to present the annual report covering the financial year 2020/21. I would like to thank the council of this District that has served its fiduciary responsibility with distinction guided by all applicable prescript that governs local government in the Republic.

This report is written at time when South Africa and the whole world is facing a serious and dangerous health and economic challenges of unprecedented magnitude due to the novel coronavirus disease (Covid-19) that the World Health Organisation (WHO) declared a pandemic. In response, the South African government declared a national state of disaster, bringing to an abrupt halt all economic activities on the country to curb the spread of the virus.

In consideration of the Disaster Management Act No. 57 of 2002 and the Amended Disaster Management Act, Act No.16 of 2015 and the regulations 11063 issue on the 25 March 2020(which are referred to as COVID-19 Regulations) regarding the steps necessary to prevent an escalation of the disaster or contain and minimize the effect of the pandemic.

Waterberg district has established the structures as per the Disaster Management Act and Regulations for the COVID-19 Pandemic which are District Covid19 Command Council (DCC) and the Technical Covid19 Command Council –the structures are established in line with the IGR Institutional arrangement within the district. The two Councils are also duplicated at the local level and meeting on a by-weekly basis.

The President in 2019 called for the rolling out of the District Development Model (DDM) as a development approach/paradigm to facilitate development using the district as a unit of integrated and coordinated service delivery. It should be emphasized that the principles of the DDM are anchored on the provisions of Section 152(1) of the Constitution Act 106 of 1996 of the Republic of South Africa; as well as the objectives of developmental local government and the role of district municipalities as outlined in the 1998 White Paper on Local Government

The model seek to harmonise the various local, district and metro plans thus providing the potential of interlinked and mutually reinforcing corridors of economic and social development, reverse the pattern of operating in silos, which has so far led to lack of coherence in planning and implementation and which has made monitoring and oversight of government's programmes difficult.

The District Development Model is currently being piloted in OR Tambo District Municipality, eThekwini Metropolitan Municipality and Waterberg District Municipality. The first launch of the Model took place in OR Tambo District Municipality on 17 September 2019. The second launch was held in eThekwini Metropolitan Municipality on 18 October 2019. The third and last launch will be held in Waterberg District Municipality on the 26th of November 2019.

Currently in Waterberg the District wide hub headed by DBSA has been appointed and launched to coordinate and facilitate the development of one plan - A One Plan is an Intergovernmental Plan setting out a long-term strategic framework to guide investment and delivery in relation to a specific district or metropolitan space.

The District continues to improve on its performance and the quality outputs, which are primarily focused on high impact to society. This year under view, organisational performance improved from 84% 2019/20FY to 82% 2020/21 and capital expenditure from 69% 2019/20 FY to 47% 2020/21 FY. The municipality received the unqualified with no Material findings (clean Audit) for the year under review which is an improvement for unqualified with material finding 2019/20.

This will mark the last chapter of the 2016-2021 Council term of office. The handover report has been prepared and noted by council to be delivered to the new council. New council should improve from where the old council has left. The issues of financial sustainability and stability of be high on the agenda of the new council. New ways of generating revenue should be found which may include the implantation tariffs for the services the institution is offering i.e. Municipal health, Air Quality, Fire-fighting and Disaster risk Management.

I am confident that the coming financial year will be successful one despite the challenges posed by COVID-19

____

S.M Mataboge
Executive Mayor

1.2 Component B- Executive summary – Municipal Manager's Overview

The coronavirus (COVID- 19) pandemic presents an unprecedented crisis affecting all facets of normal life. The pressure faced by Water Service Authorities and other partners in providing water to communities during this crisis, for example, has indicated the serious backlog on water provision in most parts of the district that should be addressed as a matter of priority.

The pandemic has also brought with it the significant strain to the ailing District economy which prompted a call from government for the expedition of the development and implementation of the economic recovery plan. The District economic recovery plan as at its final stages and it will be approved for implementation in May 2021.

The District Development Model (DDM) one plan was concluded with the consultations across the district. The one plan consist of the objectives, outputs, roles and responsibilities, and commitments in terms of which all spheres of government and departments as well as partners will have to act and against which they will be held accountable for prioritising resources and delivery

Management and leadership have succeeded to produce credible strategic documents over the years. The most critical challenge is successful implementation of its strategic document namely the IDP. The District still need to improve the implementation of projects and adherence of the plan.

The district managed to hold two IDP rep forums in the year under review especially in the mid-year of the financial year before the unprecedented lockdown and prohibiting of the public gatherings. The District Municipality employs 181 people, 50 of which are in the finance and administration area, 40 are general workers and 30 are in the community and social service area. The District Municipality has a vacancy rate of 11%.

Management is committed to uphold and adhere to all applicable legislative prescribes to avoid deviations and section 32 transactions. Management has delivered on the commitment to achieve an unqualified Audit Opinion with no material finding for the 2020/21 financial year. The sustainability of this positive achievement should be sustained in the next 2021/22 financial year and beyond.

P Raputsoa

Municipal Manager

1.1. Municipal Function, Population and Environment Overview

The Waterberg District Municipality is a Category C1 municipality located in the western part of the Limpopo Province. The district municipality shares its borders with the Capricorn District Municipality in the north and the Sekhukhune District Municipality in the east. The Southwestern boundary abuts the North West Province, while the Gauteng Province lies on the Southeastern side.

The District shares its five border control points with Botswana, namely Groblersbrug, Stockpoort, Derdepoort, Zanzibar and Platjan. Five local municipalities - Bela-Bela, Lephalale, Modimolle-Mookgophong, Mogalakwena and Thabazimbi, make up the Waterberg District Municipality, which has a ground surface area of about 45 110km ². (District SDF)

Location of Waterberg within the Limpopo province geographical map

Geographical Map of the District

The District is made-up of five local municipalities - Bela-Bela, Lephalale, Modimolle-Mookgophong, Mogalakwena and Thabazimbi as reflected in map above.

Below is the table which situate Waterberg District Municipality (WDM) within Limpopo Province as it relates to the Province in terms of coverage per square metre and population.

Table 1: DISTRICT IN COMPARISON WITH LIMPOPO PROVINCE

Municipality	**Total area in km²**	**% of total**	**Population**	**% of total**
Waterberg	45 110	39	745757	13
Limpopo Provence	**126 323**	**100**	**5 404 868**	**100**

1.3.1 Demographics

According to the Census 2011, the population growth rate was 1, 2% over a 10 year period, and according 2016 community survey the population rate increased to 9.8%

	Male	Female	Total 2011	Male	Female	Total 2016
Thabazimbi	42 773	29 072	71 845	57259	38973	96232
Lephalale	56 704	48 259	104 964	76528	60098	136626
Mookgophong	15 748	14 760	30 509	54393	53305	107698
Modimolle	30 614	29 760	60 373			
Bela-Bela	28 799	27 603	56 401	38961	37335	76296
Mogalakwena	137 512	158 285	295 796	154352	174553	328905
Waterberg	**312 150**	**307 739**	**619 889**	**381493**	**364264**	**745757**

Figure1. Demographics: Census 2011 and community survey 2016

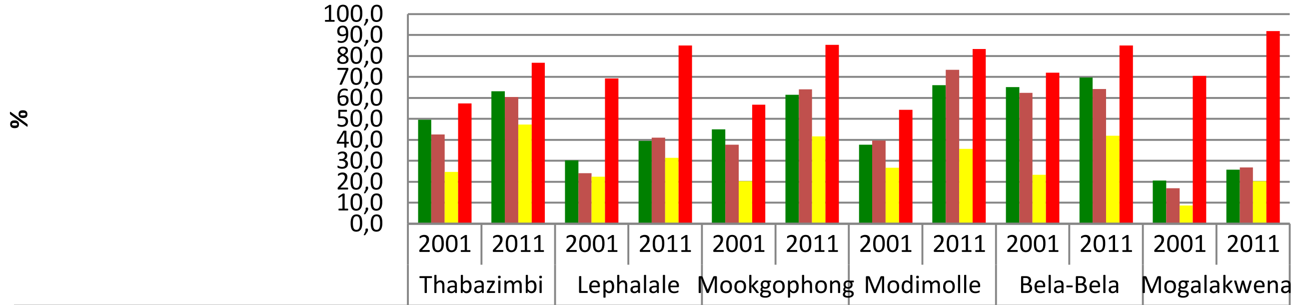
The district area is both a hot and semi-arid in nature. The rain falls mainly in January and December. There are a number of places of which its biodiversity is a source of tourism attraction. There are Municipalities which had been proclaimed by the Department of Environmental Affairs to be contributing to pollution within the as a result of mining activities which had raised some environmental concerns. The District Municipality has a mandate to deal with air quality issues. Such municipalities are as follows:

-Mogalakwena, Thabazimbi and Lephalale

1.3.2. Service Delivery Overview.

The service delivery of the municipality is mainly confined to the disaster management and firefighting services. Unlike the other district municipalities in the Province, Waterberg District Municipality it is not water services authority. The 6 local municipalities are responsible for providing basic services.

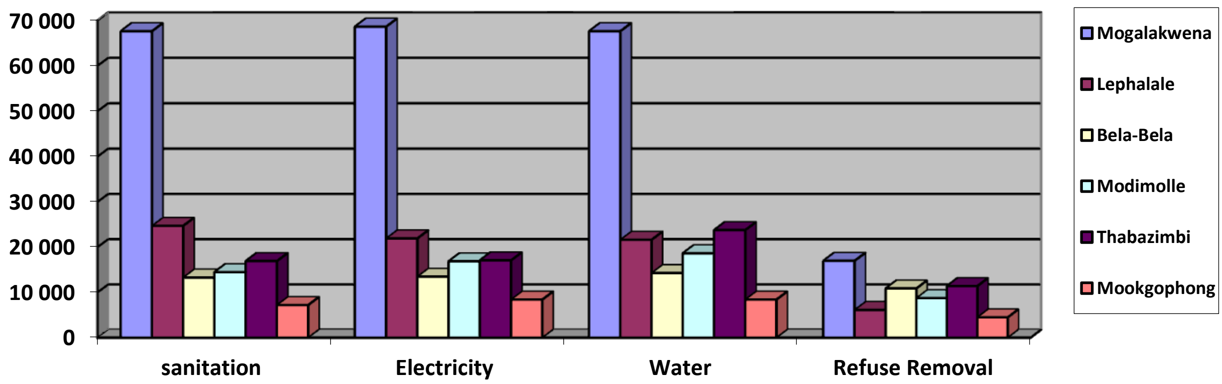
The provision of basic services to households is summarized as follows:



	Thabazimbi 2001	Thabazimbi 2011	Lephalale 2001	Lephalale 2011	Mookgophong 2001	Mookgophong 2011	Modimolle 2001	Modimolle 2011	Bela-Bela 2001	Bela-Bela 2011	Mogalakwena 2001	Mogalakwena 2011
Flush toilet connected to sewage	49,5	63,1	30,1	39,5	45,0	61,4	37,6	66,1	65,2	69,7	20,5	25,8
Weekly refuse removal	42,5	60,4	24,0	41,0	37,7	64,1	39,7	73,3	62,4	64,2	16,9	26,8
Piped water inside dwelling	24,7	47,3	22,4	31,4	20,3	41,6	26,6	35,7	23,3	41,9	8,7	20,2
Electricity for lighting	57,3	76,8	69,3	85,0	56,8	85,3	54,3	83,3	72,0	85,0	70,4	91,8

Source: Stats SA 2011

Figure 2.Basic Services



1.3.3 Service Delivery Backlog

Municipality	Water	Sanitation	Electricity	Refuse Removal
Bela-Bela	2.64%	12%	12%	22.2%
Lephalale	3.21%	12.15%	6.2%	6.2%
Modimolle-Mookgophong	8.2%	4.28%	7.62%	79.2%
Mogalakwena	25%	25%	17%	59%
Thabazimbi	27%	34%	31%	33%
Waterberg	**13%**	**15.7%**	**10.5%**	**52%**

NB: The highest backlogs are recorded in Refuse Removal and Sanitation mainly because there are 198 villages in both Lephalale and Mogalakwena local municipalities.

1.3.4 Basic Services

Water

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	21 354	21 134	2.64%
Modimolle-Mookgophong	28 977	28 047	3.21%
Mogalakwena	79 392	72 922	8.2%
Lephalale	43 002	32 109	25%
Thabazimbi	35 462	25 618	27%
Waterberg	**208 190**	**179 830**	**13%**

Sanitation

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	21 354	18 791	12%
Modimolle-Mookgophong	28 977	25 454	12.15%
Mogalakwena	79 392	75 645	4.28%
Lephalale	43 002	32 426	25%
Thabazimbi	35 462	23 175	34%
Waterberg	**208 190**	**175 491**	**15.7%**

Electricity

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	21 354	18 695	12%
Modimolle-Mookgophong	28 977	27 173	6.2%
Mogalakwena	79 392	78 105	7.62%
Lephalale	43 002	35 304	17%
Thabazimbi	35 462	27 041	31%
Waterberg	**208 190**	**186 318**	**10.5%**

Refuse Removal

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	21 354	14 743	22.2%
Modimolle- Mookgophong	28 977	27 173	6.2%
Mogalakwena	79 392	16 500	79.2%
Lephalale	43 002	17 672	59%
Thabazimbi	35 462	23 872	33%
Waterberg	**208 190**	**99 960**	**52%**

1.3.5 Financial Health Overview

WDM is grant dependent which makes it difficult to generate its own revenue. Its management of financial resources is showcased by its qualified audit outcome.

The internal control systems are used diligently and financial policies are strictly followed.

Details	Original budget	Adjustments budget	Actual
Income :			

Grants	140 703 000	146 353 094	146 353 094
Transfers	-	-	-
Investment Revenue	8 800 000	5 361 000	3 517 666
Other	194 520	194 520	227 308
Services charges	871 116	1 541 116	1 177 404
Subtotal	**150 268 636**	**153 371 636**	**151 275 472**
Less Expenditure :			
Employee Cost	122 511 000	119 979 000	114 667 019
Remuneration of Councillors	9 233 000	9 240 000	8 420 742
Depreciation and amortisation	8 628 000	8 628 000	7 894 079
Project expenditure	9 542 992	8 503 592	5 913 198
General expenses	34 208 008	37 111 808	29 794 919
Subtotal	**184 123 000**	**183 462 400**	**166 801 441**
Surplus before taxation	(33 554 364)	(30 090 764)	(15 525 969)
Actual Amount on comparable Basis as presented in the Budget and Actual comparative statement	**(33 554 364)**	**(30 090 764)**	**(15 525 969)**

Operating ratios

The municipality has to devise ways and means of bringing the salaries and wages budget to the acceptable standard of 32 % failing which the core mandate of service delivery will be compromised seriously.

Actual Remuneration (Employee & Cllr) as a % of total operating expenditure R 114 667 019/166 801 441 =69%
Actual Repairs and maintenance as a % of Property, Plant & Equipment (PPE) 3 826 282/4 468 080 =86%
Actual Current ratio: Current Assets vs Current Liabilities 50 618 344/23 496 625 = 2.154

1.3.6 Organizational Development (OD) Overview

Organizational development is beginning to grow in the municipal environment. As a result OD in its wide scope is still new and municipalities are beginning to appreciate its importance. As mentioned earlier, the PMS was not cascaded, a few People with Disabilities are appointed, and accessibility of the building, diversity management and important topics such as emotional intelligence, talent management and organizational culture still need some attention.

In general the municipality through its Human Resources Division is giving attention to issues of skills development through its Workplace Skills Plan whilst the Strategic Division is dealing with performance management issues. As a result the Senior Managers' performance reviews were conducted throughout the year.

1.3.7 Auditor General Report

WDM received unqualified audit report for **2020/21 FY.** Management also work as a team and issues of audit queries are addressed throughout the year with the support of the political leadership and it is also a permanent item on the agenda of the institutional management , Chief Financial Officers' Forum and the Municipal Managers' Forum.

1.3.8 Statutory Annual Report Process

No	Activity	Time frame
1	Consideration of the next financial year's Budget and IDP Process Plan except for the legislative content, the process plan should confirm in- year reporting formats to ensure that reporting and monitoring feeds seamlessly into Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences(in- year financial reporting	
3	Finalise 4th Quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance Committee considers Draft Annual Report of Municipality	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated Annual Financial Statements and Performance Report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General assesses draft Annual Report including consolidated Annual Statements and Performance data	November
10	Municipalities receive and start to address the Auditor General's Comments	
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor General's Report	
12	Audited Annual Report is made public and representations are invited	
13	Oversight Committee/ Municipal Public Accounts Committee assesses Annual Report	
14	Council adopts Oversight Report	March
15	Oversight Report is made public	
16	Oversight Report is submitted to Provincial Departments	
17	Commence of draft Budget/IDP finalization for next financial year: Annual Report and Oversight Report to be used as input	January

2. Chapter 2

INTRODUCTION TO GOVERNANCE

Waterberg District Municipality is a category C municipality and has an Executive Mayoral System. The Council comprises of 35 councilors of which composed of directly and indirectly representatives and 2 traditional leaders. The majority of the councilors are from the ANC with DA and EFF and FF+ as opposition parties.

Throughout the year, the Municipal Manager as the head administration played his role in terms of section 55 of the Municipal Systems Act. Amongst many of his roles, the Municipal Manager was able to advise the political structures and political office bearers of the municipality and also carried out the decisions of the political structures and the political office bearers of the municipality. It is the responsibility of the Municipal Manager to advise council to take decisions which are in line with legislation and policies of the municipality.

The IDP review was used as main public participation tool which implemented /used to allow the communities to participate in the affairs of the municipality. The IDP Representative Fora were convened by the Office of the Municipal Manager, chaired by the Executive Mayor. The Ordinary Council meetings and the Portfolio were organized throughout the year and were chaired by the Mayoral Committee Members and eventually reported to the Mayoral Committee and the Council.

During the year under review, the Municipal Manager had also convened the Municipal Managers Forum which is attended by the local municipality municipal managers from the 5 local municipalities, the WDM section 57 managers and the senior managers of the 12 sector departments within the District. As a technical committee they prepare technical reports which are presented in the District Intergovernmental Relations Forum. This forum (District IGR Forum) also served as preparation for the Provincial IGR Forum whereby the Executive Mayors presented their District wide reports. EXCO Lekgotla decisions are discussed and implemented based on the reports. Discussions and resolutions presented at Exco Lekgotla are also presented at Min-Mec Meetings.

The implementation of the Performance Management System also serves as tool which is used to hold the Senior Managers accountable for their performances. The Municipal Manager himself assessed his Senior Managers and was assessed by the Executive Mayor. The IDP Representative Forum was used to report the performance of the council to the community.

2.1 Component A-Political and Administrative Governance

2.1.1 POLITICAL GOVERNANCE

Section 52 (a) of the Municipal Finance Management Act provides that the Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality. The Mayoral Committee is also established in terms of Section 79 of the Municipal Structures Act. Section 80 committees namely Budget and Treasury Office, Transformation and Administration, Infrastructure Development, Planning and Economic Development, Special Projects and Community Committees are chaired by the Mayoral Committee members.
Municipal Public Accounts Committee comprising of 10 members was established to play an oversight role and work closely with the Performance Audit Committee and the Audit Committee.

2.1.2 COUNCIL

Council is the legislative arm of the Municipality and highest decision making body over issues such as approval of the Budget and the IDP. These are functions that cannot be delegated to any Committees of the Council.


WATERBERG DISTRICT MUNICIPAL COUNCIL
(2016 - 2021)
Cllr K.S Lamola
Speaker
Cllr S.M Mataboge
Executive Mayor
Cllr M.A Tsebe
Chief Whip
MEMBERS OF MAYORAL COMMITTEE
MMC T.A Mashamaite ANC
MMC F Hlungwane ANC
MMC M.P Sebatjane ANC
MMC R.M Radebe ANC
MMC M.R Boloka ANC
MMC K.R.Mokwena ANC
Cllr R.J Mahoro ANC
Cllr N.S Montane ANC
Cllr M.J Gumede ANC
Cllr P Molekwa ANC
Cllr M.T Mogale ANC
Cllr M.J Selokela ANC
Cllr L.K Satege ANC
Cllr M.S Tefu ANC
Cllr R N Monene ANC
Cllr M.B Baloyi ANC
Cllr T.E Monama EFF
Cllr R.D Mampeule EFF
Cllr M.J Matlala EFF
Cllr M.S Thobane EFF
Cllr M.J Kekana EFF
Cllr M.D Mochaki EFF
Cllr S.C Majoko EFF
Cllr R.Maropeng EFF
Cllr F.Z Esply DA
Cllr S.C.G Senosha DA
Cllr K.C Khotsa DA
Cllr D Senosha DA
Waterberg
District Municipality
on the Go for Growth
Cllr N Laubscher DA
Cllr B Mocke DA
Cllr B N Magogwa DA
Cllr K N Niewenhuis FF+

2.1.3 POLITICAL MANAGEMENT TEAM

Cllr S M Mataboge
Executive Mayor

Cllr K S Lamola
Speaker

Cllr A Matsemela

Chief Whip

2.1.4 Mayoral Committee & Section 80 Committees

At least 5 meetings convened by the Portfolio Committees were able to process items for the Mayoral Committee and Council at least on a quarterly basis.

COUNCIL COMMITTEES [SECTION 80]

BUDGET & TREASURY	
Chairperson: T.A. Mashamaite	**Members:** (a) M.B. Baloyi (b) N. Laubscher (c)) R. Maropeng (d) M F Mabasa
TRANSFORMATION & ADMINISTRATION	
Chairperson: F.S. Hlungwane	**Members:** (a) R. N. Monene (b) M. S. Tefu (c) K. C. Khotsa (d)T.E. Monama
PLANNING & ECONOMIC DEVELOPMENT	
Chairperson: M. P. Sebatjane	**Members:** (a) S.C.G. Senosha (b) M.S. Thobane (c) R.D. Mampeule
INFRASTRUCTURE	
Chairperson : R. M. Radebe	**Members:** (a) M. J. Selokela (b) P. Molekwa (c) B. Mocke (d)) M.J. Matlala
SOCIAL DEVELOPMENT	
Chairperson: M. R. Boloka	Members: (a) B. N. Magongwa (b) M.D. Mochaki (c) M.T. Mogale (d) Inkosi V.N. Mahlangu
COMMUNITY SERVICES	
Chairperson: Vacant	Members: (a) K.H. Niewenhuis (b) D. Senosha

	(c) R.J. Mahoro (d) M.J. Kekana
SPECIAL PROJECTS	
Chairperson: K. R. Mokwena	**Members:** (a) F.Z. Esply (b) M.J. Gumede (c)) S.C. Majoko (d) Kgoshi L.V. Kekana

2.1.5. Section 79

Municipal Public Accounts Committee (MPAC)

MPAC originally comprising of 11 members was established in 2016 to play an overall oversight role and work closely with the Audit Committee and Performance Audit Committee. The committee is now having 9 members due to the withdrawal of two members from Mogalakwena without replacements for the year under review. To formalize the role, Council had approved the terms of reference which are meant to guide the MPAC as to how it must do its business within the ambit of the law. The district-wide programme was developed to assist the local municipalities to perform their functions effectively within the correct timeframe. The committee met 4 times to deal with the business of the Annual Report.

Number	Position	Names	Political Party
1	Chairperson	Cllr N.S Montane	African National Congress
2	Member	Cllr M.J Gumede	African National Congress
3	Member	Cllr N. Laubscher	Democratic Alliance
4	Member	Cllr B.N Magongwa	Democratic Alliance
5	Member	Cllr S.C Majoko	Economic Freedom Fighters
6	Member	Cllr R.N Monene	African National Congress
7	Member	Cllr MJ Selokela	African National Congress
8	Member	Cllr M.S. Thobane	Economic Freedom Fighters
9	Member	Cllr KH Niewenhuis	FF+

ESTABLISHMENT OF COUNCIL COMMITTEES [SECTION 79]

ETHICS MANAGEMENT COMMITTEE	
Chairperson: K.S. Lamola	**Members**: (a) S.M. Mataboge (b) M.A Tsebe (c) M.B. Baloyi (d) R. Maropeng

1. The following Audit Committee Members were appointed by Council for a period of three (3) years:
   - **i.** Adv. J. L. Thubakgale
   - **ii.** Mr. R. Tshimomola
   - **iii.** Mr. GM Dhladhla

2.1.6 POLITICAL DECISION MAKING

Council had met 8 times during the financial year under review and 4 special council meetings and 4 ordinary council meetings were convened. Out of 19 Council resolutions taken 14 were resolved and 05 on progresses by June 2020. It is normal procedure for Portfolio Committee meetings to be convened before Council and some special Council of the decisions was on the tabling of the IDP/Budget/SDBIP and the Adjustments budget.

2.2 ADMINISTRATIVE GOVERNANCE

In terms of section 54A of the Municipal Systems Amendment Act, the Municipal Manager is appointed as the Accounting Officer. Apart from being head of administration, he is also important link with the political office bearer.

P. Raputsoa
Municipal Manager
The Office of Municipal Manager comprises of 2 divisions namely: Strategic Planning &Support and Internal Audit.

T. Muelelwa
Chief Financial Officer:
Budget and Treasury Office comprises of 3 divisions namely: Supply Chain Management, Revenue Management, Reporting and Expenditure Management Division

Gustinah Matlala
Manager: Infrastructure Development.
The department comprises of 2 Divisions namely: Capital Programme & Road Maintenance

D.T.L Sehlapelo
Manager: Planning & Economic Development:
The department comprises of 3 divisions namely: Development Planning, Economic Development and Abattoir.
.
M. Namate
Manager: Social Development and Community Development:
The department comprises of 2 divisions namely: Municipal Health Service and Disaster Management.

GM. Seleka
Manager: Corporate Support & Shared Services:
The Department comprises of 3 divisions namely: Human Resources Management, Information and Communication Technology and Legal & Administration.

2.2 Component B-inter-Governmental Relations (IGR)

2.2.1 DISTRICT INTERGOVERMENTAL RELATIONS FORUM

Waterberg District Municipality is the coordinator of the Intergovernmental Relations in the District. An IGR framework was adopted in 2007 - which framework was used to give effect to the objects of the Intergovernmental Relations Framework Act. The Technical Committee of Senior Managers ,Sector Departments and Municipal Managers meet at least once a quarter and prepare reports which must be submitted to the Premier – Mayors Forum. Attendance by sector departments is a serious challenge and therefore hampers progress in terms of planning and service delivery.

2.2.2 PROVINCIAL INTERGOVERNMENTAL RELATIONS FORUM

The Province has initiated the Premier Mayors Forum which meets at least twice in a year. All 24 Mayors and the Municipal Managers and the Senior Managers meet and discuss issues of Governance. The Forum is attended by the District Mayors and the Municipal Managers. The Executive Mayor presents the technical report of the District before going to the Forum at the Province this forum.

2.2.3 NATIONAL INTERGOVERNMENTAL STRUCTURE

South Africa is a unitary state that is characterized by 3 spheres of government as enshrined in the Constitution of the Republic. All spheres are expected to cooperate with one another in the spirit of cooperative governance. These structures are helpful in that information and programmes are shared and alignment becomes the outcome of such efforts. All important decisions of the national intergovernmental forum should find expression in the lower IGR structures.

In general the Senior Managers at the District level need to appreciate the importance of IGR by attending themselves and avoid sending junior officials to IGR activities, which undermines the main thrust of such gatherings. The sector departments are expected to present reports to the Forum- which will show some of the IDP projects they are implementing, with regard to progress made.

2.3 Component C-Public Accountability and Participation

In terms of section 15 of the Municipal Structures Act requires a municipality must organize its administration to facilitate and promote a culture of accountability among its staff. Democratic governance entails reporting to the community and other stakeholders as to how the deployed resources have been used to deliver services.

2.3.1 PUBLIC MEETINGS

Nature and purpose of a meeting	Date of event/meeting	Number of participating Municipal Councillors	Number of Community members attending	Number of participating Municipal Administrators	Dates and manner of feedback given to Community
1st IDP Representative Forum : Adoption of Framework	Meeting postponed due to covid-19 regulations	-	-	-	-
2nd IDP Representative Forum: Analysis Phase	26 November 2020	13	20	10	26 November 2020- Verbal
3rd IDP Representative Forum: Budget & IDP	19 March 2021	23	19	17	19 March2021 - Verbal
4th IDP Representative Forum	24 May 2021	15	22	19	14 May 2021 - Verbal

2.3.2 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment criteria	Yes / No
Does the municipality have impact outcome, input and output indicators?	Yes
Does the IDP have priorities objectives, KPIs and development strategies?	Yes
Does the IDP have multi- year targets	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to those of Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per SDBIP	Yes
Do the IDP KPIS align with the Provincial KPIs on the 12 outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the fourth quarter aligned submitted within stipulated time frames?	Yes

2.4 Component D- corporative Governance Overview

2.4.1 RISK MANAGEMENT

The Accounting Officer must ensure that the municipality has and maintains effective, efficient and transparent system of financial, risk management and internal control. Risk Management system is a valuable tool which increases an institution's prospects of success through minimizing negative outcomes and optimizing opportunities.

The municipality has reviewed its risk management policy in 2019 and the Audit Committee uses a risk based approach. A risk register entails a list of risks which senior managers should address. A risk management committee comprising of senior managers, divisional managers and an external chairperson is in place and has met consistently throughout the year.

Risk	Activity	Rating
1	Lack of integrated IT Systems	High
2	Loss of assets	High
3	Fraud and corruption	High
4	Appointment of incompetent officials	High
5	Poor capital spending	High

2.4.2 ANTI-CORRUPTION AND FRAUD

Anti-corruption and fraud strategy was developed, reviewed in 2019 and is being implemented. The vetting of SCM Officials goes a long way in reducing deviations which consequently helps the municipality to avoid irregular and unauthorized expenditures. No councilor is allowed to sit in the bid committees as prohibited by the Municipal Finance Management Act.

2.4.3 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy has been reviewed and is therefore in line with the MFMA Regulations. The Budget and Treasury Office is ensuring that the abovementioned be implemented without fear or favor. The 3 bid system is in place and the officials who sit in the committees have a fairly good understanding of the SCM processes and regulations. To reduce the possibility of fraud, SCM officials or members who sit in the tender committees have been vetted. The effective use of declaration of interest forms and regular reporting to Council on SCM Deviations is a necessary deterrent.

There are workshops conducted to ensure that officials involved on the Supply Chain matters are abreast with the new trends, developments and legislative environment guiding the Supply Chain Management Systems.

2.4.4 BY-LAWS

The procedure to develop a by-law is explicit in the Orders of Council document. The Corporate Services is best placed to lead a public participation process on the development of the by-laws. For the year under review no new by- law neither was develop nor was an old by-law reviewed. The delay of promulgation rests with COGHSTA and makes it difficult to enforce certain decisions- which decisions will lack legal force. Municipal Systems empowers municipal councils to pass and implement by-laws in order to improve their service of the communities within their areas of jurisdiction.

Newly developed	Revised	Public Participation conducted prior to the development of by-laws (Yes or No)	Dates of Public Participation	By-laws Gazetted Yes or No	Date of Publication
None	None	None	None	None	None

2.4.5 MUNICIPAL WEBSITE

The Information and Communication Technology is responsible for hosting the website with the assistance of SITA. In terms of the Municipal Systems Act a number of important documents must be put on the website to ensure that the community and other stake-holders access such information. It is updated on a regular basis.

Documents published on the municipal website	Yes or No	Date of publication
Current annual and adjustments budget and all budget related documents	Yes	Current annual Adjustment Budget March 2021
All current budget related policies	Yes	May 2021
2020/21 Annual Report	No	Not yet
The 2020/21 Annual Report published or to be published	No	Not yet
All current performance agreements in terms of section 57(1) (b) and resultant scorecards	Yes	2020/21 July 2020
All service delivery agreements of 2020/21	Yes	July 2021
All long term borrowing contracts	No	N/A
All quarterly reports tabled to Council All supply chain management contracts above a certain value	Yes	August 2020,January 2021 & March 2021 July 2021
Public Private Partnerships	No	N/A
Information statement listing all the assets over a prescribed value that have been disposed	No	N/A
Contracts to which subsection of 33 applies	No	N/A

2.4.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Waterberg District Municipality does not have a public satisfaction survey mechanism which can be used to assess the attitude or perceptions of the community on the services it renders. This lack of mechanism makes it to be reactive and to rely too much on the Presidential and Premier hotlines. The IGR and Protocol Unit Division with the assistance of Strategic Support and Planning Unit are responsible for such matters.

Satisfaction Surveys could not be conducted in 2020/21 due to budgetary constrains

Subject matter of survey	Survey method	Survey date	Number of people included in survey	Survey result indicating satisfaction or better %
Overall satisfaction with				
(a) Municipality	None	NA	NA	NA

3. Chapter 3-Basic Services Delivery (Performance Report)

3.1 Component A-Basic Service

3.1.1 Water Provision

Waterberg District Municipality unlike the other district municipalities in the Province does not render any basic services. As a result of its lack of powers and function on these services, the role of the district municipality has been reduced to coordination of such services as water, electricity, sanitation and free basic services. Sporadically it is also assisting few local municipalities in implementing basic services projects when finances permit.

3.1.3 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL

Waterberg District Municipality does not perform the function.

3.1.4 ELECTRICITY

Waterberg District Municipality does not perform the function.

3.1.5 HOUSING

Waterberg District Municipality does not perform the function.

3.1.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Since Waterberg District Municipality does not have to the powers to perform basic services, it its local municipalities that are rendering such services. According to 2018/19 District IDP, the locals provided indigents with free basic water and electricity services.

3.2 Component B-Transport (including vehicles licencing & Public Bus Operations

Capital Expenditure 2020/21: Road Services **R' 000**					
Capital Projects	**2020/21**				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	No transport projects for 20/21	-	-	-	-

Waterberg District Municipality has adopted an Integrated Transport Plan in 2007 and was reviewed in 2016.The powers and functions does not include licensing and public bus operation but gives direction regard integrated transport planning and the influence of infrastructure on economic development in particular and development in general. The process of finalising Road classification would go a long way in unlocking the potential of the district in sourcing extra funds to improve its road infrastructure.

3.2.1 GRAVEL ROAD INFRASTRUCTURE

Employees: Road Services					
Job Level	**2020/21**				
	Employees **No.**	**Posts** **No.**	**Employees** **No.**	**Vacancies (fulltime equivalents)** **No.**	**Vacancies (as a % of total posts)** **%**
0 - 3	2	2	2	0	0%
4 - 6	1	1	1	0	0
7 - 9	1	1	1	0	0
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	4	4	4	0	0%

3.2.2 DEVELOPMENT OF MUNICIPAL ROADS

The District roads were re-classified to be provincial roads by the MEC through provincial 2014 gazette.

3.3 Component C-Planning and Development

Lack of funds contributes to the fact that most of the SDF projects could not be initiated. In assisting the local municipalities to review their Central Business Districts, it cannot force them to implement them in their Integrated Development Plan. In general investment in Infrastructure development and dismantling of racial settlements are persistent. This poor funding also impacts on the local economic development. There are few resources really to commit to achieving the economic indicators relevant to the economy of the district.

3.3.1 PLANNING

The local municipalities are responsible for the implementation of their Land Use Management schemes.

Service Objectives	Outline Service Targets	2020/21		2020/21
		Target	Actual	
(I)	(ii)			
Determine planning application within a reasonable timescale	Approval or rejection of all build environment applications within a x weeks	Determination within x weeks	Determination within x weeks	Determination within 12 weeks
	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned
Job Level				

	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	-	-	--	--	-
16 - 18					
19 - 20	-		-	-	-
Total	2	2	2	0	0%

Details	2020/21			
	Actual	Original Budget	Adjustment Budget	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-		-
Expenditure:				
Employees	931 007	968 248	968 248	0%
Repairs and Maintenance	-	-		-
Other	-	-		-
Total Operational Expenditure	931 007	968 248	968 248	0%
Net Operational (Service) Expenditure	**(931 007)**	**(968 248)**	**(968 248)**	**0%**

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Total Project Value
Total All	**1 800 000**	**1 800 000**		
Project A	1 000 000	1 000 000	0.00	Human Settlement project was rolled over to 2021/22 fy
Project B	700 000	700 000	334 950	- -
Project C	-	-	-	- -
Project D	-	-	-	-

3.3.2 LOCAL ECONOMIC DEVELOPMENT

Employees: Economic Development					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)

	No.	No.	No.	No.	%
0 - 3	1	**1**	1	0	0
4 - 6	2	**2**	2	0	0
7 - 9	-	**-**	.-	-	-
10 - 12	-	**-**	-	-	-
13 - 15	-	**-**	-	-	-
16 - 18	-	**-**	-	-	-
19 - 20	-	**-**	-	-	-
Total	**3**	**3**	**3**	**0**	**0**

Financial Performance 2020/21: Economic Development					
					R'000
Details	**2019/20**	**2020/21**			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	6 127 341.99	6 239 105	6 239 105	6 700 956.87	6%
Repairs and Maintenance	-	-	-		-
Other	113.04	-	-		-
Total Operational Expenditure	6 127 455.03	6 239 105	6 239 105	6 700 956.87	6%
Net Operational (Service) Expenditure	(6 127 455.03)	**(6 239 105)**	**(6 239 105)**	**(6 700 956.87)**	

Jobs Created during 2020/21 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives -	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)		-	-	-
Initiative A (20/21)	**None**	-	-	-
Initiative B (20/21)	**-**	-	-	-
Initiative C (20/21)	**-**	-	-	-
Job creation through EPWP* projects				
Year	EPWP Projects	Jobs created through EPWP projects		
	No.	No.		
2018/19	No budget allocation for 2018/19	-		-
2019/20	No budget allocation for 2019/20			
2020/21	Rapotokwane phase 2 VIP Sanitation	15		contracts, ID and Payroll

Local Economic Development Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	**2018/19**		**2019/20**		**2020/21**	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objectives; *To ensure optimal utilisation of and adherence to space economy*							
Job creation	**Number of jobs created to LED Initiatives**	**15**	**33**	**0**	**0**	**0**	**0**

3.4 Component D- Municipal Services

Waterberg District Municipality does not have powers and functions to render services such as libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

3.4.1 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

No Budget allocation 2020/21 financial year

Municipal Infrastructure Grant (MIG)* Expenditure 2020/21 on Service backlogs
R' 000

Details	**Budget**	**Adjustment Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjustment Budget**	
Infrastructure - Road transport						
Roads, Pavements & Bridges	-	-	-	-	-	-
Storm water	-	-	-	-	-	-
Infrastructure – Electricity						
Generation	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-
Infrastructure – Water						
Dams & Reservoirs	-	-	-	-	-	-
Water purification	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-
Infrastructure – Sanitation						
Reticulation	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-
Infrastructure – Other						
Waste Management	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Gas	-	-	-	-	-	-
Other Specify:	-	-	-	-	-	-

	-	-	-	-	-	-
Total	-	-	-	-		-

Employees: Local Economic Development Services				
Job Level	**2020/21**			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	1	0
4 - 6	2	2	2	0
7 - 9	-	-	-	-
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	3	3	3	0

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days refer to table A3 info will be on TB (trial balance) all vote which start with 16 are repairs & maintenance

Financial Performance **2020/21**: Local Economic Development Services					
R'000					
	Actual 2018/19	Original budget	Adjustment budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-		-
Expenditure:					
Employees	6 127 341.99	6 239 105	6 239 105	6 700 956.87	6%
Repairs and Maintenance	-	-	-		-
Other	113.04	-	-		-
Total Operational Expenditure	6 127 455.03	6 239 105	6 239 105	6 700 956.87	6%
Net Operational (Service) Expenditure	(6 127 455.03)	**(6 239 105)**	**(6 239 105)**	**(6 700 956.87)**	

Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Local Economic Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	**2018/19**		**2019/20**		**2020/21**	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
Service Objective: To ensure optimal utilisation and adherence to space economy							
% of functional CTAS		100%	100%	0%	0%	0%	0%
# of jobs created by LED		0	0	0	0	0	0
# of **cooperatives supported**		10	32	10	18	10	15

Employees: Local Economic Development					
Job Level	**2019/20**	**2020/21**			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	-	-
4 - 6	2	2	2	-	-
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	3	3	3	-	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.56.4

Financial Performance: Local Economic Development

R'000

Details	**2019/20**	**2020/21**			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-		
Expenditure:					
Employees	6 127 341.99	6 239 105	6 239 105	6 700 956.87	6%
Repairs and Maintenance	-	-	-		-
Other	113.04	-	-		-
Total Operational Expenditure	6 127 455.03	6 239 105	6 239 105	6 700 956.87	6%
Net Operational (Service) Expenditure	(6 127 455.03)	**(6 239 105)**	**(6 239 105)**	**(6 700 956.87)**	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2020/21: Local Economic Development

R' 000

Capital Projects	**2020/21**				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**550 000**		**166 196**	**31%**	
Project A	250 000	-	107 600	43%	-
Project B	200 000	-	0.00	-	-
Project C	100 000	-	58 596	59%	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

3.5 Component E- Environmental Protection (Management)

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	**2018/19**		**2019/20**		**2020/21**	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
Service Objective : To preserve and protect natural resources and promote public health							
# of health and hygiene awareness campaign conducted		10	11	10	7	10	21
% of funeral undertakers complying to standards		-	-	08	08	08	08
# of listed activities in terms of AQA		20	13	10	5	10	4
# of ambient air quality report submitted		6	8	6	6	6	6

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators 'Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.

Environmental Protection					
Job Level	**2019/20**	**2020/21**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	1	1	1	0	-
4 - 6	2	2	2	0	100%
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	3	3	3	0	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days

Financial Performance 2020/21: Environmental Protection					
					R'000
Details	**2019/20**	**2020/21**			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-		-
Expenditure:					
Employees	19 115 323.52	23 767 025	23 767 025	22 576 250,65	5%
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Operational Expenditure	19 115 323.52	23 767 025	23 767 025	22 576 250,65	5%
Net Operational (Service) Expenditure	**(19 115 323.52)**	**(23 767 025)**	**(23 767 025)**	**(22 576 250,65)**	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2020/21: Environmental Protection **R' 000**					
Capital Projects	**2020/21**				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects				
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

3.6 Component F- Health Inspection, Food and Abattoir Licensing and Inspection

Health Inspection, Food and Abattoir Taken From IDP							
Service Objectives	Outline Service Targets	**2018/19**		**2019/20**		**2020/21**	
		Target	Actual	Target	Actual	Target	Actual
(i)	(ii)						
Service Objective : To preserve and protect natural resources and promote public health							
% of water samples collected and analysed		12	10/12	12	8	12	7
% of food samples collected and analysed		-	-	-	-	-	-
# of permitted landfill sites monitored		8	6/8	9	9	9	9
number of food outlets issued with certificate of compliance		100%	100% 87/87	70	94/70	80	97/80

Employees: Health inspection, food and abattoir licensing and inspection					
Job Level	2019/20	2020/21			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 – 3	1	1	1	0	0
4 – 6	7	8	6	2	25%
7 – 9	23	23	23	0	0
10 – 12	-	-	-	-	-
13 – 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 – 20	-	-	-	-	-
Total	31	32	30	2	25%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.56.4

Financial Performance 2020/21: Health inspection, food and abattoir licensing and inspection R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-	-		-
Expenditure:					
Employees	19 115 323.52	23 767 025	23 767 025	22 576 250,65	5%
Repairs and Maintenance		-	-	-	-
Other	-	-	-	-	-
Total Operational Expenditure	19 115 323.52	23 767 025	23 767 025	22 576 250,65	5%
Net Operational (Service) Expenditure	(19 115 323.52)	**(23 767 025)**	**(23 767 025)**	**(22 576 250,65)**	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2020/21: Health inspection, food and abattoir licensing and inspection R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects				
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

3.7 Component G-Security and Safety

Waterberg does not perform the function of safety and security.

FIRE FIGHTING

Fire fighting Taken From IDP							
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective: To coordinate and monitor infrastructure development for provision and access to services.							
Number of firefighting reports submitted by local municipalities	-	24	24	20	20	20	20
% of building plans approved	-	100%	100% 21/21	100%	100% 19/19	100%	100% 15/15
% of transport permits issued by local municipalities	-	-	-	-	-	-	-
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators 'Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.							

Employees: Fire-fighting					
Job Level	**2019/20**	**2020/21**			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	4	5	5	0	0
7 - 9	1	1	1	0	0
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	5	6	6	-	-
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.56.4					

Financial Performance 2020/21: Fire-fighting					
					R'000
Details	**2019/20**	**2020/21**			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-	-		-
Expenditure:					
Employees	19 115 323.52	23 767 025	23 767 025	22 576 250,65	5%
Repairs and Maintenance		-	-	-	-
Other	-	-	-	-	-
Total	19 115 323.52	23 767 025	23 767 025	22 576 250,65	5%

	(19 115 323.52)	**(23 767 025)**	**(23 767 025)**	**(22 576 250,65)**	

Capital Expenditure 2020/21: Fire-fighting **R' 000**					
Capital Projects	**2020/21**				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	**No Project for the year**	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Disaster Management

Disaster Management objectives Taken From IDP								
Service Objectives	Outline Service Targets		**2018/19**		**2019/20**		**2020/21**	
			Target	Actual	Target	Actual	Target	Actual
(i)	(ii)							
Service Objective: To coordinate and monitor for provision and access to services								
# of Disaster Management advisory forum meetings held		-	4	4	4	4	4	4
# of Disaster Management Annual Report submitted		-	1	1	1	1	1	1
% of transport permits issued by local municipalities			-	-	-	-	-	-
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators 'Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.								

Employees: Disaster Management					
Job Level	**2019/20**	**2020/21**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	-	-	-	-	-
4 - 6	2	2	2	-	-
7 - 9	11	11	11	-	-
10 - 12	-	-	-	-	-
13 - 15					
16 - 18	-		-	-	-
19 - 20					
Total	13	13	13	-	-

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.56.4

Financial Performance 2020/21: Disaster Management R'000					
Details	2019/20				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-	-		-
Expenditure:					
Employees	19 115 323.52	23 767 025	23 767 025	22 576 250,65	5%
Repairs and Maintenance	-	-	-	-	-
Other	0.00	-	-	-	-
Total Operational Expenditure	19 115 323.52	23 767 025	23 767 025	22 576 250,65	5%
Net Operational (Service) Expenditure	(19 115 323.52)	**(23 767 025)**	**(23 767 025)**	**(22 576 250,65)**	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2020/21: Disaster Management R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No Project				
Project A					
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

3.8 Component H- Sports and Recreation

Sport and Recreation objectives Taken From IDP								
Service Objectives	Outline Service Targets	**2018/19**		**2019/20**			**2020/21**	
		Target	Actual	Target		Actual	Target	Actual
(i)	(ii)							
Service Objective: To empower the community and instil a sense of ownership for development.								
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators 'Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.								

Employees: Sports and Recreation					
Job Level		2020/21			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	-	-	-	-	-
4 - 6	1	1	1	0	0
7 - 9					
10 - 12	-	-	-	-	-
13 - 15					
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	1	1	1	0	0

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.56.4

Financial Performance 2020/21 Sports and Recreation					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)		-	-		-
Expenditure:					
Employees	421 058.00	435 374	435 374	435 374	100%
Repairs and Maintenance		-	-	-	-
Other		-	-	-	-
Total Operational Expenditure	421 058.00	435 374	435 374	435 374	**100%**
Net Operational (Service) Expenditure	**(421 058.00)**	**(435 374)**	**(435 374)**	**(435 374)**	**-**

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2020/21: Sports and Recreation					
					R' 000
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	-	
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

3.9 Component I- Corporate Policy, Offices and Other Offices

The Executive and Council objectives taken from IDP							
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective : To develop and implement integrated management and governance systems							
# of Council meetings held		4	7	4	8	4	10
% of Councils resolutions implemented		100%	74% 14/19	100%	87% 31/36	100%	29% 5/17
# of MPAC meetings held		4	6	4	9	4	5
# of IDP Representative Forum meetings held		4	4	4	3	3	3

Employees: Executive Support					
Job Level	**2019/20**	**2020/21**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	4	4	4	0	0
4 - 6	5	5	5	0	0
7 - 9	2	2	2	0	0
10 - 12	2	2	2	0	0
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	**12**	**13**	**13**	**0**	**100**

Financial Performance 2020/21: Executive Support R'000					
Details	**2019/20**	**2020/21**			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-	-	-	-
Expenditure:					
Employees	11 534 583.61	18 936 852	18 936 852	13 784 655,48	27%
Repairs and Maintenance	-	-	-		
Other	458.94	-	-		
Total Operational Expenditure	**11 535 042.55**	18 936 852	18 936 852	13 784 655,48	**27%**
Net Operational (Service) Expenditure	**(11 535 042.55)**	**(18 936 852)**	**(18 936 852)**	**(13 784 655,48)**	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2020/21: Executive Support **R' 000**					
Capital Projects	**2020/21**				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**No Capital project**	**-**	**-**	**-**	
Project A		-		-	--
Project B	-	-	-		-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Financial Services

Financial Service objectives taken From IDP							
Service Objectives	Outline Service Targets	**2018/19**		**2019/20**		**2020/21**	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective: To effectively manage finances and improve sustainability							
% of cost coverage	-	100%	502%	100%	175%	100%	48%
% of Capital budget variance	-	10%	21%	10%	31%	10%	53%
% of orders issued within 10 working days of receipt of requisition		100%	100%	100%	100%	100%	100%
# of MFMA S71 reports submitted on time		12	12	12	12	12	12

Employees: Financial Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	5	5	0	0
4 - 6	2	2	2	0	0
7 - 9	4	5	5	0	0
10 - 12	5	5	5	0	0
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	15	17	17	-	-

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.56.4

Financial Performance 2020/21: Financial Services					
					R'000
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	148 433 381	137 770 289	137 770 289	161 008 267	14%
Expenditure:					
Employees	12 841 451.35	13 978 789	13 978 789	13 647 828,85	2%
Repairs and Maintenance		-	-		
Other	890.02	-	-		
Total Operational Expenditure	**12 842 341.37**	**13 978 789**	**13 978 789**	**13647828,85**	**2%**
Net Operational (Service) Expenditure	-	-	-	-	-

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2020/21: Financial Services					
					R' 000
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No project -	-	-	-	
Project A	-	-	-	-	--
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

HUMAN RESOURCE SERVICES

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	**2017/18**		**2018/19**		**2019/20**		**2020/21**	
Service Indicators		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Objective : To retain, attract the best human capital									
% of women employed by the municipality against total staff	55%	50%	55%	50%	56%	50%	55%	50%	55%
# of LLF meetings held	9	4	9	4	6	4	7	4	5
# of HR policies reviewed	10	2	8	8	11	10	21	10	20
% of injuries on duty attended within 5 days	100% 7/7	100%	100% 0/0	100%	100% 0/0	100%	100% 2/2	100%	100% 3/3

	Employees: Human Resource Services			
Job Level	**2020/21**			
	Posts	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**%**
0 - 3	1	1	0	0%
4 - 6	4	4	0	0%
7 - 9	-	-	-	-
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	5	5	0	0%

Financial Performance 2020/21: Human Resource Services

R'000

Details	**2019/20**	**2020/21**			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-	-		-
Expenditure:					
Employees	12 386 078.34	14 560 874	14 560 874	13 728 343,30	5%
Repairs and Maintenance	-				
Other	2 323.80	-	-		
Total Operational Expenditure	**12 388 402.14**	**14 560 874**	**14 560 874**	**13 728 343,30**	**5%**
Net Operational (Service) Expenditure	**(12 388 402.14)**	**(14 560 874)**	**(14 560 874)**	**(13 728 343,30)**	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2021/21: Human Resource Services

R' 000

Capital Projects	**2020/21**					
	Budget	Adjustment Budget	Actual Expenditure		Variance from original budget	Total Project Value
Total All	-	-	-		-	-
Project A	-	-	-		-	-
Project B	-	-	-		-	-
Project C	-	-	-		-	-
Project D	-	-	-		-	-

Employees: Human Resource Services				
Job Level		2020/21		
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0%
4 - 6	4	4	0	0%
7 - 9	-	-	-	-
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	5	5	0	0%

Financial Performance 2020/21: Human Resource Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-	-	-	-
Expenditure:					
Employees	12 386 078.34	14 560 874	14 560 874	13 728 343,30	5%
Repairs and Maintenance	-	-	-	-	-
Other	2 323.80	-	-	-	-
Total Operational Expenditure	**12 388 402.14**	**14 560 874**	**14 560 874**	**13 728 343,30**	**5%**
Net Operational (Service) Expenditure	**(12 388 402.14)**	**(14 560 874)**	**(14 560 874)**	**(13 728 343,30)**	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2020/21: Human Resource Services						
R' 000						
Capital Projects	2020/21					
	Budget		Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	-	-	-
Project A	-	-	-	-	-	-
Project B	-	-	-	-	-	-
Project C	-	-	-	-	-	-
Project D	-	-	-	-	-	-

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The role of technology in improving the lives of all people has been confirmed by the NPD where it is recognised as one of the drivers of change, From the strategic session held in March 2013, it became very clear that ICT should grow to become of the strategic departments on its own in the future. When ICTD is used correctly it can also assist to render more services, empower communities and reduce costs.

ICT Services Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2018/19**		**2019/20**		**2020/21**	
Service Indicators		**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
(i)	**(ii)**						
Service Objective: To develop and implement integrated management and governance system							
# of District ICT forum meetings held		4	5	4	2	4	4
% of uptime of key systems		95%	99.9%	95%	99.9%	95%	99.5%
% of developed systems assessed		100%	100%	100%	100%	100%	100%
% of EHP ICT problems reported and resolved		100%	100%	100%	100%	100%	100%

Employees: ICT Services				
Job Level	**2020/21**			
	Posts	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**%**
0 - 3	-	-	-	-
4 - 6	2	2	0	0%
7 - 9	1	1	0	0
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	3	3	0	0%

R'000				
Details	**2020/21**			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-		-
Expenditure:				
Employees	14 560 874	14 560 874	13 728 343,30	5%

Repairs and Maintenance	-	-	-	-
Other	-	-	-	-
Total Operational Expenditure	**14 560 874**	**14 560 874**	**13 728 343,30**	**5%**
Net Operational (Service) Expenditure	**(14 560 874)**	**(14 560 874)**	**(13 728 343,30)**	
Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.An ICT service is subdivision of the Corporate support and shared services.				

Capital Expenditure 2020/21: ICT Services					
R' 000					
Capital Projects	**2020/21**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	**No Project**	**-**	**-**	**-**	-
Project A	-		-		-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Employees: ICT Services				
Job Level	**2020/21**			
	Posts	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**%**
0 - 3	-	-	-	-
4 - 6	2	2	0	0%
7 - 9	1	1	0	0
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	3	3	0	0%

Financial Performance 2020/21 ICT Services				
R'000				
Details	**2020/21**			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-		-
Expenditure:				
Employees	14 560 874	14 560 874	13 728 343,30	5%
Repairs and Maintenance	-	-	-	-
Other	-	-	-	-
Total Operational Expenditure	**14 560 874**	**14 560 874**	**13 728 343,30**	**5%**
Net Operational (Service) Expenditure	**(14 560 874)**	**(14 560 874)**	**(13 728 343,30)**	

Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
Capital Expenditure 2019/20: ICT Services					
R' 000					
Capital Projects	**2019/20**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	**No Project for 2020/21**				-
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

The division of ICT with its lean staff is doing fairly well to provide support to all other departments. The maintenance of ICT structure is mainly performed by SITA and the best part of the year, the municipality did not experience any serious downtime.

PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

A GRAP compliance asset register was updated by the Budget and Treasury Office whilst the Corporate Services Department was responsible for its control.

Property ,legal, risk management and procurement Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	**2018/19**		**2019/20**		**2020/21**	
Service Indicators		Target	Actual	Target	Actual	Target	Actual
(i)	(ii)						
Service Objective: To attract, develop and retain best human capital and to coordinate governance systems?							
# of legal opinions developed internally	30%	30%	10%	30%	15%	30%	20%
% of corruption cases reported to SAPS	100%	100%	0%	100%	0%	100%	0%
% of projects specifications ready before end of financial year	100%	100%	10%	100%	15%	100%	30%
% of risks addressed	100%	100%	54%	100%	97%	100%	80%
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Current Year' refers to the targets set in the 2020/21 Budget/IDP round. *'Following Year' refers to the targets set in the 20/21 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.							

Employees: Property; Legal; Risk Management; and Procurement Services				
Job Level	2020/21			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	1	1	0	0
7 - 9	-	-	-	-
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	2	2	0	-

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2020/21: Property; Legal; Risk Management; and Procurement Services

R'000

Details		2020/21			
	2019/20	Original	Adjustment	Actual	Variance
Total Operational Revenue (excluding tariffs)	**-**	**-**	**-**	**-**	**-**
Expenditure:					
Employees	12 386 078.34	14 560 874	14 560 874	13 728 343,30	5%
Repairs and Maintenance	-	-	-	-	-
Other	2 323.80	-	-	-	-
Total Operational Expenditure	**12 388 402.14**	**14 560 874**	**14 560 874**	**13 728 343,30**	**5%**
Net Operational (Service) Expenditure	**(12 388 402.14)**	**(14 560 874)**	**(14 560 874)**	**(13 728 343,30)**	

Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.
A legal service is division in the Corporate support and shared services.

Capital Expenditure 2019/20: Property; Legal; Risk Management; and Procurement Services

R' 000					
Capital Projects	**2020/21**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	No projects				
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Employees: Property; Legal; Risk Management; and Procurement Services				
Job Level	**2020/21**			
	Posts	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**%**
0 - 3	1	1	0	0
4 - 6	1	1	0	0
7 - 9	-	-	-	-
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	2	2	0	-

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2020/21: Property; Legal; Risk Management; and Procurement Services					
R'000					
Details					
	2019/20 Actual	**Original**	**Adjustment**	**Actual**	**Variance**
Total Operational Revenue (excluding tariffs)	-	-	-		
Expenditure:					
Employees	12 386 078.34	14 560 874	14 560 874	13 728 343,30	5%
Repairs and Maintenance	-	-	-	-	-
Other	2 323.80	-	-	-	-
Total Operational Expenditure	**12 388 402.14**	**14 560 874**	**14 560 874**	**13 728 343,30**	**5%**
Net Operational (Service) Expenditure	**(12 388 402.14)**	**(14 560 874)**	**(14 560 874)**	**(13 728 343,30)**	
Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2020/21: Property; Legal; Risk Management; and Procurement Services	
R' 000	
Capital Projects	**2020/21**

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects	-	-	-	-
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

3.10 Component J- Miscellaneous

Internal Audit Objectives Taken From IDP							
Service Objectives	Outline Service Targets	**2018/19**		**2019/20**		**2020/21**	
Service Indicators		Target	Actual	Target	Actual	Target	Actual
Service Objective: To develop and implement integrated management and governance systems							
% of AG queries resolved		100%	82% 28/34	100%	100% 32/32	100%	100%
# of Audit Committee meetings		4	5	4	6	4	5
% of Internal audit queries resolved		100%	50% 5/10	100%	64% 11/17	100%	84% 26/31
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators 'Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.							

Employees: Internal Audit					
Job Level	**2019/20**	**2020/21**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	2	2	2	0	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	5	5	5	0	-
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.56.4					

Financial Performance 2020/21: Internal Audit

Details	2019/20	2020/21			R'000
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-	-		-
Expenditure:					
Employees	6 692 889.39	8 242 391	8 242 391	7 816 904,21	5%
Repairs and Maintenance	-	-	-	-	
Other	-	-	-	-	
Total Operational Expenditure	6 692 889.39	8 242 391	8 242 391	7 816 904,21	**5%**
Net Operational (Service) Expenditure	**(6 692 889.39)**	**(8 242 391)**	**(8 242 391)**	**7 816 904,21**	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2020/21: Internal Audit

R' 000

Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects				
Project A	-	-	-	-	--
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

Strategic Support and Planning objectives Taken From IDP

Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21	
Service Indicators		Target	Actual	Target	Actual	Target	Actual
Service Objective: To develop and implement integrated and management and governance systems							
# of performance assessments reports submitted	-	4	4	4	4	4	4
# of Monitoring and Evaluation Forum meetings held	-	4	4	4	4	4	4
% of highly rated IDP developed	-	100%	100%	100%	100%	100%	100%
# of Municipal Managers Forum meetings held	-	4	4	3	2	2	1

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators 'Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.

Employees: Strategic Support and Planning					
Job Level	2019/20	2020/21			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0
4 - 6	2	2	2	0	0
7 - 9	1	1	1	0	0
10 - 12					
13 - 15	-				
16 - 18	-		-	-	-
19 - 20					
Total	4	4	4	0	0

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.56.4

Financial Performance 2020/21: Strategic Support and Planning R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tarrifs)	-	-	-		-
Expenditure:					
Employees	6 692 889.39	8 242 391	8 242 391	7 816 904,21	5%
Repairs and Maintenance	-	-	-	-	-
Other	0.00	-	-	-	-
Total Operational Expenditure	6 692 889.39	8 242 391	8 242 391	7 816 904,21	**5%**
Net Operational (Service) Expenditure	**6 692 889.39)**	**((8 242 391)**	**(8 242 391)**	**7 816 904,21**	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2020/21: Strategic Support and Planning R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**No capital project**	**-**	**-**	**-**	
Project A	-	-	-	-	
Project B	-				
Project C	-	-	-	-	
Project D	-	-	-	-	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

3.11 Component K-Organisational Performance Score-Card

2020/21 INSTITUTIONAL SCORE CARD

	KPA	Strategic Objective	Programme / Focus area	Performance Indicators	Responsible Department	Baseline 2019/20	Annual Target 2020-2021	Actual Performance	Variance	Remarks	Remedial Action	Evidence
1	Spatial rationale	To coordinate spatial transformation	Integrated Planning	Number of Highly rated IDP	**OMM**	1/1 IDP rated high	1X highly rated IDP attained by 30 June 2021	1/1 IDP rated high	0	2021/22 IDP rated high by the MEC of local Government in the Province.	None	CoGHSTA IDP Analysis report
2	Spatial rationale	To coordinate spatial transformation	Integrated Planning	Number of IDP (s) Approved by council by 31 May 2021	**OMM**	1/1	1X 2021/22-2025/26 IDP Approved by 30 June 2021	1/1	0	The Final IDP and Budget were adopted by council 27 May 2021	None	Approved 2021/22-2025/26 Approved IDP with Council resolution
3	Spatial rationale	To facilitate access and transform land and rural tourism development	Integrated planning	Number of DMPT Meeting held	**PED**	4/3	4 X DMPT Meeting held by 30 June 2021	10/4 meetings held	+6	Tribunals were held on the 3/09/2020 16-17/09/2020 **Q2**-11/12/2020 **Q3**-23 /02/2021, 16/03/2021,31 /03/2021 **Q4**-29 &30 April 2021, 6 May 2021, 2 & 3 June 2021, 24 & 25 June 2021.	None	10X Set of Invitation Agenda Minutes Attendance register
4	Basic service delivery	To preserve and protect natural resources and promote public health	Municipal Health	Number of Food outlets issued with certificate of compliance	**SDCS**	94/70	80 X Food outlets issued with certificate of compliance by 30 June 2021	97/80	+17	97/80 certificates of acceptability issued for the quarter	None	97 X Set of Signed copies of certificates
5	Basic service delivery	To coordinate and monitor social and infrastructure development for the provision and access to	Municipal health	Number of permitted land fill site monitored	**SDCS**	8/8	9 X Permitted land fill site monitored by 30 June 2021	9/9	0	9/9 landfill sites monitored for the year 2020/21	None	36 X 4 Sets of Reports on Permitted land fill site monitored & Schedule of permitted landfill site monitoring sessions

	KPA	Strategic Objective	Programme / Focus area	Performance Indicators	Responsible Department	Baseline 2019/20	Annual Target 2020-2021	Actual Performance	Variance	Remarks	Remedial Action	Evidence
		services.										
6	Basic delivery service	To coordinate and monitor infrastructure development for the provision and access to service	Disaster Management	Number of Disaster Management stakeholder consultative meetings held	**SDCS**	new	8 X Disaster Management stakeholder consultative meetings held by 30 June 2021	24/8	+16	3/07/2020 10/07/2020 17/07/2020 24/07/2020 31/07/2020 07/08/2020 14/08/2020 21/08/2020 28/08/2020 4/09/2020 18/09/2020 **Q2** 02/10/2020 16/10/2020 13/11/2020 27/11/2020 **Q3** 08/01/2021 22/01/2021 05/02/2021 19/02/2021 **Q4** 16/04/2021 30/04/2021 14/05/2021 28/05/2021 25/06/2021	None	24 X Set of Invitation Agenda Minutes Attendance register & Schedule of Meetings
7	Basic service delivery	To coordinate and monitor infrastructure development for the provision and access to	Fire fighting	Number of Fire-fighting reports submitted by local municipalities	**SDCS**	new	20 X Fire-fighting reports submitted by local municipalities by 30 June 2021	20/20	0	All 20/20 report submitted by local municipalities for the year 2020/21	None	20 X Set of Fire-fighting Quarterly reports
8	Financial management and viability	To effectively manage finances and resource mobilisation.	Expenditure Management	Percentage of Operating budget variance in terms of SDBIP	**ALL**	20,31 %	≤10% of Operating budget variance attained by 30 June 2021	10%	0%	10% Opex variance	None	Annexure B Financial Report
9	Financial management and viability	To effectively manage finances and resource mobilisation.	Expenditure Management	Percentage Capital budget variance in terms of SDBIP	**ALL**	17.63 %	≤10% of Capital budget variance attained by 30 June 2021	53%	43%	53% - 10%=43% 53% Variance 47% Total Expenditure	Improve the adherence to the Procurement Plan	Annexure C Financial report

	KPA	Strategic Objective	Programme / Focus area	Performance Indicators	Responsible Department	Baseline 2019/20	Annual Target 2020-2021	Actual Performance	Variance	Remarks	Remedial Action	Evidence
1	Financial management and viability	To effectively manage finances and resource mobilisation.	Reporting	Number of section 71 MFMA report submitted within timeframe	**BTO**	12/12	12 X 71 MFMA report submitted within 10 working days of start of the each Month	12/12 Reports submitted	0	12/12 s71 report submitted to National Treasury from 1 July 2020 to 30 June 2021	None	12 X Set of Submission letters or email & Schedule of MFMA 71 Submission Schedule
1	Local Economic Development	To create a conducive environment for radical economic development.	Economic development	Number LED forum meeting held	**PED**	3/3	4 X LED forum meeting held by 30 June 2021	4/4	0	4/4meeting held 08/10/2020 11/02/2021 23-24/02/2021 30/06/2021	None	4 X Set of Attendance register, Agenda, Minutes and invitations
1	Local Economic Development	To create a conducive environment for radical economic development.	Economic development	Percentage of LED Forums resolutions implemented	**PED**	100% 5/5	100% LED forums resolutions implemented by 30 June 2021	100% 10/10	0%	All 10/10 resolution implemented	None	LED Forum(s) resolution register
1	Good Governance and Public Participation	To develop and implement integrated management & governance systems	Monitoring and Evaluation	Number of section 72 Report (s)- Mid-year Budget and performance Assessment Report submitted	**OMM**	1/1 25/01/2020	1 X (MFMA S72 Report) Mid-year Budget and performance Assessment Report submitted by 25 January 2021	1/1 22/01/2021	0	The 2020/21 Mid-year Performance Assessment Report submitted to NT, PT and CoGHSTA on the 22/01/2021	None	Submission letters to NT/PT & EM with acknowledgement letters & A Copy of Mid-year Budget and performance Assessment Report
1	Good Governance and Public Participation	To develop and implement integrated management & governance systems	Monitoring and Evaluation	Number of Submission of Annual Performance Report (APR) and AFS .	**OMM**	1/1	1X APR and AFS submitted to AGSA by 31 August 2020.	1/1 30/10/2020	0	The 2019/20 APR submitted to AGSA on the 30/10/2020	None	1 X Copy of Submission letter with acknowledgement
1	Good Governance and Public Participation	To develop and implement integrated management and governance systems	Auditing	AG -Audit outcome/Opinion	**ALL**	Unqualified	Unqualified sustained by 31 March 2021	1/1 Unqualified	0	The Audit Report was issued 10 April 2021	None	Audit Report

	KPA	Strategic Objective	Programme / Focus area	Performance Indicators	Responsible Department	Baseline 2019/20	Annual Target 2020-2021	Actual Performance	Variance	Remarks	Remedial Action	Evidence
1	Good Governance and Public Participation	To develop and implement integrated management and governance systems	Auditing	Percentage AG material audit queries resolved	**ALL**	100% 32/32	100% of Prior Year material audit queries resolved by 30 June 2021	100% 28/28	0%	All 28/28 AG Queries resolved	None	2019/20 Post Audit action plan
1	Good Governance and Public Participation	To develop and implement integrated management and governance systems	Auditing	Percentage Identified risk resolved within timeframes as specified in risk plan	**ALL**	45% 4/9	100% of Identified risk resolved within timeframes as specified in risk plan by 30 June 2021	70% 7/10	30%	The effectiveness of mitigating risk controls is stable	Quarterly assessment scheduled for September 2021.	Risk register
1	Good Governance and Public Participation	To develop and implement integrated management and governance systems	Auditing	Percentage of internal audit findings resolved	**ALL**	75% 21/28	100% of internal audit findings resolved by 30 June 2021	84% 26/31	16%	The 5 outstanding	The 5 outstanding will be resolved in the first quarter of 2021/22	Internal audit action plan
1	Good Governance and Public Participation	To develop and implement integrated management and governance systems	Auditing	Number of Audit committee meetings held	**OMM**	4/4	4 X Audit committee meetings held by 30 June 2021	6/4	+2	Meeting held 13/08/2020 28/10/2020 23/11/2020 16/03/2021 30/03/2021 11/05/2021	None	6 X Set of Minutes and Attendance register with the Schedule of Meetings
2	Good Governance and Public Participation	To develop and implement integrated management and governance systems	Auditing	Percentage of Audit Committee recommendations implemented	**ALL**	64% 11/17	100% of Audit Committee recommendations implemented by 30 June 2021	79% 22/28	21%	6 outstanding resolution will concluded in the next AC meeting	Disaster Recovery Plan and detailed investment register will be tabled in the next AC meeting	Audit Committee recommendations Register
2	Good Governance and Public Participation	To develop and implement integrated management	Governance	Percentage Council resolutions implemented within timeframes	**ALL**	87% 31/36	100% Council resolutions implemented by 30 June 2021	29% 5/17	71%	5/17 Resolutions implemented	Management has resolved some of the resolution has to be	Council resolutions implemented register

	KPA	Strategic Objective	Programme / Focus area	Performance Indicators	Responsible Department	Baseline 2019/20	Annual Target 2020-2021	Actual Performance	Variance	Remarks	Remedial Action	Evidence
		and governance systems									rescinded due to financial constraints	
2	Good Governance and Public Participation	To develop and implement integrated management and governance	Public Participation	Number of IDP Representative Forum meetings convened	**OMM**	3/3	4 X IDP Representative Forum meetings convened by 30 June 2021	3/4	1	The 1st IDP Rep Forum was not held due to Covid-19 17/11/2020 19/03/2021 24/05/2021	Notice issued to invite comments on the 2021/22 IDP Process Plan 14 August 2020.	3 X Set of Invitations, Agenda, minutes & attendance register with Schedule of the meetings
2	Good Governance and Public Participation	To develop and implement integrated management and governance	Governance	Percentage of MPAC resolutions implemented	**ALL**	100% 14/14	100% MPAC resolutions implemented by 30 June 2021	100% 12/12	0%	12/12 Resolutions implemented	None	MPAC Resolution register
2	Good Governance and Public Participation	To develop and implement integrated management and governance	Governance	Number of 2019/20 Oversight report(s) approved by council	**OMM**	1/1	1 X 2019/20 Oversight report(s) approved by council by 31 march 2021	1/1 27/05/2021	0	1/1 MPAC oversight report on the 2019/20 AR approved by council without reservation	None	Council resolution with 2019/20 Oversight Report
2	Transformation and Organisational Development	To attract, develop and retain ethical and best human capital	Human Resources Management	Number of Senior Management with signed Performance Agreements	**OMM**	6/6	6 X Senior Management with signed Performance Agreements by 31 July 2020	6/6	0	6/6 Senior Management signed the 2020/21 Annual performance Agreement	None	6 X Copies of Signed Performance Agreements
2	Transformation and Organisational Development	To attract, develop and retain ethical and best human capital	Capacity building and Training (HRD)	Number of officials and Councillors capacitated in terms of the workplace skills plan (WSP)	**CSSS**	45/30	25 X Officials and Councillors capacitated in terms of the workplace skills plan by end June 2021	31/25	+6	31/25 Officials and Councillors capacitated	None	Copies of the Attendance registers and Schedule of training activities attended
2	Transformation and Organisational Development	To Improve, attract, develop and retain best human	Occupational Health and Safety	Number of OHS Committee meetings held	**CSSS**	4/4	4 X OHS Committee meetings held by 30 June 2021	4/4	0	Meeting held 02/09/2020 28/10/2020 26/03/2021 23/06/2021	None	4 X Set of Attendance registers with Schedule of the Meetings

	KPA	Strategic Objective	Programme / Focus area	Performance Indicators	Responsible Department	Baseline 2019/20	Annual Target 2020-2021	Actual Performance	Variance	Remarks	Remedial Action	Evidence
		capital										
2	Transformation and Organisational Development	To improve Administration and Governance Capacity	Information and Communication Technology	Number of ICT Steering Committee Meeting Held	**CSSS**	4/4	4 X ICT Steering Committee Meeting Held by 30 June 2021	4/4	0	ICT meeting held 23/09/2020 13/01/2021 12/04/2021 21/07/2021	None	4 X Set of Attendance registers with Schedule of the Meetings
2	Transformation and Organisational Development	To attract, develop and retain ethical and best human capital	Organisational Development	Number of approved 2021/22 SDBIP by the Executive Mayor	**OMM**	100% 07/07/2020	1 X 2021/22 SDBIP Approved by the EM by the 28 June 2021	1/1 11/06/2021	0	2021/22 SDBIP Approved by the executive Mayor 11 June 2021	None	Copy of the Approved 2021/22 SDBIP
3	Transformation and Organisational Development	To attract, develop and retain ethical and best human capital	Monitoring and Evaluation	Number of 2020/21 Annual Performance evaluation conducted	**OMM**	1/1	1X 2020/21 Annual Performance evaluation conducted by 30 June 2021	0/1	1	The Final 19/20 Annual Report approved 27 May 2021	The evaluations are scheduled for 08-10 September 2021	Attendance register and Schedule of 2020/21 Annual Performance Evaluations
3	Transformation and Organisational Development	To attract, develop and retain ethical and best human capital	Monitoring and Evaluation	Number of Annual report (sec 121) adopted & submitted to MEC	**OMM**	100% approved 26 March 2020	1 X Annual Report (sec 121) adopted & submitted to MEC by 31 March 2021	1/1 04/06/2021	0	The Draft AR was tabled 30 April 2021 and approved 27 May 2021- Submitted to the MEC 4 June 2021	None	Council resolution & submission letter
3	Transformation and Organisational Development	To improve Administration and Governance Capacity	Legal Services	Number of litigation reports compiled and submitted to council	**CSSS**	4/4	4 X litigation reports compiled and submitted to council by 30 June 2021	4/4	0	Report submitted to council 28/08/2020 06/12/2020 30/03/2021 27/05/2021	None	4 X Set of Litigation Reports with Council Resolution
3	Transformation and Organisational Development	To improve Administration and Governance Capacity	Human Resource Management	Number of LLF meetings held by end June 2021	**CSSS**	5/4	4 X LLF meetings held by end June 2021	4/4	0	Meeting held 11/09/2020 20/11/2020 23/03/2021 26/05/2021	None	4 X Set of Attendance register Minutes

4. External service providers

- WDM has entered into service delivery agreements with local municipalities with regard to Disaster Management Services and firefighting Services.
- Table below show number of reports submitted quarterly for services rendered.

No.	Local Municipality	Baseline 2018/19	Target 2019/2020 reports	Actual report 2019/20
1.	Bela-Bela	4	4	4

2.	Modimolle -Modimolle	4	2	4
3.	Mogalakwena	4	2	4
4.	Lephalale	4	4	4
5.	Thabazimbi	4	4	4
	TOTAL	**24**	**16**	**24**

5. Other External service providers (Top Ten)

- The table below shows the top ten external service provider

NO	Tender Number	Project Description	Date Awardeed	Service Provider/ Contractor	Amount Paid 20/21	Dept
1	WDM/2018/13-06	PROVISION OF SERCURITY SERVICES	18-APRIL-2019	K T S GENERAL TRADER	R 4,256,660.49	CSSS
2	ORGAN OF STATE	FIREFIGHTING SERVIES	-	MOGALAKWENA MUNICIPALITY	R 4,148,794.60	SDCS
3	WDM /2019/20-20	COUNCIL POOL CARS – PROCUMENT OF FLEET	11-SEPT-2019	BERTOBRITE	R 4,140,000.00	CSSS
4	ORGAN OF STATE	AUDIT FEES	-	AUDITOR-GENERAL	R 2,811,130.09	BTO
5	TRANSVERSAL CONTRACT	INTEGRATED FINANCIAL MANAGEMENT SYSTEM	26-JAN-2018	MUNSOFT	R 2,095,576.15	BTO
6	ORGAN OF STATE	WATER AND ELECTRICITY	-	STADSRAAD VAN NYLSTROOM	R 1,876,163.36	BTO
7	WDM/2020/21-06	RURAL ROADS ASSETS MANAGEMENT SYSTEM	08-MAY-21	LIDWALA CONSULTING ENGINEERS (SA)	R 1,823,673.16	ID
8	WDM/2019/20-01	WATERBERG DISTRICT MUNICIPAL BUILDING REPAIRS AND MAINTANCE	11-SEP-2019	MPHAPHUDI DRIVING SCHOOL AND PROJECTS	R 1,553,799.60	ID
9	ORGAN OF STATE	MEMBERSHIP FEES	-	SALGA	R 1,402,941.74	OMM
10	WDM/2020/21-03	SUPPLY AND DELIVERY OF PPE, DECONTAMINATION OF BUILDING AND VEHICLE FOR COVID-19	13-JAN-2021	B P SKERO PROJECTS	R 1,280,760.00	CSSS

6. Chapter 4

6.1 Component A –introduction to the Municipal Personnel

4.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Waterberg District Municipal has a staff component of 168 of which 77 are females' employees whose responsibility is to implement its Integrated Development Plan. The attempt to develop an organisational development strategy was meant to improve the effectiveness and efficiency of the municipality. More emphasis should place on forward planning and project management skills. The Human Resources Division provides all the HR functions to all employees within the organisation.

	Number of positions for 2020/21 as at 30 June 2021							
	Department	**Management**	**Technical**	**Labour**	**Support**	**Total**	**Vacant**	**% of vacant positions**
1	Budget and Treasury Office	5	-	-	15	20	3	15
2	Office of Municipal Manager	3		-	08	11	2	18.2
3	Corporate Support and Shared Services	3	-	10	15	28	3	10.7
4	Planning and Economic Development	4	-	16	6	26	4	15.4
5	Infrastructure Development	2	1	-	1	4	0	0.00
6	Executive Support	4	-	-	14	18	1	5.6
7.	Social and Community Services	3	-	-	87	90	16	17.8
	Totals	**24**	**1**	**26**	**146**	**197**	**29**	**14.7%**

In general 85.3% of budgeted positions were filled at the end of the financial year.

6.2 Component B-Managing the Municipal Workforce

Employees as important assets of the municipality should be managed well and Senior Managers have a responsibility to motivate, guide and discipline other employees in order to implement the IDP successfully. Senior managers provide strategic leadership whilst divisional managers should supervise other employees and ensure there is operational efficiency. Training and development and reviewing and developing new policies are critical in improving the manner in which the staff is managed.

Employees					
Description	**2019/20**	**2020/21**			
	Employees	**Approved Posts**	**Employees**	**Variance**	**Variance**
	No.	**No.**	**No.**	**No.**	**%**
Water	-	-	-	-	-
Waste Water (Sanitation)	-	-	-	-	-
Electricity	-	-	-	-	-
Waste Management	-	-	-	-	-
Housing	-	-	-	-	-
Waste Water (Storm water Drainage)	-	-	-	-	-
Roads	-	-	-	-	-
Transport	1	1	1	0	-
Planning	2	2	2	0	0%
Local Economic Development	3	3	3	0	0%
Planning (Strategic & Regulatory)	4	6	4	2	33.3
Infrastructure services	3	3	3	-	0%
Environmental Protection					

Municipal Health	31	32	29	3	9.4%
Security and Safety	24	44	37	7	18.9
Sport and Recreation	1	1	1	0	0%
Corporate Policy Offices and Other	82	105	88	17	0%
Totals	129	**197**	**168**	**29**	**14.7%**

Vacancy Rate 2020/21			
Designations	***Total Approved Posts**	***Variances (Total time that vacancies exist using fulltime equivalents)**	***Variances (as a proportion of total posts in each category)**
	No.	**No.**	**%**
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	4	0	0
Other S57 Managers (Finance posts)	-	-	-
Municipal Police	-	-	-
Fire fighters	44	1185	4.7
Divisional management: Levels 2 - 3 Posts)	18	664	2.7
Senior Officials Levels 4-5 posts	15	374	1.5
Officers Level 6-8 posts)	61	1493	6.0
Officers Levels 9- 15 (Finance posts)	53	1992	8.0
Total	**197**	**5 708**	22.8

Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Turn-over Rate			
Details	**Total Appointments as of beginning of Financial Year**	**Terminations during the Financial Year**	**Turn-over Rate***
	No.	**No.**	
2016/17	**31**	**9**	**6.04**
2017/18	**7**	**5**	**3**
2018/19	**23**	**5**	**3**
2019/20	**19**	**6**	**3**
2020/21	**11**	**7**	**0.6**

* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year. The vacancy turnover rate of 5% is normal and since the Acting Managers sign performance until such time that positions are filled them to strive towards achieving the targets of the organisation.

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Training and Development was reviewed and implemented by the Human Resources Division in line with the Workplace Skills Plan.

6.2.1 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty						
Type of injury	**Injury Leave Taken**	**Employees using injury leave**	**Average injury leave taken per employee**	**Average Injury Leave per employee**	**Total Estimated Cost**	
	Days	**No.**	**%**	**Days**	**R'000**	
Required basic medical attention only	-	-	-	-	-	
Temporary total disablement	14	5	0,06	2,8	**R 6000.00**	
Permanent disablement	-	-	-	-	-	
Fatal	-	-	-	-	-	
Total	**14**	**5**	**0,06**	**2,8**	**R 6000.00**	

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	**Total sick leave**	**Proportion of sick leave without medical certification**	**Employees using sick leave**	**Total employees in post***	***Average sick leave per Employees**	**Estimated cost**
	Days	**%**	**No.**	**No.**	**Days**	**R' 000**
Lower skilled (Levels 11-15)	48	6	9	34	6	
Skilled (Levels 10)	04	0	2	03	1	
Highly skilled production (levels 7- 9)	216	25	28	69	3	
Officers (levels 4-6)	59	18	14	38	2	
Divisional management (Levels 2 - 3)	64	28	10	18	4	
MM and S57	18	0	2	6	3	
Total	409	07%	65	168	2	
* - Number of employees in post at the beginning of the year						
*Average calculated by taking sick leave in column 2 divided by total employees in column 5						

6.2.2 POLICIES

For the period under review at least 22 HR polices were reviewed and approved by Council

HR Policies and Plans				
	Name of Policy	**Completed**	**Reviewed**	**Date adopted by council or comment on failure to adopt**
		%	**%**	
1	Leave Management	100%	100%	27 May 2021
2	Employment Practices	100%	100%	27 May 2021
3	Conditional Grant	100%	100%	27 May 2021
4	Training and Development	100%	100%	27 May 2021
5	S&T	100%	100%	27 May 2021
6	Cell phone allowance	100%	100%	27 May 2021
7	Fleet management	100%	100%	27 May 2021
8	Funeral Policy	100%	100%	27 May 2021
9	Occupational Health and Safety	100%	100%	27 May 2021
10	Employee Relations	100%	100%	27 May 2021

11	Sexual Harassment	100%	100%	27 May 2021
12	Sports	100%	100%	27 May 2021
13	Long Service Awards	100%	100%	27 May 2021
14	Employee Benefits	100%	100%	27 May 2021
15	Smoking	100%	100%	27 May 2021
16	Overtime	100%	100%	27 May 2021
17	Employment Equity	100%	100%	27 May 2021
18	Remuneration	100%	100%	27 May 2021
19	Acting appointments and allowances	100%	100%	27 May 2021
20	Attendance and punctuality	100%	100%	27 May 2021
21	HIV and AIDS	100%	100%	27 May 2021
22	Working from home	100%	100%	27 May 2021
Use name of local policies if different from above and at any other HR policies not listed.				

The HR system is able to keep a record of all employees and monthly basis reconciliation is made. There no serious abuses of sick leave since it is also managed in terms of the Collective Agreement. In terms of the nature of services which the municipal services rendered there no fatalities even in fire-fighting and disaster management services

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
DM: Community Participation	Gross Dereliction of duties	25 June 2021	DC Hearings In Progress Official attended rehabilitation	N/A

Disciplinary Action Taken on Cases of Financial Misconduct				
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**	
2016/17	-	-	-	-
2017/18	-	-	-	-
2018/19	-	-	-	-
2019/20	330074,32	YES	N/A	
2020/21	-	-		

6.3 Component C-Capacitating the Municipal Workforce

In general all employees are given the opportunity to improve their knowledge and skills on the tasks they are required to perform in terms of their job descriptions. The skills audit conducted by the HRD Officer goes a long in trying to align training with the Integrated Development Plan. The municipality has initiated a project on Organisational Development and Return on Investment Strategies which be completed in new financial year. HRD is initiating a tool which will measure return on investment more seriously.

6.3.1 Skills Development and Training as at 30 June 2021

Management Level	**G**	**Employee On 30/06/21**	**Leanership**	**Skills Programme And other short courses**	**Others forms of training**	**Total**
			Actual 2020/21	**Actual 2020/21**	**Target**	**Actual 2020/21**
MM and S57	M	1	-	1	-	1
	F	3	-	3	-	3
Councillor	M	10	-	10	-	10
	F	4	-	4	-	4
	M	4	-	4	-	4

DMs and SOs	F	1	-	1	-	1
Technicians and Associate professionals	M	-	-	-	-	-
	F	-	-	-	-	-
Associate Professionals	M	-	-	-	-	-
	F	-	-	-	-	-
Professionals	M	1	-	1	-	1
	F	2	-	2	-	2
Unskilled	M	-	-	-	-	-
	F	-	-	-	-	-
Subtotal	M	15	**-**	**15**	-	**15**
	F	**10**	**-**	**10**	-	**10**
Total		**25**	**-**	**25**	-	**25**

6.2. Component D-Managing the Workforce Expenditure

6.4.1 Skills Development: Expenditure

Management Level	G	Employee as at 30/06/21	Leanership		Skills Development		Other forms		Total
			Original budget	Actual budget	Original Budget	Actual budget	Original budget	Actual budget	
MM and S5&	M	1	-	-					-
	F	3	-	-	-	-	-	-	-
Councillors	F	10	-	-	-	-	-	-	-
	M	4	-	-	-	-	-	-	-
DMs and SOs	M	4	-	-	-	-	-	-	-
	F	1			-	-	-	-	-
Technicians and Associate professionals	M	-	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-	-
Professionals	M	1		-	-	-	-	-	-
	F	2	-	-	-	-	-	-	-
Unskilled	M				-	-	-	-	-
	F		-	-	-	-	-	-	-
Subtotals	M	15				-	-	-	
	F	**10**				-	-	-	
Totals		**25**	**-**	**-**	**-**	**-**		-	**-**

6.4.2. Finance Skills Development Competency Progress Report

Description	A Total # of officials employed	B Total # of employees(Entity)	Consolidation Of A& B	Consolidated competency assessments completed by A+B	Consolidated total # of officials whose performance agreements comply with regulations	Consolidated Total# of officials who meet the prescribed competency level
Finance officials	19	0	19	14	1	14
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	4	0	4	4	4	4
Divisional Managers	18	0	18	15	0	15
Other officials	0	0	0	0	0	0
Heads of Supply Chain Management Unit	1	0	1	1	0	1
Total	44	0	44	35	7	35

COMPONENT A

STATEMENTS OF FINANCIAL PERFORMANCE ENDED 30 JUNE 2021

7.1 STATEMENTS OF FINANCIAL PERFORMANCE 2020/21 FY

Figures in Rand	Note(s)	2021	2020 Restated
Assets			
Current Assets			
Inventories	3	156 700	-
Cash and cash equivalents	4	47 730 974	71 585 185
Trade and other receivables from exchange transactions	5	130 616	267 422
Receivables from non-exchange transactions	6	1 427 696	1 232 504
VAT receivable	7	1 172 358	966 221
		50 618 344	**74 051 332**
Non-Current Assets			
Property, plant and equipment	8	85 048 985	88 088 493
Intangible assets	9	1 383 054	1 861 706
Non-current receivables	10	54 777	54 777
		86 486 816	**90 004 976**
Non-Current Assets		86 486 816	90 004 976
Current Assets		50 618 344	74 051 332
Total Assets		**137 105 160**	**164 056 308**
Liabilities			
Current Liabilities			
Operating lease liability	11	74 444	-
Payables from exchange transactions	12	4 861 289	12 611 752
Payables from non-exchange transactions	13	17 052 966	14 970 870
Consumer deposits	14	2 000	2 000
Employee benefit obligation	15	739 000	704 942
Long service award liability	16	703 000	727 187
Unspent conditional grants and receipts	17	63 926	134
		23 496 625	**29 016 885**
Non-Current Liabilities			
Employee benefit obligation	15	16 683 999	23 966 637
Long service award liability	16	4 766 000	3 388 278
		21 449 999	**27 354 915**
Non-Current Liabilities		21 449 999	27 354 915
Current Liabilities		23 496 625	29 016 885
Total Liabilities		**44 946 624**	**56 371 800**
Assets		137 105 160	164 056 308
Liabilities		(44 946 624)	(56 371 800)
Net Assets		**92 158 536**	**107 684 508**
Accumulated surplus		92 158 536	107 684 508

Figures in Rand	Note(s)	2021	2020 Restated
Revenue			
Revenue from exchange transactions			

Service charges		1 177 404	887 814
Other income	18	227 308	59 895
Interest earned - External investments	19	3 516 924	7 183 252
Interest earned - Receivables	19	742	42
Actuarial gain / (loss)	20	9 732 795	5 796 892
Total revenue from exchange transactions		**14 655 173**	**13 927 895**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	21	146 353 094	134 435 752
Total revenue from exchange transactions		14 655 173	13 927 895
Total revenue from non-exchange transactions		146 353 094	134 435 752
Total revenue		**161 008 267**	**148 363 647**
Expenditure			
Employee related costs	22	(114 667 019)	(104 464 024)
Remuneration of councilors	23	(8 420 742)	(8 239 465)
Provision for doubtful debt		(111 484)	-
Depreciation and amortization	24	(7 894 079)	(5 895 708)
Impairment of assets	25	-	(1 277 770)
Bad debts written off	26	-	(2 000 000)
Project expenditure	27	(5 913 198)	(5 107 347)
Loss on disposal of assets and liabilities		(92 192)	(306 653)
General Expenses	28	(39 435 522)	(37 422 503)
Total expenditure		**(176 534 236)**	**(164 713 470)**
Operating surplus/deficit		-	-
Deficit before taxation		(15 525 969)	(16 349 823)
Taxation		-	-
Deficit for the year		**(15 525 969)**	**(16 349 823)**

7.2 GRANTS

1. Grant Performance

Description	2019/20	2020/21			2020/21Variance %	
	Actual	Original budget	Adjustments budget	Actual expenditure	Original Budget	Adjustment Budget
Operational transfers and grants	**R**	**R**	**R**	**R**	**%**	**%**
National Government	R	R	R	R	%	%
Equitable share	129 984 752	142 124 000	142 124 000	142 124 000	0%	0%
EPWP incentive	-	1 000 000	1000 000	936 208	6%	6%
Financial Management	1 000 000	1 000 000	1 000 000	1 000 000	0%	0%
Disaster relief Grant	1 192 000	-	-		0	0
Rural Roads Assets Management Grant	2 259 000	2 151 000	2 151 000	2 151 000	0%	0%
LGSETA	0	0	0	141 886	0%	0%
Total Operating transfers	**134 435 752**	**146 353 094**	**146 275 000**	**146 353 094**	**0%**	**0%**

7.3 ASSET MANAGEMENT

The Municipal Council has adopted an Asset Management Policy in 2009 which policy is reviewable every year to accommodate the necessary changes.

TREATMENT OF THE TWO LARGEST ASSETS ACQUIRED IN 2020/21

Asset 1

Name of asset	WDM Fleet
Description	Supply and delivery of fire engines (multi-year project)
Asset type	Vehicles
Key Staff involved	Chief Fire Officer
Staff responsible	Manager Social Development and Community Services
Key Issues	6 Fire engines

Asset value	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
43 448 340					39 308 340	4 140 000

Capital implications	Increased capital Assets
Future purpose of the asset	Pool fleet for municipality
Key issues	36 months project
Policy in place to manage asset	Asset management policy, Norms and standard for Social Development and Community Services

Asset 2

Name of asset	Supply and delivery of tablets
Description	Huawei Tablets and 3G modems
Asset type	Computer equipment / Office equipment
Key Staff involved	Corporate Support and Shared Services
Staff responsible	Manager Corporate Support and Shared Services
Key Issues	60 Tablets and 60 modems

Asset value	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
328 080						328 080

Capital implications	Increased capital Assets
Key issues	None
Policy in place to manage asset	Asset management policy, Norms and standard for Corporate and Shared services

Repairs and maintenance expenditure for 20/21

Repairs and maintenance expenditure	Original budget	Adjustments budget	Actual	Variance
	4 186 883	4 186 883	3 826 282	91%

7.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Ratio	Basis of calculation	2018/19	2019/20	2020/21
Liquidity current ratio	Current assets/current liabilities	4.25	2.53	2.15
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	7.37	5.18	3.40
Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	21.60	32.97	5.49
Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	5%	4%	9%
Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	-7%	-12%	-10%

COMPONENT B

SPENDING IDP PROJECTS

7.5 IDP Project Expenditure

	% of expenditure budget	Original budget R	Adjustments Budget R	Total Budget R	Actual R
Capital and operational expenditure on IDP	47%	24 392 266	23 142 272	23 142 272	10 771 329
Total expenditure	**47%**	**24 392 266**	**23 142 272**	**23 142 272**	**10 771 329**

7.6 SOURCES OF FINANCE

Details	2019/20 Actual	2020/21 Original budget	2020/21 Adjustments budget	2020/21 Actual	Variance in %
1.External loans	-	-	-		-
2.Public contribution and donations	-	-	-		-
3.Grants and subsidies	134 435 752	146 353 094	146 275 000	146 353 094	0%
4. Other	-	-	-		-
Total	**134 435 752**	**146 353 094**	**146 275 000**	**146 353 094**	**0%**

7.7 CAPITAL SPENDING ON 3 LARGEST PROJECTS

2020/21				Variance current year	
Name of project	Original budget	Adjustments budget	Actual expenditure	Original budget %	Adjustments budget %
A	4 983 672	4 183 672	4 140 000	17%	1%
B	2 151 000	2 151 000	2 151 000	0%	0%
C	1 000 000	1 00 000	932 809	7%	7%

Name of project - A

Objective of the project: Supply and delivery of fire engines
Future challenges: none
Anticipates citizen benefits: Mitigation of loss of lives and property
Name of project - B
Rural Road Asset Management System
Delays- none
Future challenges: None.
Name of project – C
Tsakane Phase 2 VIP Sanitation
Delays - none
Future challenges - none

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Households

Type of service	Service above minimum standards		Service below minimum standards	
	No of HHs	% of HHs	No of HHs	% of HHs
Water	Not applicable	Not applicable	Not applicable	Not applicable
Electricity	Not applicable	Not applicable	Not applicable	Not applicable
Sanitation	Not applicable	Not applicable	Not applicable	Not applicable
Refuse removal	Not applicable	Not applicable	Not applicable	Not applicable

COMPONENT C

CASH FLOW MANAGEMENT AND INVESTMENTS

7.8 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

The importance of cash management lies in the fact that the municipality will have cash available to enable it to meet its obligations. It also enables the municipality to have a cash backed budget which is more about having the money in the bank rather than the cash which is expected to be collected from the debtors.

Figures in Rand	Note(s)	2021	2020 Restated
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 177 404	887 814
Grants		146 416 886	134 435 752
Interest income - Investments		3 517 665	7 183 294
Other receipts		252 630	31 165
		151 364 585	142 538 025
Payments			
Employee costs		(121 005 668)	(110 494 414)
Suppliers		(49 819 462)	(33 652 661)
		(170 825 130)	(144 147 075)
Total receipts		151 364 585	142 538 025
Total payments		(170 825 130)	(144 147 075)
Net cash flows from operating activities	30	**(19 460 572)**	**(1 609 050)**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(4 468 080)	(19 736 470)

	Note	2020/21	2019/20
Purchase of other intangible assets	9	-	(330 450)
Net cash flows from investing activities		**(4 468 080)**	**(20 066 878)**
Cash flows from financing activities			
Advance of operating lease		74 444	-
Net cash flows from financing activities		**74 444**	**-**
Net increase/(decrease) in cash and cash equivalents		**(23 854 214)**	**(21 675 971)**
Cash and cash equivalents at the beginning of the year		71 585 185	93 261 156
Cash and cash equivalents at the end of the year	4	**47 730 971**	**71 585 185**

7.9 BORROWING AND INVESTMENTS

	2018/19 Actual	2019/20	2020/21
Securities- National Government	-	-	-
Listed	-	-	-
Deposits	-	-	-
Deposit- Public Investment Commission	-	-	=
Bank acceptance certificates	-	-	-
Negotiable certificates	-	-	-
Other	-	-	-

7.10 PUBLIC PRIVATE PARTNERSHIPS

None

COMPONENT D

OTHER FINANCIAL MATTERS

7.11 SUPPLY CHAIN MANAGEMENT

The municipality has established a functional Supply Chain Management Unit which is implementing the SCM regulations and policy without fear or favor. The unit has only 1 official who have not yet meet the National Treasury Competency Agreements.

The municipality is implementing a 3 committee bid system of which no councilors are allowed to sit on. The committee members have been vetted. The Auditor General has not raise any serious queries about the functionality of the Supply Chain Management Unit under the leadership of the Chief Financial Officer.

COMPONENT A

AUDITOR-GENERAL OPINION 2019/20

Report of the auditor-general to the Limpopo provincial legislature and the council on Waterberg District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Waterberg District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2020, and 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 the 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 Waterberg District Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act 1 of 2018 (Dora)

Basis of opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general’s responsibilities for the audit of the financial statements section of this auditor’s report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants’ *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2020.

Material losses

8. As disclosed in note 24 to the financial statements, material losses of R2 million was incurred as a result of a write-off of irrecoverable debtors.

Uncertainty relating to the future outcome of exceptional litigation

9. With reference to note 36 to the financial statements, the municipality is a defendant in a number of lawsuits. The municipality is opposing the claims at their legal counsel's advice. The ultimate outcome of the matters cannot currently be determined and no provision for any liability that may result has been made in the financial statements.

Material deficit for the year

10. As disclosed in the statement of financial performance, a material deficit of R17 661 784 was incurred for the 2019-20 financial year, which was a combined result of insufficient revenue from exchange transactions being collected during the period and the municipality budgeting for an overall deficit during the annual budgeting process

Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement, included as note 34 to the financial statements, did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP, the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements[i]

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

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

18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality'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 municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2020

Development priority	Pages in the annual performance report
KPA 4 – basic services delivery	x – x

20. I performed procedures to determine whether the reported performance information was properly 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.

21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority :

- KPA 4 – Basic Service Delivery

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages … to … for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs x to x of this report.

Adjustment of material misstatements

24. I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

26. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, performance and annual report

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

28. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

29. Some contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a)(i) and the Preferential Procurement Regulations.

Other information

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and that selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.

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

32. 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 development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that 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 may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

34. 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

35. The accounting officer and management did not exercise adequate oversight responsibility regarding financial reporting, compliance and related internal controls. The financial statements were not adequately reviewed before submission for audit, which resulted in material misstatements. Repeat audit findings were identified during the audit process. The audit action plans were not properly monitored and implemented timeously.

36. Management did not properly prepare accurate, valid and complete financial reports that were supported and evidenced by reliable information.

37. Management did not properly and adequately review and monitor controls to prevent non-compliance with legislation.

[Sign as 'Auditor-General']

Place of signing

Date of signing

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMPONENT A

AUDITOR-GENERAL OPINION 2020/21

REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE AND THE COUNCIL ON WATERBERG DISTRICT MUNICIPALITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Waterberg District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2021, and 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 the 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 Waterberg District Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act 1 of 2018 (Dora)

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

6. I draw attention to the matters below. My opinion is not modified in respect of these matters

UNCERTAINTY RELATING TO THE FUTURE OUTCOME OF EXCEPTIONAL LITIGATION

7. With reference to note 32 to the financial statements, the municipality is a defendant in a number of lawsuits. The municipality is opposing the claims as per their legal counsel's advice. The ultimate outcome of the matters cannot currently be determined and no provision for any liability that may result has been made in the financial.

MATERIAL DEFICIT FOR THE YEAR

8. As disclosed in the statement of financial performance, a material deficit of R 15 441 140 was incurred for the 2020-21 financial year, which was a combined result of insufficient revenue from exchange

transactions collected during the period and the municipality budgeting for an overall deficit during the annual budgeting process.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

UNAUDITED DISCLOSURE NOTES

10. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement, included as note 34 to the financial statements, did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP, the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

12. In preparing the financial statements, the accounting officer is responsible for assessing the municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

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

16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality'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 municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priority	Pages in the annual performance report
KPA 4 – basic services delivery	x – x

18. I performed procedures to determine whether the reported performance information was properly 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.

19. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority:

- KPA 4 – Basic Service Delivery

OTHER MATTERS

20. I draw attention to the matters below.

Achievement of Planned Targets

21. Refer to the annual performance report on pages … to … for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs x to x of this report.

Adjustment of Material Misstatements

22. I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

24. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.

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

27. 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 development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that 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 may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

29. 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. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

30 November 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMPONENT B

Audit committee Report 2020/21

WATERBERG DISTRICT MUNICIPALITY'S AUDIT COMMITTEE (AC) ANNUAL REPORT TO COUNCIL FOR PERIOD ENDED 30 JUNE 2021

1. INTRODUCTION

The Audit Committee of Waterberg District Municipality was established by Municipal Council in accordance with section 166 (1) of the Municipal Finance Management Act (MFMA). The Audit Committee operates as an independent advisory body to the Council, Political Office bearers, Accounting Officer, Management and staff, thereby assisting Council in its oversight role. The role, functions, and authority of the Audit Committee are prescribed in terms of section 166 (2) of the Act, National Treasury's Risk Management Framework and Circular 65 issued by National Treasury.

2. AUDIT COMMITTEE FIDUCIARY DUTIES

In terms of Section 166 of the Municipal Finance Management Act (No. 56 of 2003), the Audit Committee must:

(a) advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality on matters relating to:-

- *(i) Internal financial controls and internal audit;*
- *(ii) Risk management;*
- *(iii) Accounting policies;*
- *(iv) The adequacy, reliability and accuracy of financial reporting and information;*
- *(v) Performance management;*
- *(vi) Effective governance;*
- *(vii) Compliance with the MFMA, the DORA and any other applicable legislation;*
- *(viii) Performance evaluation; and*
- *(ix) Any other issues referred to it by the municipality*

(b) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its effectiveness and its overall level of compliance with the MFMA, the DORA and any other applicable legislation;

(c) respond to the Council on any issues raised by the Auditor-General in the audit report;

(d) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request;

(e) perform such other functions as may be prescribed

3. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The AC, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, additional special meetings were called as and when the need arises.

Members

Name and Surname	Position	Number of meetings attended
Adv J.L Thubakgale	AC Chairperson	5 of 5
GM Dhladhla	AC Member	5 of 5
R Tshimomola	AC Member	5 of 5

4. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee (AC) reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The AC also reports that it has adopted appropriate formal terms of reference as its AC Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

5. EFFECTIVENESS OF INTERNAL CONTROL

AC's review of the effectiveness of the internal control revealed that there is a room for improvement in the system of internal control of the municipality. Internal audit findings and AGSA findings revealed that the system of internal control in respect of financial management/reporting and compliance with laws and regulations needs some improvement, however there were some positive improvement in respect of performance management reporting. Notwithstanding the above, the Audit Committee notes management's commitment to correct the deficiencies.

6. IN YEAR/MONTHLY MONITORING REPORT

The municipality has monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were periodically in the year under review.

7. RISK MANAGEMENT

The AC is of the opinion that the status of Risk Management is satisfactory; however, continuous management of risks by risk owners and continuous improvement on the risk management processes and the need for development of Business Continuity Management is encouraged.

8. FINANCIAL MANAGEMENT

The AC used a set of uniform key financial ratios and norms suitable and applicable to municipalities as articulated in MFMA circular no. 71 to assess the financial health and viability of the district municipality. The review revealed that district is not financially viable as is grant dependent in terms of revenue.

9. COMPLIANCE WITH LAWS AND REGULATIONS

A number of non-compliance with the enabling laws and regulations were revealed during the year. Thus, there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance. Thus, the AC recommended implementation of compliance management system and framework in order to addresses the issues of non-compliance.

10. INTERNAL AUDIT

The Internal Audit reported to the Municipal Manager administratively and functionally independently reported to the Audit Committee in the execution of their duties during the 2020/21 Financial Year. There were no restrictions imposed to the Internal Audit in the execution of their duties.

The AC is satisfied with the effectiveness of Internal Audit. The above conclusion is based on:

- Reviewal with management and approval the internal audit charter, strategic and operational plans, internal audit activities, staffing (including competence and qualifications), and organisational structure of the Internal Audit Unit;
- Implementation of the approved the annual internal audit plan and all major changes to the plan.
- There were no unjustified restrictions or limitations on work of the internal audit caused by the unit.
- Review the internal audit budget, resource plan, activities, and organizational structure of the internal audit function;
- Compliance with the IIA's international standards for the professional practice by Internal Auditing unit

11. EXTERNAL AUDIT

11.1 The AC did review the Auditor-General 's proposed audit scope and approach, including coordination of audit effort with internal audit in respect of 2020/21 financial year; and on a regular basis, met separately with the Auditor-General to discuss any matters that the committee or auditors believe should be discussed privately.

11.2 The AC evaluated management responses to the reports or findings of the Auditor-General (Action plan to address prior year findings) on quarterly basis and gave inputs and advice on how best to address the findings raised by the AGSA.

11.3 At the time of submission of the annual financial statements and performance report to AGSA for audit, all the AGSA findings raised in 2019/20 FY were resolved as at Quarter 4 of 2020/2021.

11.4 AC interacted with Final Audit Report and Management Letter issued by AGSA and concurs with AGSA's observations. WDM has received an unqualified audit opinion with no material findings.

12. PERFORMANCE MANAGEMENT

The AC reviewed effectiveness and functionality of the performance management system and it appears to be functional. However, there is a room for improvement in so far as achievement of planned targets is concerned, usefulness and reliability of performance information as well as management's adequate review and monitoring of performance management information/reports.

13. FINANCIAL REPORTING

The AC reviewed the quality, accuracy, uselessness, reliability and appropriateness of monthly, quarterly and annual financial reporting and observed that there is a room for improvement in so far as compliance with section 122 of the MFMA and management's review and monitoring of financial reports.

14. IT GOVERNANCE

The AC did review current IT governance and arrangement and noted there is a room for improvement in so far as full implementation of ICT Governance Framework.

15. IMPLEMENTATIONS OF AUDIT COMMITTEE RESOLUTIONS

As at the end of the year, all Audit Committee resolutions were implemented satisfactorily.

16. IMPLEMENTATION OF COUNCIL RESOLUTIONS

As at the end of the year a large number of Council resolutions were implemented and noted there is a room for improvement in so far as full implementation of the resolutions.

17. LEADERSHIP

Municipality Council did provide somewhat effective leadership based on a culture of honest and good governance. However there is a room for improvement in so far as management's oversight on the financial statements, performance reporting and compliance with laws and regulations governing the district municipality.

18. CONCLUSION

The AC wishes to acknowledge the commitment from Council, management and staff of the municipality. We would also like to thank the Executive Mayor for his support, Councilors, senior management for their efforts and internal audit for their contribution.

Adv J.L Thubakgale

Waterberg District Municipality

Chairperson of the Audit Committee

14 January 2022

COMPONENT C

6.1 Follow up on Audit General report 2020/21

ANNEXURE: Waterberg District Municipality AG Audit Action Plan 19/20 Reporting Period

ANNEXURE A: Waterberg District Municipality AG Audit Action Plan 20/21 Reporting Period

			No	%
Municipality	**Waterberg District Municipality**			
Financial Year	**2020/21**	**Resolved**	0	0
Audit Opinion	**Unqualified**	**Outstanding**	0	0
Reporting Period	**21/22**	**Total**	**15**	**100**

No	Description of Finding	Findings Status [Recurring; New]	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
	Annexure B: Other Important Matters								
	Audit of Financial Statement related finding								
	Operating lease commitment								

No	Description of Finding	Findings Status [Recurring; New]	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
1 P31	**Inaccurate disclosure of operating lease commitment.** During the audit of operating lease commitment, it was identified that operating lease for photocopier included the amount of R800 848, 40 as payable within one year; however this amount is recorded in the operating lease expenses because is occurred within the financial period year ended 30 June 2021.	Recurring	Management did not adequately review the lease commitment register and financial statements to ensure that disclosure note 31 operating lease commitment is accurately disclosed in the annual financial statement.	Management will adequately review the lease commitment register and financial statements to ensure accurate disclosure in the annual financial statement	11/2021	30/06/2022	Reporting Specialists	In-Progress	
	Cash and cash equivalents								
2 Pg 32	**Bank overdraft is not disclosed in note 4 of cash and cash equivalents** During the audit of cash and cash equivalents we noted that the bank overdraft disclosed under current liabilities is not further disclosed in the Notes to the Annual financial statements (i.e. note 4 cash and cash equivalents) R108 745	New	Management did not implement proper controls to ensure that cash and cash equivalents is properly presented and disclosed.	Management will perform more rigorous reviews over the AFS to ensure accurate disclosure of information	15/11/2021	30/06/2022	Reporting Specialists	In-Progress	
	General expenses								

No	Description of Finding	Findings Status [Recurring; New]	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
4 Pg 36	**Incorrect classification of general expense** As we inspected the general expenses note 28 of the annual financial statements, we noted a negative amount disclosed. The amount of R 73 652 relating to Long service award expenditure is in actual fact an income, however classified as a negative expense in note 28. As a result, the classification and disclosure of the general expenses and revenue does not comply with the requirements of GRAP 1.	New	Management did not adequately review the annual financial statements classification to ensure that financial statements are accurately classified.	Management will perform more rigorous reviews of the Annual Financial Statement to ensure correct classification of expenses in line with GRAP 1	15/11/2021	30/06/2022	Reporting Specialists	In-Progress	
	Risk management disclosure								
5 Pg 37	**Inaccurate disclosure of note 35 risk management.** During the audit of risk management disclosure note, we noted differences between trade and other payables disclosed in note 35 and note 12 for payables. 30-Jun-21- variance of R 2 602 411 30-Jun-20- variance of R 86 791	New	Management did not adequately review the financial statements to ensure that disclosure note 35 risk management is accurately disclosed in the annual financial statement.	Management will perform more rigorous reviews of the Annual Financial Statement to ensure correct disclosure	15/11/2021	30/06/2022	Reporting Specialists	In-Progress	
	Property Plant and Equipment								

No	Description of Finding	Findings Status [Recurring; New]	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
6 Pg 39	**Incorrect calculation of deprecation** During the audit of additions for property, plant and equipment it was identified that the policy for the useful life of office equipment was incorrectly applied. Thus depreciation was calculated incorrectly for all tablets which were acquired in the current financial year. The projected misstatement of the above is R 58 206, 42. This has resulted in the overstatement of the depreciation presented on the financial statements.	Recurring	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate asset register to support financial and performance reporting. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Recalculation of annual depreciation to ensure accurate depreciation. Converting excel assets register to computerised asset management system.	15/11/2021	30/06/2022	Reporting Specialist	In-Progress	
	Employee Benefit Obligation								
7 pg 42	**Assumption disclosed in AFS does not agree to actuarial report** As we inspected the employee benefit obligation note 15 of the annual financial statements, we noted an expected salary increase of 5.79% disclosed. However, after inspection of the Report on the Actuarial Valuation of the Post-Employment Medical Aid subsidy liability of Waterberg District Municipality, we noted that the salary increase assumption of 5.79% is not disclosed in the actuarial report. Therefore, the financial statements are not fairly presented and does not comply with the requirements of GRAP 1	New	Management did not adequately review the annual financial statements to ensure that financial statements are accurately disclose the key assumptions relating to employee benefit obligations	Management will perform more rigorous reviews of the Annual Financial Statement to ensure correct disclosure	01/11/2021	30/06/2022	Reporting Specialist	In-Progress	

No	Description of Finding	Findings Status [Recurring; New]	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
8 Pg 43	**Non-disclosure of the accumulated post-employment benefit obligation for medical costs** We inspected note 15, employee benefit obligations and noted that the effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates on the accumulated post-employment benefit obligation for medical costs has not been disclosed. Therefore, the financial statements does not adhere to the disclosure requirements in terms of GRAP 25(136) (l) (ii).	New	Management did not adequately review the annual financial statements to ensure adequate disclose in terms of the requirements of GRAP 25(136) (l) (ii)	Development of disclosure checklist to ensure correct disclosure. Management will perform more rigorous reviews of the Annual Financial Statement to ensure correct disclosure	01/11/2021	30/06/2022	Reporting Specialist	In-Progress	
	Long service award liability								

No	Description of Finding	Findings Status [Recurring; New]	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
9 Pg 45	**Incorrect disclosure of long service award liability and employee benefit obligation notes** As we inspected the long service award liability note 16 of the annual financial statements, we noted that current service costs and interest costs have been disclosed as a profit under expenses recognized in profit or loss. This is incorrect as the valuation report on the Actuarial Valuation of the Long Service Award liability point to these amounts as an expense. As we inspected the long service award liability note 16 of the annual financial statements prior year figures, we noted that the amount relating to current service costs is disclosed as a profit under the expense recognized in profit or loss. This is incorrect as the prior year audited financials disclose this amount as an expense. As we inspected the annual financial statements and compared the disclosures relating to long service award liability and employee benefit obligations we noted an inconsistency in the disclosure of liabilities. The long term service award liability reflects liability as a positive amount, whereas the employee benefit obligation reflects the liabilities as a negative amount.	New	Management did not adequately review the annual financial statements to ensure that financial statements are accurately disclose the long service award liability and employee benefit note	Management will perform more rigorous reviews of the Annual Financial Statement to ensure correct disclosure	01/11/2021	30/06/2022	Reporting Specialist	In Progress	
	Revenue								
RECEIVABLES									

No	Description of Finding	Findings Status [Recurring; New]	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
11 Pg 48	**Expenditure incurred and Paid for in the 2020/21 period incorrectly classified as prepayments.** During the audit It was noted that the amounts as per the table below were paid and expensed on 14 April 2021, However were classified as prepayments in the year-end financial statements.	Recurring	Management did not implement proper record keeping in a timely manner to ensure that accurate information is used to support financial statements. Management did not review the financial statements, supporting schedules in order to ensure accuracy of disclosed information.	Management will implement proper controls to ensure that accurate information is used to support financial statements. Management will review the financial statements, supporting schedules in order to ensure accuracy of disclosed information.	01/11/2021	30/06/2022	Reporting Specialist	In Progress	
12 Pg 49	**Accrued interest incorrectly classified as receivables from non-exchange transactions** During the audit it was noted that as part of the amounts disclosed for Trade and other receivables from non-exchange items note 6. Accrued interest was part of the items making up the opening and closing balances disclosed in the financial statements. Total Misclassification- R296 624.00	New	• Management did not implement proper record keeping in a timely manner to ensure that accurate information is used to support financial statements. • Management did not review the financial statements, supporting schedules in order to ensure accuracy of disclosed information.	Management will implement proper controls to ensure that accurate information is used to support financial statements. Management will review the financial statements, supporting schedules in order to ensure accuracy of disclosed information.	01/11/2021	30/06/2022	Reporting Specialist	In progress	

No	Description of Finding	Findings Status [Recurring; New]	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
	Audit of predetermined Objectives								
13 Pg 52	**Technical Indicator Description System not adequately detailed.** **For Basic delivery** indicators are not well defined.	New	Management did not ensure that the indicators are clearly explained in the technical indicator descriptions.	The Technical Indicator Description will be reviewed	22/11/2021	30/04/2022	Chief Operations Officer: M & E	In Progress	The Technical Indicator Description will be reviewed
14 Pg 60	**No Indicators were established for the core functions of the municipality** During the audit of predetermined objectives, it was noted that there were no indicators which were set for the core functions of the municipality	New	Inadequate controls are in place to ensure all the core functions of the municipality have indicators and targets in its annual planning documents	The Air Quality Indicators will be lifted from the Departmental SDBIP to the Institutional SDBIP 2022/23 FY.	22/11/2021	01/07/2022	Chief Operations Officer: M & E	In Progress	The Air Quality Indicators will be lifted from the Departmental SDBIP to the Institutional SDBIP 2022/23 FY.
	Audit of compliance								
15 Pg 64	**The contracts of successful bidders were not submitted to DTI within 30 days after the award of the contract** During the audit of local content, it was noted that the management did not submit the contracts of the successful bidders to DTI within 30 days in terms of the regulation.	Recurring	Inadequate review by management to ensure that the contracts of the successful bidders are submitted to DTI within 30 days after awarding the contract to the bidders	The SCM policy, standard operating procedures and Register for Local Content will be updated in line with the provisions of this circular to ensure compliance. Submission of award information on local content to DTI within 30 days	19/11/2021	30/06/2022	DM: SCM	In Progress	

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e.

	a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY
APPENDIX E – WARD REPORTING
APPENDIX F – WARD INFORMATION
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2008/09
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS
APPENDIX K – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE
APPENDIX K(i) – REVENUE COLLECTION PERFORMANCE BY VOTE
APPENDIX K(ii) – REVENUE COLLECTION PERFORMANCE BY SOURCE
APPENDIX L – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG
APPENDIX M – CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES
APPENDIX M(i) – CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME
APPENDIX M(ii) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME
APPENDIX N – CAPITAL PROGRAMME BY PROJECT end June 2014
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2008/09
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY
APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71
APPENDIX T _ PERFFORMANCE REPORT

WATERBERG DISTRICT MUNICIPALITY

ATTENDANCE OF SPECIAL AND ORDINARY COUNCIL MEETINGS: JULY 2020– JUNE 2021

- **Spec – Special Council meeting**
- **Ord – Ordinary Council meeting**
- **PR – Present**
- **AP – Apology**
- **AB – Absent**

Replaced Councillors	**New Councillors**

	SURNAME & INITIALS	**13 Jul. 2020 (Spec.)**	**20 Aug. 2020 (Ord.)**	**30 Oct. 2020 (Spec.)**	**30 Sept. 2020 (Spec.)**	**03 Dec. 2020 (Ord.)**	**28 Jan. 2021 (Spec.)**	**08 Feb. 2021 (Spec.)**	**16 Feb. 2021 (Spec)**	**25 Feb. 2021 (Spec)**	**30 Mar 2021 (Ord.)**	**30 Apr. 2021 (Spec)**	**27 May. 2021 (Ord.)**	**Special = 8 Ordinary = 4 TOTAL = 12**		
														PR.	**AP.**	**AB.**
1	Baloyi M.B.	Apology	Present	Present	Present	Present	Present	Present	Present	Present	Present	Absent	Present	**10**	1	1
2	Boloka M.R.	Present	Apology	Present	Present	Present	Present	Present	Present	Present	Absent	Present	Present	**10**	**1**	1
4	Gumede M.J	Absent	Present	Present	Present	Present	Present	Present						**6**	**-**	**1**
5	Hlungwane F.S	Present	Absent	Present	Present	Present	Present	Absent	Absent	Present	Present	Present	Present	**9**	**-**	**3**
6	Kekana M.J.	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Absent	**11**	**-**	**1**
7	Khotsa K.C.	Absent	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	**11**	**-**	**1**
8	Lamola K.S.	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	**12**	**-**	**-**
9	Laubscher N.	Present	Present	Present	Present	Apology	Present	Absent	Absent	Present	Present	Absent	Present	**8**	1	3
	Mabasa F.M					Present	Present	Absent	Present	Present	Apology	Absent	Present	**5**	1	2
10	Magongwa B.N.	Present	Present	Present	Present	Absent	Present	Present	Present	Present	Present	Absent	Present	**10**	-	2
11	Mahoro R.J.	Absent	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	**11**	**-**	**1**
12	Majoko S.C	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Apology	Present	**11**	1	-
13	Mampeule R.D	Absent	Present	Absent	Absent	Absent	Present	Present	Present	Absent	Apology	Absent	Present	**5**	**1**	**6**
	Manyama R		Present	Present	Present	Absent	Present	Present	Absent	Present	Apology	Present	Absent	**7**	**1**	**3**
14	Maropeng R	Absent	Present	Absent	Absent									**1**	**-**	**3**
15	MashamaiteT.A	Present	Present	Present	Present	Present	Present	Present	Present	Absent	Present	Present	Present	**11**	**-**	1
16	Mataboge S.M	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	**12**	**-**	**-**
	Mathebula H.S								Present	Present	Present	Present	Present	**5**	**-**	-
17	Matlala M.J.	Present	Present	Absent	Present	Present	Present	Present	Present	Present	Present	Absent	Present	**10**	**-**	2

WATERBERG DISTRICT MUNICIPALITY

ATTENDANCE OF SPECIAL AND ORDINARY COUNCIL MEETINGS: JULY 2020– JUNE 2021

- **Spec – Special Council meeting**
- **Ord – Ordinary Council meeting**
- **PR – Present**
- **AP – Apology**
- **AB – Absent**

Replaced Councillors	New Councillors

	SURNAME & INITIALS	13 Jul. 2020 (Spec.)	20 Aug. 2020 (Ord.)	30 Oct. 2020 (Spec.)	30 Sept. 2020 (Spec.)	03 Dec. 2020 (Ord.)	28 Jan. 2021 (Spec.)	08 Feb. 2021 (Spec.)	16 Feb. 2021 (Spec)	25 Feb. 2021 (Spec)	30 Mar. 2021 (Ord.)	30 Apr. 2021 (Spec)	27 May. 2021 (Ord.)	Special = 8 Ordinary = 4 TOTAL = 12		
														PR.	AP.	AB.
	Matsemela R.A							Present	Present	Present	Present	Present	Present	6	-	-
18	Mochaki M.D.	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	12	-	-
19	Mocke B.	Present	Absent	Apology	Apology	Apology	Present	Present	Absent	Absent	Present	Absent	Present	5	3	4
20	Mogale M.T	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	12	-	-
21	Mokwena K.R	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	12	-	-
22	Molekwa P.	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	12	-	-
23	Monama T.E	Absent	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	11	-	1
24	Monene R.N	Present	Present	Present	Present	Present	Present	Present	Present	Present	Absent	Present	Present	11	-	1
25	Montane N.S	Absent	Apology	Present	Present	Present	Present	Absent	Present	Absent	Present	Present	Apology	7	2	3
26	Niewenhuis K.H	Absent	Present	Present	Present	Present	Present	Present	Present	Apology	Present	Present	Absent	9	1	2
27	Radebe R.M	Absent	Apology	Present	Present	Apology	Present	Present	Apology	Apology	Apology	Present	Present	6	5	1
28	Satege L.K	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	-	-	12
29	Sebatjane M.P	Present	Present	Present	Present	Present	Present	Absent	Present	Present	Apology	Present	Present	10	1	1
30	Selokela M.J	Absent	Present	Present	Apology	Present	Present	Absent	Present	Present	Present	Present	Present	9	1	2
31	Senosha D.	Present	Present	Present	Present	Present	Present	Present	Present	Absent	Apology	Present	Present	10	1	1
32	Senosha S. C. G	Absent	Present	Present	Present	Present	Present	Present	Present	Present	Present	Absent	Present	10	-	2
33.	Tefu M.S.	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	-	-	12
34	Thobane M. S	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	12	-	-
35	Tsebe M. A	Present	Present	Present	Present	Present	Present							6	-	-

WATERBERG DISTRICT MUNICIPALITY
ATTENDANCE OF SPECIAL AND ORDINARY COUNCIL MEETINGS: JULY 2020– JUNE 2021

- **Spec – Special Council meeting**
- **Ord – Ordinary Council meeting**
- **PR – Present**
- **AP – Apology**
- **AB - Absent**

TRADITIONAL LEADERS

	SURNAME & INITIALS	13 Jul. 2020 (Spec.)	20 Aug. 2020 (Ord.)	30 Oct. 2020 (Spec.)	30 Sept. 2020 (Spec.)	03 Dec. 2020 (Ord.)	28 Jan. 2021 (Spec.)	08 Feb. 2021 (Spec.)	16 Feb. 2021 (Spec)	25 Feb. 2021 (spec.)	30 Mar. 2021 (Ord.)	30 Apr. 2021 (Spec)	27 May. 2021 (Ord.)	Special = 8 Ordinary = 4 TOTAL = 12		
														PR.	AP.	AB.
36	Kgoshi Kekana L. V.	Present	Present	Present	Present	Present	Present	Present	Present	Absent	Absent	Absent	Present	9	-	3
37	Inkosi Mahlangu V. N	Absent	Absent	Absent	Absent	Present	Present	Absent	Absent	Absent	Absent	Absent	Absent	2	-	10

WATERBERG DISTRICT MUNICIPALITY
ATTENDANCE OF PORTFOLIO COMMITTEES – 2020/21

- **PR – Present**
- **AP – Apology**
- **AB – Absent**

Replaced Councillors	New Councillors

BUDGET AND TREASURY									
	SURNAME & INITIALS	**29 Jul 2020**	**28 Oct 2020**	**22 Feb 2021**	**05 May 2021**	**19 May 2021 (special)**	**TOTAL = 5**		
							PR.	**AP.**	**AB.**
1.	Mashamaite T.A	Present	Present	Present	Present	Present	**5**	**0**	**0**
2.	Baloyi M.B	Present	Present	Present	Absent	Present	**4**	**0**	**1**
3	Satege L.K	Absent	Absent	Present	Absent	Absent	**1**	**0**	**4**
4.	Laubscher N	Present	Present	Present	Present	Present	**5**	**0**	**0**
5.	Majoko S.C	Absent	Absent	-	-	-	**0**	**0**	**2**
6.	Mabasa F.M	-	-	Present	Present	Present	**3**	**0**	**0**

TRANSFORMATION AND ADMINISTRATION								
	SURNAME & INITIALS	**28 Jul 2020**	**27Oct 2020**	**16 Feb 2021**	**04 May 2021**	**TOTAL = 4**		
						PR.	**AP.**	**AB.**
1.	Hlungwane F. S	Present	Apology	Present	Present	**3**	**1**	**0**
2.	Khotsa K. C	Present	Present	Present	Present	**4**	**0**	**0**
3.	Monene R. N	Present	Present	Present	Present	**4**	**0**	**0**
4.	Monama T. E	Present	Present	Present	Present	**4**	**0**	**0**
5.	Tefu M. S	Absent	Absent	Absent	Absent	**0**	**0**	**4**

WATERBERG DISTRICT MUNICIPALITY
ATTENDANCE OF PORTFOLIO COMMITTEE – 2020/21

- **PR – Present**
- **AP – Apology**
- **AB – Absent**

INFRASTRUCTURE DEVELOPMENT								
	SURNAME & INITIALS	**28 July 2020**	**27 Oct 2020**	**18 Feb 2021**	**05 May 2021**	**Total = 4**		
						PR.	**AP.**	**AB.**
1	Radebe R.M	Present	Present	Apology	Present	3	1	0
2	Selokela M.J	Apology	Absent	Present	Absent	1	1	2
3	Molekwa P	Present	Present	Present	Absent	3	0	1
4	Mocke B	Present	Present	Absent	Present	3	0	1
5	Matlala M. J	Present	Absent	Present	Present	3	0	1

PLANNING AND ECONOMIC DEVELOPMENT								
	SURNAME & INITIALS	**29 Jul 2020**	**28 Oct 2020**	**17 Feb 2021**	**05 May 2021**	**Total =4**		
						ATTEND	**APOL**	**ABS**
1	Sebatjane M.P	Present	Present	Present	Present	4	0	0
2	Senosha S.C.G	Present	Present	Present	Present	4	0	0
3	Thobane M.S	Present	Present	Present	Present	4	0	0
4	Mampeule R.D	Absent	Present	Absent	Absent	2	0	2

WATERBERG DISTRICT MUNICIPALITY
ATTENDANCE OF PORTFOLIO COMMITTEES – 2020/21

- **PR – Present**
- **AP – Apology**
- **AB – Absent**

New Councillors

SOCIAL DEVELOPMENT								
	SURNAME & INITIALS	**30 July 2020**	**29 Oct 2020**	**18 Feb 2021**	**06 May 2021**	**Total =4**		
						PR.	**AP.**	**AB.**
1	Boloka M.R	Present	Apology	-	-	1	1	0
2	Mathebula H.S			Present	Present	2	0	0
3	Magongwa B.N	Present	Present	Present	Present	4	0	0
4	Mochaki M. D	Present	Present	Present	Present	4	0	0
5	Mogale M.T	Present	Present	Present	Absent	3	0	1
6	Mahlangu V.N (Kgoshi)	Absent	Absent	Absent	Absent	0	0	4

COMMUNITY SERVICES								
	SURNAME & INITIALS	**30 July 2020**	**29 Oct 2020**	**18 Feb 2021**	**06 May 2021**	**Total =4**		
						PR.	**AP.**	**AB.**
1	Boloka M.R	Present	Apology	Present	Present	3	1	0
2	Niewenhuis K.H	Present	Apology	Present	Apology	2	2	0
3	Senosha D	Absent	Present	Present	Present	3	0	1
4	Kekana M.J	Present	Present	Present	Present	4	0	0
5.	Mahoro R.J	Present	Present	Apology	Absent	2	1	1

WATERBERG DISTRICT MUNICIPALITY
ATTENDANCE OF PORTFOLIO COMMITTEES – 2020/21

- **PR – Present**
- **AP – Apology**
- **AB – Absent**

Replaced Councillors	**New Councillors**

SPECIAL PROJECTS

	SURNAME & INITIALS	**13 Jul 2020**	**30 Oct 2020**	**14 Feb 2021**	**07 May 2021**	**Total =4**		
						PR.	**AP.**	**AB.**
1	Mokwena K.R	Present	Present	Present	Present	4	0	0
2	Gumede M.J	Present	Present			2	0	0
4	Manyama R	-	Absent	Present	Present	2	0	1
5.	Majoko S.C	Present	Present	Present	Absent	3	0	1
5	Kekana L.V. (Kgoshi)	Present	Apology	Absent	Present	2	1	1

APPENDIX B – COMMITTEES & COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Municipal Public Accounts Committee	Accountability and oversight role
Audit Committee	Auditing of financial and non-financial matters
Geographic Names	Changing of names of streets and public institutions
Public Participation	Ensure Public Involvement
Rules & Ethics	Ensure adherence to rule, ethics and legislation
Budget & Treasury	Ensure adherence to MFMA

APPENDIX C– THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Office of the Municipal Manager	Municipal Manager : P Raputsoa
Budget & Treasury Office	Chief Financial Officer : T. Muelelwa
Infrastructure Development	Manager : G Matlala
Planning & Economic Development	Manager : D.L.M.T Sehlapelo
Social Development and Community Services	Manager : M. Namate
Corporate Support & Shared Services	Manager: G.M Seleka

APPENDIX D– FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
Air pollution	No	
Building regulations	No	
Child care facilities	No	
Electricity and gas reticulation	No	
Fire-fighting services	Yes	
Local tourism	No	

Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	Yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm water management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	No	
Cemeteries, funeral parlours and crematoria	No	
Cleansing	No	
Control of public nuisances	No	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	No	
Local sport facilities	No	
Markets	No	
Municipal abattoirs	Yes	
Municipal parks and recreation	No	
Municipal roads	No	
Noise pollution	No	
Pounds	No	

Public places	No	
Refuse removal, refuse dumps and solid waste disposal	No	
Street trading	No	
Street lighting	No	
Traffic and parking	No	
*** If municipality: indicate (yes or No); * If entity: Provide name of entity**		T D

APPENDIX E–WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

APPENDIX F1- WARD INFORMATION

Ward Title: Ward Name (Number)

Capital Projects: Seven Largest in 2020/21(Full List at Appendix N)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Not applicable	Not applicable	Not applicable	R000

APPENDIX F2- BASIC SERVICE PROVISION

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	Not applicable	Not applicable	Not applicable	Not applicable	

Households without minimum service delivery	Not applicable	Not applicable	Not applicable	Not applicable	
Total Households*	Not applicable	Not applicable	Not applicable	Not applicable	
Houses completed in year					

APPENDIX F3- Top Four Service Delivery Priority in a Ward

APPENDIX F3 – Top Four Service Delivery Priorities for Ward (Highest Priority First) **Top Four Service Delivery Priorities for Ward (Highest Priority First)**		
No.	**Priority Name and Detail**	**Progress During 2019/20**
	Not applicable	Not applicable

APPENDIX G- Recommendations of the Municipal Audit Committee 2020/21

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during 2020/21**	**Recommendations adopted (enter Yes); not adopted (provide explanation)**
13 August 2020	A committee should be established to evaluate the useful life and conditions of assets before a service provider is appointed.	Adopted and Implemented
	The Investment report should contain a trend of balances for the whole financial year to keep track of investment balances.	Adopted and Implemented
	A documented plan of the preparation and submission of the AFS and APR to be circulated to all relevant stakeholders. Internal Audit should conduct a review of the Annual Financial Statement and present a report to the Audit Committee.	Adopted and Implemented
	Correct variances of KPIs on the report and have a comprehensive explanation on what is to be done as remedial action, were targets were not achieved.	Adopted and Implemented
	Risk Management Report must also include alignment of ICT to COVID-19	Adopted and Implemented
	The ICT Implementation plan which includes Business continuity plan, Disaster recovery plan and testing for disaster recovery plan that relates to ICT should be	Adopted and Implemented

	developed.	
28 October 2020	A paragraph which explains the impact COVID-19 had on the performance of the Municipality should be included in the APR.	Adopted and Implemented
	The draft AFS and draft APR be submitted to AGSA, COGHSTA, National Treasury and Provincial Treasury after the inputs are incorporated.	Adopted and Implemented
23 November 2020	A Procurement Plan should be tabled to the Audit Committee	Adopted and Implemented
11 May 2021	List of outstanding creditors must be provided	Adopted and Implemented
	Management should review the AG Action plan and include narrations to progress on the outstanding findings.	Adopted and Implemented
	The Audit committee recommended that a Quality assurance and improvement program be developed and implemented	Adopted and Implemented

APPENDIX H – Long Term contracts and Public Private Partnership

APPENDIX J- Disclosure of Financial interest

WDM DECLARATION OF FINANCIAL INTEREST FOR 2020/21

OFFICIALS

No.	Title	Officials Name		Designation	Company Name
1	Mr	Siebe	Phathutshedzo	Divisional Manager Development Planning	Rirothe Planning Consulting
2	Mr	Mogolola	Carlton Chuene	Chief Internal Auditor	Carmogo Transportation
3	Ms	Mabusela	Kgomotso Patricia	EHP	Tsobaphobudi Service
					Enviro Ndia Setrvices

4	Ms	Nekhalale	Prudence	ICT Officer	Qluimtessenthai Place
5	Mr	Ngobeni	Joseph	Sports Officer	Roxanne Business Enterprise (Doment)
6	Mr	Mello	Lesibana Comfort	CSSS- Secretary	Rise Now Trading 28
					Rite Prodvet Trading
					Ikukeng Sport events and Prootieng
					Bamello Co Lifestile
					Re A Tegantsha Cooperative
7	Ms	Makgobela	Ketlana Julia	Divisional Manager Supply Chain Management	Kgobie Construction
					Kgobase Investments
					Joy in Circles Events
8	Mr	Morema	Mahlatse Ebden	Risk Officer	Ocupational Safety and Health Hazard
					MmaJoyce Catering and Supply
					Patriotic 101 CPS
9	Mr	Ledwaba	Maditsela Geoffrey	Chauffer	Ledwaba Transport Services (Taxi)
10	Mr	Tsebe	Sesheke Keakile Benjamin	Control Room Operator	Zilasesh
					Seshcon Consultants and Logistics
11	Mr	Nkhata	Zakeo Aubrey	Divisional Manager Expenditure	Detelex Enterprise
13	Ms	Rakgoale	Raisibe Martha	PA to the Speaker	Moanamogolo Cons & Projects
14	Ms	Moraka	Matlhodi	PA to the Mayor	Madukgago projects

			Johannah		
15	Mr	Moloantoa	George Lesiba	Fire fighter	Tau tsa Bosula
17	Mr	Lewatle	Sello Abel	Fire fighter	Abzerorator
18	Mr	Khosa	Bafana Vancy	Fire fighter	BVK Enterprise
19	Ms	Macheke	Ramadimetja Ivy	EHP	Joteko Business and Enterprise
					Maboloka Funeral Services
20	Mr	Moloto	Keivin Kgorithi	EHP	Thabang Sales and Services
21	Mr	Mohlake	Abram	IDP Assistant Admin	Mohlake Construction
23	Mr	Matlou	Maselwa Johannes	HR Clerk	EGM Matabane Projects
24	Mr	Malete	Cheyeza	Receptionist	TNL and Associates Trading
26	Mr	Lesabane	Tumiso Herman	Financial Management Intern	K2014276834
27	Ms	Matlala	Gustinah Mamorotole	Manager Ifrastructure	Ntubane construction
					Nyakale Construction
					Lotus Evergreen Holdings
28	Mr	Mashabane	Tebogo	PA Chief Whiep	Tmash Event Management
29	Mr	Matlou	Moyahabo Milton	Fire fighter	Taxi Owner
30	Mr	Moraka	Ipeleng Solomon	Admin Assist Disaster	Thlagaripana trading
31	Mr	Mokoena	Batshipile Mathews Noah	Protocol Assistant	Blue Rebon
					Sobakwe Trading
32	Ms	Muelelwa	Takalani	CFO	Tarom PTY LTD

33	Ms	Marota	Mpho	Clerical Assistant	Orathon Trading
34	Mr	Phaladi	Ullyses Moshitapula	PA Chief Whiep	U-turn Engineering and Projects
35	Mr	Manganyi	Ntwanano Owen	GIS Ofiicer	Jajeka Business Enterprise
36					Ripinda Development Planning Consultants
37					The Moon Chesanyama
38	Ms	Sehlapelo	Desiree	Manager Planning and Economic Development	Makheda Holdings
39	Mr	Khalo	Tshepo Phillimon	General Worker (Cleaner)	Khalo and Sons Enetrprise
40	Mr	Moletsi	Tebogo Treasure	EHP	Thakus Trading and Projects
41					Pompos Trading and Projects
42	Ms	Makaleng	Tebogo Charlotte	EHP	Teeveemed
43	Mr	Matlou	Sello	EHP	Platform 4 Properties
44	Mr	Mautjana	Kolobe Victor	DIV Officer Fireprevention	Walilingon Water KN
45	Ms	Serumula	Mapula Johanna	Fire fighter	Godiofentse
46					Room for Rental
47	Mr	Mabaso	Mavin Orapeleng Mpole	Junior Fire Fighter	Motjatjihites Projects

WDM DECLARATION OF FINANCIAL INTEREST FOR 2020/21

COUNCILORS

No.	Titl	Councilor Name	Designation	Company Name

	e				
1	Mr	Kekana	Lesiba Vaaltyn	Taditional Leader (Kgoshi)	Mokgabiseng
2	Mr	Thobane	Madumetja Sam	Councillor	Lenyasa Trading
3	Mr	Niewenhuis	Karel	Councillor	K & A Mining Co Mokopnae Testari Eksekuteurs Kamer
4	Mr	Baloyi	Mokhachane Ben	Councillor	Nzalamareshaka Securitt & Projects
5	Ms	Tefu	Mapula Shirley	Councillor	Taxi Owner
6	Mr	Tsebe	Maresela Abram	Chief Whiep	Mokofuto Trading
7	Ms	Majoko	Shela Caroline	Councillor	Mshe120caroll.Trading
8	Mr	Motsepe	Ciliesta	Councillor	Basma One Funeral Services
9	Ms	Mocke	Bianca	Councillor	Perfectly dressed
10	Mr	Montane	Ndongwanze Samuel	Chair Person MPAC	Moraba Liquor Restaurand
11	Ms	Mokwena	Kelebone Ragel	Councillor (MMC)	Lekhuhlile Cleaning and Projects lephalale Woman Organisation
12	Mr	Mahlangu	Vuma Mgwane	Taditional Leader (Kgoshi)	Vuma Khosiwe Projects
13	Mr	Hlungwane	Freddy Sello	Councillor (MMC)	Funeral Palour/ Undertaker Hlungwane Group

14	Ms	Laubscher	Nadine	Councillor	Finvest Financial Solution
					Prospere Crestway
15	Ms	Boloka	Rosina Mosima	Councillor	Bolokabg Matilo Enterprise
16	Ms	Magongwa	Beauty Ntombenhle	Councillor	Bentoma Catering Transport
					Kopanang Mining Co operating
					NGO - Sediba sabophelo
					NGO - Women In Action
					NGO - Mokopane Deve. Forum
					NGO - Mokopane Farmers Association
17	Mr	Khotsa	Kgotola Charles	Councillor	Charl K
					Deo Sun
					Abibo Liqure Restaurant
					Employed SA Post Office
18	Mr	Sebatjane	Phineas Malesela	MMC- Planning & Economical Development	CPR Solution
19	Mr	Mataboge	Shimane Morris	Mayor	K2019025701 (South Africa)

					M4B Panelbeating and Towing Services
					Mataboge 4 Resturant
20	Ms	Mochaki	Makibe Dinah	Councillor	Shadi Shadi Trading Enterprise
21	Mr	Mahoro	Rufus Jan	Councillor	Tharu Funeral Services

APPENDIX K- Revenue Collection Performance By Vote and By Source

See the attached 2020/21 Audited Annual Financial Statement

APPENDIX K (ii) – Revenue Collection Performance By Source

See the attached 2020/21 Audited Annual Financial Statement

APPENDIX L – Conditional Grants Received: Excluding MIG

See the attached 2020/21 Audited Annual Financial Statement

APPENDIX M- Capital Expenditure – New & Upgrade/ Renewal Programmes

See the attached 2020/21 Audited Annual Financial Statement

APPENDIX M – Capital Expenditure – New Assets Programme

See the attached 2020/21 Audited Annual Financial Statement

APPENDIX N –Capital Programme by Project 2020/21

Not applicable

APPENDIX O - Capital Project by Ward 2020/21

Capital Programme by Project by Ward 2020/21 R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water	N/A	
"Project A"	N/A	
Sanitation/Sewerage	N/A	
Electricity	N/A	
Refuse removal	N/A	
Economic development	N/A	
Environment	N/A	
Health	N/A	
Safety and Security	N/A	

APPENDIX P – Services Connection Backlogs at schools and Clinics

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	**Water**	**Sanitation**	**Electricity**	**Solid Waste Collection**
Schools (NAMES, LOCATIONS)				
Not pallicable	NA	NA	NA	NA
Clinics (NAMES, LOCATIONS)				
Not applicable	NA	NA	NA	NA
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned. T P				

APPENDIX Q – Service Backlogs Experienced by the Community where another Sphere of Government is responsible for Service Provision

Service Backlogs Experienced by the Commmunity where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	**Scale of backlogs**	**Impact of backlogs**
Clinics: **Housing:**	**N/A**	
Licencing and Testing Centre:	**N/A**	
Reseviors		
Schools (Primary and High):	**N/A**	
Sports Fields:	**N/A**	
		T Q

APPENDIX R –Declaration of Loan and Grants made by the Municipality

Declaration of Loans and Grants made by the municipality 2019/20				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2020/21 R' 000	Total Amount committed over previous and future years
None	None	None	None	None
* Loans/Grants - whether in cash or in kind				T R

APPENDIX S – Declaration of Return not made in Due Time under MFMA s71

None

APPENDIX T Presidential outcome for local Government

APPENDIX U - Audited Annual Financial Statements 2020/2021

See the attached 2020/21 Audited Annual Financial Statement

Legal form of entity	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act No. 117 of 1998) read with section 155 (1) of the Constitution of the Republic of South Africa (Act No. 108 of 1996)
Nature of business and principal activities	Waterberg District Municipality s a district municipality performing the functions as set out in the Constitution of the Republic of South Africa (Act No. 108 of 1996)

Members of Council

Executive Mayor	S.M. Mataboge
Speaker	K.S. Lamola
Chief Whip	R.A. Matsemela
Mayoral Committee member	T.A. Mashamaite
Mayoral Committee member	F. Hlungwane
Mayoral Committee member	M.P. Sebatjane
Mayoral Committee member	R.M. Radebe
Mayoral Committee member	K.R. Mokwena
Mayoral Committee member	M.R. Boloka
MPAC Chairperson	N. S Montane
Councillor	H.S. Mathebula
Councillor	M.J. Matlala
Councillor	K. C Khotsa
Councillor	N. Laubscher
Councillor	S.C. Majoko
Councillor	M.D. Mochaki
Councillor	R. Manyama
Councillor	F.M. Mabasa
Councillor	M.B Baloyi
Councillor	M.J. Kekana
Councillor	B.N. Magongwa
Councillor	R.D. Mampeule
Councillor	B. Mocke
Councillor	M.T. Mogale
Councillor	P. Molekwa
Councillor	T.E. Monama
Councillor	R.N. Monene
Councillor	L.K. Satege
Councillor	M.J. Selokela
Councillor	S.C.G. Senosha
Councillor	M.S.Tefu

Councillor	M.S. Thobane
Councillor	K.H Niewenhuis
Grading of district municipality	Grade 4
Accounting Officer	P. Raputsoa
Chief Financial Officer	T. Muelelwa
Registered office	44 Harry Gwala Street Modimolle Limpopo 0510
Business address	44 Harry Gwala Street Modimolle Limpopo 0510
Postal address	Private Bag X1018 Modimolle Limpopo 0510
Bankers	ABSA Bank Modimolle
Auditors	Auditor General (SA)
Jurisdiction	Waterberg District Municipality Area includes - Modimolle Mogalakwena Bela Bela Lephalale Thabazimbi

Index

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

IFRS	International Financial Reporting Standards
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
WEDA	Waterberg Economic Development Agency
MFMA	Municipal Finance Management Act
MSCOA	Municipal Standard Chart Of Accounts
ASB	Accounting Standards Board
IPSASB	International Public Sector Accounting Standards Board

Accounting officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

I am responsible for the preparation of these annual financial statements, which are set out on pages, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is substantially dependent on the government for continued funding of operations. The financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of its operations.

The accounting officer certify that the salaries, allowances and benefits of councillors, loans made to councillors, if any, and payments made to councillors for loss of office, if any, as disclosed in note 23 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on page 5 - 75, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021 and were signed on its behalf by:

………………………..

P. Raputsoa

Accounting Officer.

ACCOUNTING OFFICER'S REPORT

The accounting officer submits his report for the year ended 30 June 2021

1. REVIEW OF ACTIVITIES

Main business and operations

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

Net deficit of the municipality was 15 525 969 (2020: deficit 16 349 823).

2. GOING CONCERN

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

3. SUBSEQUENT EVENTS

Subsequent to year end Council wrote off irregular expenditure as recommended by MPAC as per Council resolution A307/2020.

Subsequent to year end Council wrote off fruitless and wasteful expenditure as recommended by MPAC as per Council resolution A307/2020.

4.Corporate Governance

The council

The board:

- retains full control over the municipality, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;
- is of a unitary structure comprising:
  - non-executive directors, all of whom are independent directors as defined in the Code; and
  - Executive directors.

  -has established a Board directorship continuity programme

5.1. Remuneration

The remuneration of the accounting officer and section 56 managers are determined by the upper limits for senior managers.

5.2. Audit Committee

Adv. JL Thubakgale was the chairperson of the audit committee for the financial year under review.

In terms of Section 166 of the Municipal Finance Management Act, the municipality must appoint members of the audit committee. National Treasury policy requires that municipalities should appoint further members of the municipality's audit committee who are not councillors of the municipality onto the audit committee.

3 Members serve on the Audit Committee. The members are paid an allowance per day and are reimbursed for travel expenses. The 3 year term of the audit committee expired at the end of 31 March 2021 and it was extended with a year from 01 April 2021 to 31 March 2022. The minimum of four meetings are held every year and the chairperson also attended council meetings.

5.3 **Internal Audit**

The municipality has an independent internal audit function. This is in compliance with the Municipal Finance Management Act, 2003.

<u>ACCOUNTING OFFICER'S REPORT</u>

5.**Bankers**

The municipality has its primary bank account with ABSA Bank Limited

6.Auditors

The municipality is audited by the Auditor-General of South Africa.

The annual financial statements set out on page 5 - 75, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021 and were signed on its behalf by:

P.Raputsoa

Accounting Officer

STATEMENT OF FINANCIAL POSISTION AS AT 30 JUNE 2021

Figures in Rand	Note(s)	2021	2020 Restated
Assets			
Current Assets			
Inventories	3	156 700	-
Cash and cash equivalents	4	47 730 974	71 585 185
Trade and other receivables from exchange transactions	5	130 616	267 422
Receivables from non-exchange transactions	6	1 427 696	1 232 504
VAT receivable	7	1 172 358	966 221
		50 618 344	**74 051 332**
Non-Current Assets			
Property, plant and equipment	8	85 048 985	88 088 493
Intangible assets	9	1 383 054	1 861 706
Non-current receivables	10	54 777	54 777
		86 486 816	**90 004 976**
Non-Current Assets		86 486 816	90 004 976
Current Assets		50 618 344	74 051 332
Total Assets		**137 105 160**	**164 056 308**
Liabilities			
Current Liabilities			
Operating lease liability	11	74 444	-
Payables from exchange transactions	12	4 861 289	12 611 752
Payables from non-exchange transactions	13	17 052 966	14 970 870
Consumer deposits	14	2 000	2 000
Employee benefit obligation	15	739 000	704 942
Long service award liability	16	703 000	727 187
Unspent conditional grants and receipts	17	63 926	134
		23 496 625	**29 016 885**
Non-Current Liabilities			
Employee benefit obligation	15	16 683 999	23 966 637
Long service award liability	16	4 766 000	3 388 278
		21 449 999	**27 354 915**
Non-Current Liabilities		21 449 999	27 354 915
Current Liabilities		23 496 625	29 016 885
Total Liabilities		**44 946 624**	**56 371 800**
Assets		137 105 160	164 056 308
Liabilities		(44 946 624)	(56 371 800)
Net Assets		**92 158 536**	**107 684 508**
Accumulated surplus		92 158 536	107 684 508

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2021	2020 Restated
Revenue			
Revenue from exchange transactions			
Service charges		1 177 404	887 814
Other income	18	227 308	59 895
Interest earned - External investments	19	3 516 924	7 183 252
Interest earned - Receivables	19	742	42
Actuarial gain / (loss)	20	9 732 795	5 796 892
Total revenue from exchange transactions		**14 655 173**	**13 927 895**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	21	146 353 094	134 435 752
Total revenue from exchange transactions		14 655 173	13 927 895
Total revenue from non exchange transactions		146 353 094	134 435 752
Total revenue		**161 008 267**	**148 363 647**
Expenditure			
Employee related costs	22	(114 667 019)	(104 464 024)
Remuneration of councillors	23	(8 420 742)	(8 239 465)
Provision for doubtful debt		(111 484)	-
Depreciation and amortisation	24	(7 894 079)	(5 895 708)
Impairment of assets	25	-	(1 277 770)
Bad debts written off	26	-	(2 000 000)
Project expenditure	27	(5 913 198)	(5 107 347)
Loss on disposal of assets and liabilities		(92 192)	(306 653)
General Expenses	28	(39 435 522)	(37 422 503)
Total expenditure		**(176 534 236)**	**(164 713 470)**
Operating surplus/deficit		-	-
Deficit before taxation		(15 525 969)	(16 349 823)
Taxation		-	-
Deficit for the year		**(15 525 969)**	**(16 349 823)**

STATEMENT OF CHANGES IN NET ASSET

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2019	**124 034 331**	**124 034 331**
Deficit for the year as restated	(16 349 823)	(16 349 823)
Total changes	(16 349 823)	(16 349 823)
Restated* Balance at 01 July 2020	**107 684 505**	**107 684 505**
Net income (losses) recognised directly in net assets	-	-
Net Surplus / (Deficit) for the year	(15 525 969)	(15 525 969)
Total recognised income and expenses for the year	(15 525 969)	(15 525 969)
	(15 525 969)	(15 525 969)
Balance at 30 June 2021	**92 158 536**	**92 158 536**

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2021	2020 Restated
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 177 404	887 814
Grants		146 416 886	134 435 752
Interest income - Investments		3 517 665	7 183 294
Other receipts		252 630	31 165
		151 364 585	142 538 025
Payments			
Employee costs		(121 005 668)	(110 494 414)
Suppliers		(49 819 462)	(33 652 661)
		(170 825 130)	(144 147 075)
Total receipts		151 364 585	142 538 025
Total payments		(170 825 130)	(144 147 075)
Net cash flows from operating activities	30	**(19 460 572)**	**(1 609 050)**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(4 468 080)	(19 736 470)
Purchase of other intangible assets	9	-	(330 450)
Net cash flows from investing activities		**(4 468 080)**	**(20 066 878)**
Cash flows from financing activities			
Advance of operating lease		74 444	-
Net cash flows from financing activities		**74 444**	-
Net increase/(decrease) in cash and cash equivalents		**(23 854 214)**	**(21 675 971)**
Cash and cash equivalents at the beginning of the year		71 585 185	93 261 156
Cash and cash equivalents at the end of the year	4	**47 730 971**	**71 585 185**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Services charges	871 116	670 000	**1 541 116**	1 177 404	**(363 712)**	Refer to note 42
Other income	194 520	-	**194 520**	227 308	**32 788**	Refer to note 42
Interest earned - External investments	8 800 000	(3 440 000)	**5 360 000**	3 516 924	**(1 843 076)**	Refer to note 42
Interest earned - Receivables	-	1 000	**1 000**	742	(258)	Refer to note 42
Total revenue from exchange transactions	**9 865 636**	**(2 769 000)**	**7 096 636**	**4 922 378**	**(2 174 258)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	140 403 000	5 872 000	**146 275 000**	146 353 094	**78 094**	Refer to note 42
'Total revenue from exchange transactions'	9 865 636	(2 769 000)	**7 096 636**	4 922 378	**(2 174 258)**	
'Total revenue from non-exchange transactions'	140 403 000	5 872 000	**146 275 000**	146 353 094	**78 094**	
Total revenue	**150 268 636**	**3 103 000**	**153 371 636**	**151 275 472**	**(2 096 164)**	
Expenditure						
Employee related costs	(122 511 000)	2 532 000	**(119 979 000)**	(114 667 019)	**5 311 981**	Refer to note 42
Remuneration of councillors	(9 233 000)	(7 000)	**(9 240 000)**	(8 420 742)	**819 258**	Refer to note 42
Provision for doubtful debt	-	-	-	(111 484)	**(111 484)**	Refer to note 42
Depreciation and amortisation	(8 628 000)	-	**(8 628 000)**	(7 894 079)	**733 921**	Refer to note 42
Project expenditure	(9 542 992)	1 039 400	**(8 503 592)**	(5 913 198)	**2 590 394**	Refer to note 42
General Expenses	(34 208 008)	(2 903 800)	**(37 111 808)**	(39 435 522)	**(2 323 714)**	Refer to note 42
Total expenditure	**(184 123 000)**	**660 600**	**(183 462 400)**	**(176 442 044)**	**7 020 356**	
	150 268 636	3 103 000	**153 371 636**	151 275 472	**(2 096 164)**	
	(184 123 000)	660 600	**(183 462 400)**	(176 442 044)	**7 020 356**	
Operating deficit	**(33 854 364)**	**3 763 600**	**(30 090 764)**	**(25 166 572)**	**4 924 192**	
Loss on disposal of assets and liabilities	-	-	-	(92 192)	**(92 192)**	
Actuarial gain and losses	-	-	-	9 732 795	**9 732 795**	Refer to note 42
Transfer and subsidies - capital	300 000	(300 000)	-	-	-	
	300 000	**(300 000)**	-	**9 640 603**	**9 640 603**	
	(33 854 364)	3 763 600	**(30 090 764)**	(25 166 572)	**4 924 192**	

11

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	300 000	(300 000)	-	9 640 603	**9 640 603**	
Deficit before taxation	**(33 554 364)**	**3 463 600**	**(30 090 764)**	**(15 525 969)**	**14 564 795**	
Surplus before taxation	(33 554 364)	3 463 600	**(30 090 764)**	(15 525 969)	**14 564 795**	
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(33 554 364)**	**3 463 600**	**(30 090 764)**	**(15 525 969)**	**14 564 795**	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	-	-	-	156 700	**156 700**	
Receivables from non-exchange transactions	-	882 000	**882 000**	1 427 696	**545 696**	
VAT receivable	-	-	-	1 172 358	**1 172 358**	
Trade and other receivables from exchange transactions	5 000	494 000	**499 000**	130 616	**(368 384)**	
Cash and cash equivalents	81 979 000	78 019 000	**159 998 000**	47 730 974	**(112 267 026)**	
	81 984 000	**79 395 000**	**161 379 000**	**50 618 344**	**(110 760 656)**	
Non-Current Assets						
Property, plant and equipment	94 817 000	(685 000)	**94 132 000**	85 048 985	**(9 083 015)**	
Intangible assets	1 906 000	(44 000)	**1 862 000**	1 383 054	**(478 946)**	
Non-current assets	54 777	-	**54 777**	54 777	-	
	96 777 777	**(729 000)**	**96 048 777**	**86 486 816**	**(9 561 961)**	
Non-Current Assets	81 984 000	79 395 000	**161 379 000**	50 618 344	**(110 760 656)**	
Current Assets	96 777 777	(729 000)	**96 048 777**	86 486 816	**(9 561 961)**	
Total Assets	**178 761 777**	**78 666 000**	**257 427 777**	**137 105 160**	**(120 322 617)**	
Liabilities						
Current Liabilities						
Operating lease liability	-	-	-	74 444	**74 444**	
Payables from exchange transactions	5 500 000	3 000 000	**8 500 000**	4 861 289	**(3 638 711)**	
Taxes and transfers payable (non-exchange)	15 000 000	3 656 000	**18 656 000**	17 052 966	**(1 603 034)**	
Consumer deposits	2 000	-	**2 000**	2 000	-	
Employee benefit obligation	-	-	-	739 000	**739 000**	
Unspent conditional grants and receipts	-	-	-	63 926	**63 926**	
Long service award liability	1 450 000	(28 000)	**1 422 000**	703 000	**(719 000)**	
	21 952 000	**6 628 000**	**28 580 000**	**23 496 625**	**(5 083 375)**	
Non-Current Liabilities						
Employee benefit obligation	26 000 000	(2 362 000)	**23 638 000**	16 683 999	**(6 954 001)**	
Long service award liability	4 717 000	(1 000 000)	**3 717 000**	4 766 000	**1 049 000**	
	30 717 000	**(3 362 000)**	**27 355 000**	**21 449 999**	**(5 905 001)**	
	21 952 000	6 628 000	**28 580 000**	23 496 625	**(5 083 375)**	
	30 717 000	(3 362 000)	**27 355 000**	21 449 999	**(5 905 001)**	
	-	-	-	-	-	
Total Liabilities	**52 669 000**	**3 266 000**	**55 935 000**	**44 946 624**	**(10 988 376)**	
Assets	178 761 777	78 666 000	**257 427 777**	137 105 160	**(120 322 617)**	
Liabilities	(52 669 000)	(3 266 000)	**(55 935 000)**	(44 946 624)	**10 988 376**	
Net Assets	**126 092 777**	**75 400 000**	**201 492 777**	**92 158 536**	**(109 334 241)**	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	126 092 777	75 400 000	**201 492 777**	92 158 536	**(109 334 241)**	

APPROPRIATION STATEMENT

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2021											
Financial Performance											
Actuarial gain / loss	-	-	-	-		-	9 732 795		9 732 795	DIV/0 %	DIV/0 %
Service charges	871 116	670 000	1 541 116	-		1 541 116	1 177 404		(363 712)	76 %	135 %
Interest received	8 800 000	(3 439 000)	5 361 000	-		5 361 000	3 517 666		(1 843 334)	66 %	40 %
Transfers recognised - operational	140 403 000	5 872 000	146 275 000	-		146 275 000	146 353 094		78 094	100 %	104 %
Other own revenue	194 520	-	194 520	-		194 520	153 656		(40 864)	79 %	79 %
Total revenue (excluding capital transfers and contributions)	**150 268 636**	**3 103 000**	**153 371 636**	**-**		**153 371 636**	**160 934 615**		**7 562 979**	**105 %**	**107 %**
Employee costs	(122 511 000)	2 532 000	(119 979 000)	-	-	(119 979 000)	(114 667 019)	-	5 311 981	96 %	94 %
Remuneration of councillors	(9 233 000)	(7 000)	(9 240 000)	-	-	(9 240 000)	(8 420 742)	-	819 258	91 %	91 %
Depreciation and asset impairment	(8 628 000)	-	(8 628 000)			(8 628 000)	(7 894 079)	-	733 921	91 %	91 %
Project expenditure	(9 542 992)	1 039 400	(8 503 592)	-	-	(8 503 592)	(5 913 198)	-	2 590 394	70 %	62 %
Other expenditure	(34 208 008)	(2 904 400)	(37 112 408)	-	-	(37 112 408)	(39 639 198)	-	(2 526 790)	107 %	116 %
Total expenditure	**(184 123 000)**	**660 000**	**(183 463 000)**	**-**	**-**	**(183 463 000)**	**(176 534 236)**	**-**	**6 928 764**	**96 %**	**96 %**
Total revenue (excluding capital transfers and contributions)	150 268 636	3 103 000	153 371 636	-	-	153 371 636	160 934 615	-	7 562 979	105 %	107 %
Total expenditure	(184 123 000)	660 000	(183 463 000)	-	-	(183 463 000)	(176 534 236)	-	6 928 764	96 %	96 %
Surplus/(Deficit)	**(33 854 364)**	**3 763 000**	**(30 091 364)**	**-**		**(30 091 364)**	**(15 599 621)**		**14 491 743**	**52 %**	**46 %**

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Surplus/(Deficit)	(33 854 364)	3 763 000	(30 091 364)	-	-	(30 091 364)	(15 599 621)	-	14 491 743	52 %	46 %
Surplus (Deficit) after capital transfers and contributions	(33 854 364)	3 763 000	(30 091 364)	-	-	(30 091 364)	(15 599 621)	-	14 491 743	52 %	46 %
Surplus/(Deficit) for the year	**(33 854 364)**	**3 763 000**	**(30 091 364)**	-		**(30 091 364)**	**(15 599 621)**		**14 491 743**	**52 %**	**46 %**

ACCOUNTING POLCIES

Figures in Rand	Note(s)	2021	2020

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period, unless explicitly stated.

1.1 Presentation Currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going Concern Assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 **Significant judgments and sources of estimation uncertainty**

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 are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on an individual basis, based on historical loss ratios, and other indicators present at the reporting date that correlate with defaults on the debtors. These annual loss ratios are applied to balances in the portfolio and scaled to the estimated loss emergence period.

ACCOUNTING POLICIES

1.4. Significant judgments and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 - Provisions

Usefulness of other assets

The municipality's management determines the estimated useful lives and related depreciation charges for other assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 15.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

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.

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

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

Property, plant and equipment is initially measured at cost.

1.5. Property, Plant and equipment (continued)

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.

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

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. The municipality has no assets of cultural, environmental or historical significance and therefore no heritage assets.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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.

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

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Subsequent to initial recognition, items of Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Subsequent expenditure is capitalised when it increases the capacity of future economic benefits associated with the asset.

<u>The useful lives of items of property, plant and equipment have been assessed as follows:</u>

Item	**Depreciation method**	**Average useful life**
Buildings	Straight-line	10 to 60 years
Plant and machinery	Straight-line	5 to 37 years
Motor vehicles	Straight-line	3 to 18 years
Office equipment	Straight-line	4 to 36 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 is depreciated separately.

The depreciation method used reflects the pattern in which the asset’s future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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 asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

ACCOUNTING POLICIES

1.5 Property, Plant and Equipment (Continued)

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 28).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).

1.6. Intangible Assets

An intangible asset is an identifiable, non-monetary asset without physical substance. The municipality has classified computer software as intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- The cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation charge for each period is recognised in surplus or deficit.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	4 to 40 years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

ACCOUNTING POLICIES

1.6. Intangible Assets (continued)

Intangible assets are derecognised:

- on disposal; or
- When no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - Exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

ACCOUNTING POLICIES

1.7. **Financial instruments (continued)**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- Exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- A formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- Are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- Instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

AACOUNTING POLICIES

1.7Financial Instruments(continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument

1.7 Financial instruments

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- Non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

ACCOUNTING POLICIES

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
-the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer

In this case, the entity :

-derecognise the asset; and

-recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

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 as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

ACCOUNTING POLICIES

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred 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).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transactions costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately

Operating leases-lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, and then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any

ACCOUNTING POLICIES

reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Impairment of cash-generating 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 cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- The number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

An entity shall assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exits, the entity shall estimate the recoverable service amount of the asset. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable service amount. The reduction is an impairement loss

Once it is determined that there is a potential impairment loss, a formal estimate of the recoverable service amount is to be made by the entity. The recoverable service amount is determined to be the higher of a non-cash generating assets fair value less costs to sell and it value in use. The value in use is the present value of the assets remaining service potential

On inspection of the fixed asset register for the 2020 financial year it was noted that certain movable assets determined to be in an unfavourable condition for future use and were recorded at balances in terms of their carrying values in the fixed asset register that did not accurately reflect their recoverable service potential. These assets were assessed for impairment by comparing their carrying amounts as at 30 June 2020 to their estimated recoverable service potential amounts and impairment loss was determined and recognised as per GRAP 21 requirements.

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

ACCOUNTING POLICIES

1.10. Impairment of cash-generating assets (continued)

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

basis for estimates of future cash flows

In measuring value in use the municipality:

- Base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- Estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- Net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- Income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

ACCOUNTING POLICIES

1.10Impairment of cash-generating assets(continued)

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- The carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.11 impairment non-cash-generating 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 cost of the asset.

ACCOUNTING POLICIES

1.11 Impairment of non-cash-generating assets (continued)

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- The number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets.

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

ACCOUNTING POLICIES

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any

reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- The proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- An employee's decision to accept voluntary redundancy in exchange for those benefits.

Other 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 period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities

ACCOUNTING POLICIES

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 employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- Non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- As an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus; incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- As a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- As an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

ACCOUNTING POLICIES

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- The effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- Any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement. The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously

ACCOUNTING POLICIES

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- Past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- Minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- The effect of any curtailments or settlements.

1.13.Provisions and contingencies

A provision is a liability of uncertain timing or amount.

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 Revenue from exchange transactions

Recognition

An inflow of resources from an exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect .of the same inflow

Measurement

Revenue from exchange transaction is measured at the amount of the increase in net assets recognised by the municipality

When, as a result of exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the

reduction in the liability is recognised as revenue

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

ACCOUNTING POLICIES

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.16 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates

GOVERNMENT GRANTS

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- To the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met, to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.17 investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

ACCOUNTING POLICIES

1.18 comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- Expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the 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 the statement of financial performance.

1.20 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the 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 the statement of financial performance.

1.21. Irregular Expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) Any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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

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

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

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

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity’s supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.22 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

ACCOUNTING POLICIES

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.23 Related Parties

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

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 municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.24 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- Those that is indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements

1.25. Value Added Tax

The Municipality is registered as category C VAT vendor. The Municipality accounts for VAT on a cash basis as per Section 15 of the VAT Act. VAT receivable or payable is calculated on monthly bases. VAT receivable is treated as current assets while VAT payable is treated as VAT current liability. Annual Financial Statments are prepared on the accrual basis of accounting.

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payments basis, in accordance with Section 15(2) of the VAT Act (Act No. 89 of 1991)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in rand	2021	2020

2. New standards and interpretations

2.1 standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 18 (as amended 2016): Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region

The subsequent amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality has adopted the standard for the first time in the 2019/2020 annual financial statements.

The impact of the standard is not material.

2.2. Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the standard is not yet set by the Minister of Finance.

The impact of the standard is not material.

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP are primarily drawn from the IASB's Amendments to IAS 1. Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

information should not be obscured by aggregating or by providing immaterial information;
materiality considerations apply to all parts of the financial statements; and
Even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

A municipality applies judgement based on past experience and current facts and circumstances. The effective date of this amendment is for years beginning on or after 01 April 2020.

The municipality expects to adopt the interpretation for the first time in the 2020/2021 annual financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- Defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, and Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality has adopted the standard for the first time in the 2020/2021 annual financial statements.

The impact of the standard is not material.

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- The effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the for the first time in the 2019/2020 annual financial statements.

The impact of the standard is not material.

GRAP 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality has adopted the standard for the first time in the 2020/2021 annual financial statements.

The impact of the standard is not material.

GRAP 37: Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020

The municipality has adopted the standard for the first time in the 2020/2021 annual financial statements.

The impact of the standard is not material.

GRAP 110 (as amended 2016): Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, and Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

The subsequent amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

IGRAP 20: Accounting for Adjustments to Revenue

As per the background to this Interpretation of the Standards of GRAP, there are a number of legislative and regulatory processes that govern how entities levy, charge or calculate revenue, in the public sector. Adjustments to revenue already recognised in terms of legislation or similar means arise from the completion of an internal review process within the entity, and/or the outcome of an external appeal or objection process undertaken in terms of legislation or similar means.

Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process can either result in a change in an accounting estimate, or a correction of an error.

As per the scope, this Interpretation of the Standards of GRAP clarifies the accounting for adjustments to exchange and non-exchange revenue charged in terms of legislation or similar means, and interest and penalties that arise from revenue already recognised as a result of the completion of a review, appeal or objection process. Changes to the measurement of receivables and payables, other than those changes arising from applying this Interpretation, are dealt with in accordance with the applicable Standards of GRAP. The principles in this Interpretation may be applied, by analogy, to the accounting for adjustments to exchange or non-exchange revenue that arises from contractual arrangements where the fact patterns are similar to those in the Interpretation.

The interpretation sets out the issues and relating consensus with accounting for adjustments to revenue.

The effective date of the interpretation is for years beginning on or after 01 April 2020.

The municipality expects to adopt the interpretation for the first time in the 2019/2020 annual financial statements.

The impact of the standard is not material.

IGRAP 21

The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3) applies to the selection of accounting policies. Entities apply the accounting policies set out in the Standards of GRAP, except when the effect of applying them is immaterial. This means that entities could apply alternative accounting treatments to immaterial items, transactions or events (hereafter called "items"

The Board received questions from entities asking whether past decisions to not apply the Standards of GRAP to immaterial items effect future reporting periods. Entities observed that when they applied alternative accounting treatments to items in previous reporting periods, they kept historical records on an on-going basis of the affected items. This was done so that they could assess whether applying these alternative treatments meant that the financial statements became materially "misstated" over time. If the effect was considered material, retrospective adjustments were often made.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

The Interpretation applies to accounting policies and alternative accounting treatments related to the recognition and measurement of items.

The effective date of the interpretation is for years beginning on or after

July 20201. The impact of the standard is not material.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020

3. Inventories

COVID-19 PPE's	156 700	-

Inventory at year end relates to COVID-19 PPE at year end.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5 000	5 000
Bank balances	2 730 314	3 580 185
Short-term deposits	44 981 628	68 000 000
	47 716 942	**71 585 185**

Short-term deposits

Call deposits	2 000 000	18 000 000
35 Days fixed deposits	-	40 000 000
90 Days fixed deposits	-	10 000 000
32 Days fixed deposits	10 000 000	-
33 Days fixed deposits	8 000 000	-
60 Days fixed deposits	25 000 000	-

Figures in Rand	2021	2020

4. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	**30 June 2020**	**30 June 2019**	**30 June 2021**	**30 June 2020**	**30 June 2019**
ABSA Bank - Current account: 4086264236	2 614 228	3 368 855	3 077 233	2 621 570	3 400 976	3 090 512
ABSA Bank - Call account: 4089054729	2 021 575	18 108 745	17 000 000	2 021 575	18 108 745	17 013 857
Petty cash	-	-	-	5 000	5 000	5 000
FIRST NATIONAL BANK - 182 days 74773060526	-	20 000 000	20 000 000	-	20 000 000	20 000 000
NEDBANK - 182 Days investment: 03/7497571214/000230	-	-	20 000 000	-	-	20 000 000
NEDBANK - 91 Days investment: 03/7497571214/000232	-	-	10 000 000	-	-	10 000 000
NEDBANK - 91 Days investment: 03/7497571214/000231	-	-	10 000 000	-	-	10 000 000
STANDARD BANK - 62 Days investment: 728855100-044	-	-	10 013 856	-	-	10 000 000
Absa - Growbus 40-9881-8724	68 799	70 464	-	68 799	70 464	-
NEDBANK - 182 Days 03/7497571214/000243	-	20 000 000	-	-	20 000 000	-
STANDARD BANK - 62 Days 728855100-054	-	10 000 000	-	-	10 000 000	-
ABSA Bank - 32 Days investment: 2079847726	10 000 000	-	-	10 000 000	-	-
NEDBANK - 60 Days investment: 03/7497571214/000260	15 000 000	-	-	15 000 000	-	-
STANDARD BANK - 60 Days investment: 728855100-069	10 000 000	-	-	10 000 000	-	-
STANDARD BANK - 33 Days investment: 728855100-070	8 000 000	-	-	8 000 000	-	-
Total	**47 704 602**	**71 548 064**	**90 091 089**	**47 716 944**	**71 585 185**	**90 109 369**

5. Trade and other receivables from exchange transactions

	2021	2020
Gross balances		
Accrued interest - bank	112 910	183 714
Abattoir	125 674	80 192
Other receivables - councillor salaries	3 516	3 516
	242 100	**267 422**
Less: Allowance for impairment		
Accrued interest - bank	-	-
Abattoir	(107 968)	-
Other receivables - councillor salaries	(3 516)	-
	(111 484)	-

Figures in Rand	2021	2020

5. Trade and other receivables from exchange transactions (continued)

Net balance		
Accrued interest - bank	112 910	183 714
Abattoir	17 706	80 192
Other receivables - councillor salaries	-	3 516
	130 616	**267 422**

Abattoir		
Current (0 -30 days)	17 706	32 499
31 - 60 days	107 968	47 693
	125 674	**80 192**

Other receivables - councillor salaries		
> 365 days	3 516	3 516

Accrued interest - bank		
Current (0 -30 days)	112 910	183 714

Reconciliation of allowance for impairment		
Balance at beginning of the year	-	-
Contributions to allowance	(111 484)	-
	(111 484)	**-**

Other receivables pledged as security

No other receivables were pledged as security.

Credit quality of receivables from exchange transactions

Abattoir debtors are payable within 30 days. The credit period is considered to be consistent with the terms used in the public sector, through established practices and legislation.

The credit quality of debtors that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates or external ratings (if applicable). The municipality's historical experience in collection of receivables transactions falls within recorded allowances. Accordingly management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

Fair value of trade and other receivables

Consumer debtors past due but not impaired

All services are payable within 30 days from the invoice date.. At 30 June 2021, R0 (2020: R47 693) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	17 706	32 499
2 months and older past duepast due	111 484	51 209

6. Receivables from non-exchange transactions

Prepayments	1 294 732	1 098 846
Sundry debtors	132 964	126 060
Accrued interest - municipal account	-	7 598
	1 427 696	**1 232 504**

Figures in Rand	2021	2020
7. VAT		
VAT	1 172 358	966 221

Figures in Rand

8. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 365 500	-	1 365 500	1 365 500	-	1 365 500
Buildings	38 574 417	(15 324 748)	23 249 669	38 623 441	(14 064 652)	24 558 789
Plant and machinery	5 926 114	(3 597 128)	2 328 986	5 926 114	(3 030 448)	2 895 666
Motor vehicles	80 823 555	(27 306 816)	53 516 739	76 704 842	(22 844 816)	53 860 026
Office equipment	14 049 940	(9 461 849)	4 588 091	14 048 691	(8 640 179)	5 408 512
Total	**140 739 526**	**(55 690 541)**	**85 048 985**	**136 668 588**	**(48 580 095)**	**88 088 493**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Derecognition - Cost	Derecognition - Accumulated depreciation	Depreciation	Total
Land	1 365 500	-	-	-	-	1 365 500
Buildings	24 558 789	-	(49 024)	22 015	(1 282 111)	23 249 669
Plant and machinery	2 895 666	-	-	-	(566 680)	2 328 986
Motor vehicles	53 860 026	4 140 000	(21 287)	21 286	(4 483 286)	53 516 739
Office equipment	5 408 512	328 080	(326 863)	261 681	(1 083 319)	4 588 091
	88 088 493	**4 468 080**	**(397 174)**	**304 982**	**(7 415 396)**	**85 048 985**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Change in estimate	Derecognition - Cost	Derecognition - Accumulated depreciation	Depreciation	Impairment loss	Total
Land	1 365 500	-	-	-	-	-	-	1 365 500
Buildings	25 780 022	-	325 363	(120 667)	19 439	(1 197 287)	(248 081)	24 558 789
Plant and machinery	2 625 495	556 684	268 492	(49 889)	45 682	(514 372)	(36 426)	2 895 666
Motor vehicles	37 587 771	18 729 571	1 413 515	(553 225)	460 442	(2 868 238)	(909 810)	53 860 026
Office equipment	5 598 169	450 604	645 880	(1 420 418)	1 311 983	(1 093 864)	(83 454)	5 408 512
	72 956 957	**19 736 859**	**2 653 250**	**(2 144 199)**	**1 837 546**	**(5 673 761)**	**(1 277 771)**	**88 088 493**

Pledged as security

There are no items of property plant and equipment pledged as security.

Change in estimate breakdown

Buildings	-	325 363
Plant and machinery	-	268 492
Motor vehicles	-	1 413 515
Office equipment	-	645 880
	-	**2 653 250**

Reconciliation of Work-in-Progress 2021

	Opening balance	Transferred to completed projects
Opening balance	39 347 922	(39 347 922)

Figures in Rand		2021	2020

8. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2020

	Opening balance	Additions	Total
Opening balance	24 879 582	14 468 340	39 347 922

Expenditure incurred to repair and maintain property, plant and equipment

	2021	2020
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
General expenses	3 826 282	4 188 185

Derecognition of assets

In terms of GRAP 17, the carrying amount of an item of property, plant and equipment shall be derecognised either on disposal (inclusive of disposal through a non-exchange transaction) or when no future economic benefits or service potential is expected from the use or disposal of the asset. The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in surplus or deficit when the item is derecognised (unless GRAP 13 requires otherwise on a sale and leaseback).

A physical asset verification exercise was conducted during March and June 2021 where assets were identified as being in a condition that economic benefits are no longer expected to flow to the municipality and therefore these were written off and derecognised from the fixed asset register.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Figures in Rand

9. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3 134 705	(1 751 651)	1 383 054	3 890 011	(2 028 305)	1 861 706

Reconciliation of intangible assets - 2021

	Opening balance	Derecognition - cost	Derecognition - accum amortisation	Amortisation	Total
Computer software, other	1 861 706	(755 306)	755 306	(478 652)	1 383 054

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Derecognition - cost	Derecognition - accum amortisation	Amortisation	Total
Computer software, other	1 753 202	330 450	(365 612)	365 612	(221 946)	1 861 706

Pledged as security

There are no items of intangible assets pledged as security.

10. Non-current receivables

Description		
Water and electricity	2 027	2 027
Office rentals	32 750	32 750
Telephone	20 000	20 000

Figures in Rand	2021	2020

10. Non-current receivables (continued)

	54 777	**54 777**

Deposit water and electricity

These are deposits paid for water and electricity services, rental of office space in Mokopane and Thabazimbi for environmental health officials and VOIP telephone.

11. Operating lease asset (accrual)

Current assets	-	-
Current liabilities	(74 444)	-
	(74 444)	**-**

Refer to note 31 commitment for additional disclosure relating to operating lease accrual.

12. Payables from exchange transactions

Trade payables	3 618 038	2 828 876
Debtors with credit balances	8 722	-
Retentions	107 985	256 410
Accruals	1 126 544	9 526 466
	4 861 289	**12 611 752**

13. Payables from non-exchange transactions

Accruals for leave	14 922 615	12 869 920
Accruals for bonuses	2 130 351	2 100 950
	17 052 966	**14 970 870**

14. Consumer deposits

Abattoir	2 000	2 000

Figures in Rand	2021	2020

15. Employee benefit obligations

Defined benefit plan

The municipality contributes to a number of defined contribution schemes for pension of all permanent employees and councillors. The funds are governed by the Pension Funds Act of 1956.

The following are defined contribution plans:

- National Fund for Municipal Workers
- Municipal Gratuity Fund
- Municipal Employee Fund
- Joint Municipal Pension Fund
- Municipal Councilors Pension Fund

The municipality also provides certain post-retirement medical benefits to qualifying pensioners. All post-retirement medical benefits are unfunded.

The following are defined benefit plans:

- LA Health
- SAMWU Med
- Bonitas Medical Fund
- Key Health Medical Scheme
- Hosmed

In accordance with prevailing legislation, the defined benefit funds are actuarially valued at intervals of not more than two years. The Projected Unit Credit valuation method is used. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2021 by Chanan Weiss on behalf of ARCH Actuarial Consulting (Pty) Ltd.Chanan is a Fellow of the Actuarial Society of South Africa (ASSA) and has been involved for 20 years, in over 1,000 valuations for more than 200 clients including the City of Cape Town, City of Tshwane and Transnet.

The municipality has no legal obligation to settle this liability with any immediate contributions or additional once-off contributions. The municipality intends to continue to contribute to each defined benefit post-retirement medical scheme in accordance with the latest recommendations of the actuary to each scheme.

The accumulated defined benefit obligation in respect of the post-retirement medical contributions are provided, based on calculations of independent actuaries, using methods and assumptions consistent with GRAP 25 as follows:

Movement in the employee healthcare benefit liability:

Carrying value		
Opening balance	(24 671 579)	(26 891 433)
Medical contributions subsidies for continuation pensioners	750 898	728 992
Current service costs	(1 440 019)	(1 455 734)
Current interest costs	(3 222 281)	(2 803 897)
Actuarial (gain) loss over financial year	11 159 982	5 750 493
Unfunded accrued liability as at 30 June	**(17 422 999)**	**(24 671 579)**
Non-current liabilities	(16 683 999)	(23 966 637)
Current liabilities	(739 000)	(704 942)
	(17 422 999)	**(24 671 579)**

The liability as at 30 June consist of:

In-service (employee) members	(8 662 000)	(15 971 577)
Continuation members	(8 589 000)	(7 838 817)
In-service (employee) non-members	(172 000)	(861 186)

Net expense recognised in the statement of financial performance

Current service cost	1 440 019	1 455 734
Interest cost	3 222 281	2 803 897
Actuarial (gains) losses	(11 159 982)	(5 750 493)
	(6 497 682)	**(1 490 862)**

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.97 %	13.25 %
Medical cost trend rates	6.74 %	8.97 %
Net-of-health-care-cost-inflation discount rate	3.03 %	- %
Maximum subsidy inflation rate	4.68 %	- %
Net-of-maximum-subsidy-inflation discount rate	5.05 %	- %

The discount rate is a composture of all government bonds.The discount rate was determined from yield curves from the current market rates after the market closed at reporting date.

Defined benefit obligation

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Medical inflation rate

2021 financial year:

	One percentage point increase	One percentage point decrease
Accrued liability	18 584 000	15 895 000
Current service costs	1 723 160	1 723 160
Interest cost	3 694 340	2 831 241

2020 financial year:

	One percentage point increase	One percentage point decrease
Accrued liability	28 069 443	21 885 958
Current service costs	1 698 123	1 234 120
Interest cost	3 395 329	3 068 522

Amounts for the current and previous four years are as follows:

	2021	2020	2019	2018	2017
Defined benefit obligation	17 423 000	24 671 579	26 891 434	24 977 888	23 164 165

16. Long service award liability

The municipality provides long-service awards to its permanent employees.

The benefit of long-service award is provided in the form of annual leave and a gift to a certain monetary value.

16. **Long service award liability**

In accordance with prevailing legislation, the provision is actuarially valued at intervals of not more than two years. The Projected Unit Credit valuation method is used. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2021 by Chanan Weiss on behalf of ARCH Actuarial Consulting (Pty) Ltd.Chanan is a Fellow of the Actuarial Society of South Africa (ASSA) and has been involved for 20 years, in over 1,000 valuations for more than 200 clients including the City of Cape Town, City of Tshwane and Transnet.

The municipality has no legal obligation to settle this liability with any immediate contributions or additional once-off contributions.

The accumulated defined benefit obligation in respect of the long-service awards are provided, based on calculations of independent actuaries, using methods and assumptions consistent with GRAP 25 as follows:

Movement in the long-service award liability:		
Liability as at 01 July	(4 115 465)	(4 010 768)
Benefits paid	701 279	510 933
Current service cost	(357 867)	(360 854)
Interest	(269 760)	(301 175)
Actuarial losses / (gains) recognised in Statement of Financial Performance	(1 427 187)	46 399
Unfunded accrued liability as at 30 June	**(5 469 000)**	**(4 115 465)**

Current portion of liability as at 30 June	(703 000)	(727 187)
Non-current portion of liability as at 30 June	(4 766 000)	(3 388 278)
	(5 469 000)	**(4 115 465)**

Expense recognised in (profit) or loss:		
Current service cost	357 867	360 854
Interest cost	269 760	301 175
Actuarial losses / gains	1 427 187	(46 399)
	2 054 814	**615 630**

17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
EPWP Incentive Grant	63 792	-
Rural Road Assets Management Sytems Grant	134	134
	63 926	**134**

See note 21 for reconciliation of grants from National/Provincial Government.

18. Other income

Commision income	23 638	48 373
Recoveries	68 462	-
Air quality licencing	45 000	-
Tender document fees	-	11 522
Fire income	16 556	-
Long service award	73 652	-
	227 308	**59 895**

Figures in Rand	2021	2020

19. Interest earned

Abattoir services	742	42
Interest revenue		
Bank	109 729	461 826
Short-term investments	3 407 195	6 721 426
	3 516 924	**7 183 252**
	742	42
	3 516 924	7 183 252
	3 517 666	**7 183 294**

20. Actuarial gain / (loss)

Gains or losses arising from employee benefit obligation	11 159 982	5 750 493
Gains or losses arising from long service awards	(1 427 187)	46 399
	9 732 795	**5 796 892**

21. Government grants and subsidies

Operating grants		
Equitable share	142 124 000	129 984 752
LG SETA Grant	141 886	-
Rural Road Asset Management Grant	2 151 000	2 259 000
Disaster Relief Grant	-	1 192 000
Finance Management Grant	1 000 000	1 000 000
Expanded Public Works Incentive Grant	936 208	-
	146 353 094	**134 435 752**
	146 353 094	134 435 752
	-	-

Equitable Share

The equitable share is an unconditional grant and is utilised to fund disaster management services, environmental health services, projects and operating expenditure.

Disaster Relief Grant

Current-year receipts	-	1 192 000
Conditions met - transferred to revenue	-	(1 192 000)
	-	-

National Treasury made an allocation at 30 June 2020 of R1 192 000 (one million one hundred and ninety two thousand rand) to the Waterberg District Municipality as a Disaster Relief specifically focusing on COVID19 activities

Finance Management Grant

Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
	-	-

21. Government grants and subsidies (continued)

Conditions met - transferred to revenue	(2 151 000)	(2 259 000)
Other	-	(579 090)
	-	-

The grant is utilised to set up a district Road Asset Management System and to collect rural data in line with the Road Infrastructure Strategic Framework for South Africa.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act no.10 of 2014), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

National Treasury made an allocation at 30 June 2020 of R1 192 000 (one million one hundred and ninety two thousand rand) to the Waterberg District Municipality as a Disaster Relief specifically focusing on COVID19 activities

Finance Management Grant

Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
	-	-

Expanded Public Works Incentive Grant

Current-year receipts	1 000 000	-
Conditions met - transferred to revenue	(936 208)	-
	63 792	-

The grant is to incentivise municipalities to increase labour intensive employment through infrastructure programmes that maximise job creation and skills development in line with the EPWP guidelines. Project was complete with a savings amounting to R63 792.

LG SETA Grant

Current-year receipts	141 886	-
Conditions met - transferred to revenue	(141 886)	-
	-	-

The aim of these grants is to encourage stakeholders and employers to contribute to skills development, address critical and scarce skills shortages, and create jobs and employment opportunitiest

Rural Road Asset Management Grant

Balance unspent at beginning of year	-	579 090
Current-year receipts	2 151 000	2 259 000

21. Government grants and subsidies (continued)

Conditions met - transferred to revenue	(2 151 000)	(2 259 000)
Other	-	(579 090)
	-	-

The grant is utilised to set up a district Road Asset Management System and to collect rural data in line with the Road Infrastructure Strategic Framework for South Africa.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act no.10 of 2014), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

Figures in Rand	2021	2020

22. Employee related costs

Salaries and wages	67 958 160	62 915 029
Travel and other allowances	15 581 027	13 259 873
Overtime allowances	6 819 467	5 762 906
Housing benefits and allowances	3 609 977	2 721 000
Contributions for UIF, pension and medical aid and other statutory contributions	20 698 388	19 805 216
	114 667 019	**104 464 024**

Remuneration of Municipal Manager

Annual Remuneration	875 601	448 416
Car Allowance	190 543	99 794
Acting allowance	-	187 575
Contributions to UIF, Medical and Pension Funds	204 940	126 498
Other	16 500	150 446
	1 287 584	**1 012 729**

The Municipal Manager was appointed in 01 August 2020.

Remuneration of Chief Finance Officer

Annual Remuneration	787 141	348 859
Car Allowance	170 000	80 599
Acting allowance	-	2 401
Contributions to UIF, Medical and Pension Funds	176 323	80 040
Other	12 000	22 823
	1 145 464	**534 722**

The Chief Financial Officer was employed for the year under review.

Remuneration of Manager: Planning & Economic Development

Annual Remuneration	747 705	576 636
Car Allowance	169 467	134 167
Bonuses	62 272	49 020
Contributions to UIF, Medical and Pension Funds	154 018	123 023
Other	12 000	92 313
	1 145 463	**975 159**

The Planning and Economic Development manager was employed for the year under review.

Remuneration of Manager: Corporate Support and Share Services

Annual Remuneration	739 995	722 074

22. Employee related costs (continued)

Car Allowance	168 234	170 020
Bonuses	61 666	60 580
Contributions to UIF, Medical and Pension Funds	163 567	161 782
Other	12 000	69 269
	1 145 462	**1 183 725**

The Manager Corporate Support and Share Services manager was employed for the year under review.

22. Employee related costs (continued)

Car Allowance	168 234	170 020
Bonuses	61 666	60 580
Contributions to UIF, Medical and Pension Funds	163 567	161 782
Other	12 000	69 269
	1 145 462	**1 183 725**

The Manager Corporate Support and Share Services manager was employed for the year under review.

Remuneration of Manager: Social Development and Community Services

Annual Remuneration	907 751	619 750
Car Allowance	167 045	122 987
Contributions to UIF, Medical and Pension Funds	58 667	51 052
Other	27 929	265 960
	1 161 392	**1 059 749**

The Manager Social Development and Community Services manager was employed for the year under review.

Remuneration of Manager: Executive Support Office

Annual Remuneration	881 055	608 349
Car Allowance	183 799	173 218
Bonuses	52 034	48 927
Contributions to UIF, Medical and Pension Funds	52 748	39 178
Other	13 579	328 395
	1 183 215	**1 198 067**

The Executive Support Manager was employed for the year under review.

23. Remuneration of councillors

Executive Mayor	941 324	941 120
Mayoral Committee Members	3 860 595	4 156 137
Speaker	760 818	760 779
Councillors	2 858 004	2 381 429
	8 420 741	**8 239 465**

Reconciliation of remuneration of Councillors -2021

		Annual remuneration	Travel allowance	Cellphone allowance	Pension contributions	Medical contributions	Backpay	SDL	Total
Executive Mayor - S.M. Mataboge	-	511 825	218 103	40 800	76 774	87 148	-	6 674	941 324
Speaker - K.S. Lamola	-	466 355	178 770	40 800	69 953	-	-	4 940	760 818
Mayoral committee member - M.A. Tsebe	-	223 662	61 817	23 800	33 549	75 211	-	2 398	420 437
Mayoral committee member - F.S Hlungwane	-	397 957	-	-	-	-	-	3 316	401 273
Mayoral committee member - T.A. Mashamaite	-	403 077	168 675	40 800	60 462	38 173	-	4 511	715 698
Mayoral committee member - M.P Sebatjana	-	387 517	-	-	-	-	-	3 301	390 818
Mayoral committee member - R.M. Radebe	-	391 970	165 202	40 800	70 555	42 660	-	4 679	715 866
Mayoral committee member - K.R. Mokwena	-	101 558	-	-	-	-	-	1 158	102 716
Mayoral committee member - M.R. Boloka	-	253 551	74 798	40 800	45 639	-	-	3 135	417 923
MPAC Chairperson - N.S. Montane	-	424 383	162 681	40 800	63 657	-	-	4 342	695 863
Councillor - M.J. Gumede	-	112 705	42 949	24 933	16 142	-	-	1 074	197 803
Councillor - K.C Khotsa	-	184 480	70 718	40 800	27 672	-	-	1 967	325 637
Councillor - N. Laubscher	-	184 480	70 718	40 800	27 672	-	-	1 967	325 637
Councillor - S.C. Majoko	-	179 305	55 379	40 800	26 896	21 290	-	2 092	325 762
Councillor - M.B. Baloyi	-	14 342	-	-	-	-	-	136	14 478
Councillor - F.Z. Esply	-	1 740	-	-	-	-	-	-	1 740
Councillor - B.N. Magongwa	-	18 181	-	-	-	-	-	149	18 330
Councillor - R.D. Mampeule	-	10 440	-	-	-	-	-	87	10 527
Councillor - R. Maropeng	-	4 350	-	-	-	-	-	26	4 376
Councillor - B. Mocke	-	8 826	-	-	-	-	-	71	8 897
Councillor - M.T. Mogale	-	16 548	-	-	-	-	-	181	16 729
Councillor - P. Molekwa	-	10 440	-	-	-	-	-	87	10 527
Councillor - T.E. Monama	-	16 548	-	-	-	-	-	196	16 744
Councillor - R.N. Monene	-	17 652	-	-	-	-	-	143	17 795
Councillor - L.K. Satege	-	4 413	-	-	-	-	-	44	4 457
Councillor - M.S. Selokela	-	10 440	-	-	-	-	-	103	10 543
Councillor - M.D Senosha	-	10 440	-	-	-	-	-	87	10 527
Councillor - S.C.G. Senosha	-	15 445	-	-	-	-	-	139	15 584
Councillor - M.S. Thobane	-	20 961	-	-	-	-	-	200	21 161
Councillor - M.J. Kekana	-	17 652	-	-	-	-	-	161	17 813
Councillor - V.N. Mahlangu	-	-	-	-	-	-	-	24	24
Councillor - M.J. Matlala	-	184 480	70 718	40 800	27 672	-	-	1 976	325 646
Councillor - M.D. Mochaki	-	184 480	70 718	40 800	27 672	-	-	1 976	325 646
Councillor - R.J. Mahoro	-	15 445	-	-	-	-	-	137	15 582
Councillor - K.H. Niewenhuis	-	212 152	70 718	40 800	-	-	-	2 410	326 079
Councillor - L.V Kekana	-	-	-	-	-	-	-	15	15
Councillor - M.S. Tefu	-	3 310	-	-	-	-	-	33	3 343
Councillor - R. Manyama	-	8 700	-	-	-	-	-	94	8 794
Councillor - F.M. Mabasa	-	6 090	-	-	-	-	-	64	6 154
Councillor H.S. Mathebula	-	81 750	45 024	15 867	13 456	12 072	3 526	1 332	173 027
Councillor R.A. Matsemela	-	182 170	69 832	17 000	27 326	-	-	2 296	298 624
	-	**5 299 820**	**1 596 820**	**571 200**	**615 097**	**276 554**	**3 526**	**57 721**	**8 420 741**

Reconciliation of remuneration of Councillors - 2020

	Opening balance	Annual remuneration	Travel allowance	Cellphone allowance	Pension contributions	Medical contributions	Backpay	SDL	Total
Executive Mayor - S.M. Mataboge	-	496 722	223 463	40 800	76 774	81 788	15 103	6 470	941 120
Speaker - K.S. Lamola	-	449 914	178 770	40 800	69 953	-	16 441	4 901	760 779
Mayoral committee member - M.A. Tsebe	-	375 399	107 981	40 800	57 419	122 192	7 396	4 697	715 884
Mayoral committee member - F.S Hlungwane	-	383 926	-	-	-	-	14 031	3 241	401 198
Mayoral committee member - T.A. Mashamaite	-	387 584	167 557	40 800	60 462	39 291	15 494	4 354	715 542
Mayoral committee member - M.P Sebatjana	-	373 855	-	-	-	-	13 662	3 574	391 091
Mayoral committee member - R.M. Radebe	-	378 930	167 596	40 800	70 555	40 266	13 040	5 464	715 751
Mayoral committee member - K.R. Mokwena	-	97 978	-	-	-	-	3 581	1 202	102 761
Mayoral committee member - M.R. Boloka	-	244 613	74 798	40 800	45 639	-	8 938	3 388	418 176
MPAC Chairperson - N.S. Montane	-	409 420	162 681	40 800	63 657	-	14 963	4 215	695 736
Councillor - M.J. Gumede	-	177 976	70 718	40 800	27 672	-	6 504	2 009	325 679
Councillor - K.C Khotsa	-	177 976	70 718	40 800	27 672	-	6 504	1 898	325 568
Councillor - N. Laubscher	-	177 976	70 718	40 800	27 672	-	6 504	1 898	325 568
Councillor - S.C. Majoko	-	173 382	56 574	40 800	26 896	20 095	5 923	2 073	325 743
Councillor - M.B. Baloyi	-	13 918	-	-	-	-	424	171	14 513
Councillor - F.Z. Esply	-	10 072	-	-	-	-	369	84	10 525
Councillor - B.N. Magongwa	-	18 158	-	-	-	-	596	243	18 997
Councillor - R.D. Mampeule	-	10 072	-	-	-	-	369	171	10 612
Councillor - R. Maropeng	-	10 072	-	-	-	-	369	84	10 525
Councillor - B. Mocke	-	10 072	-	-	-	-	369	84	10 525
Councillor - M.T. Mogale	-	13 917	-	-	-	-	425	224	14 566
Councillor - P. Molekwa	-	10 072	-	-	-	-	369	84	10 525
Councillor - T.E. Monama	-	12 856	-	-	-	-	383	166	13 405
Councillor - R.N. Monene	-	18 158	-	-	-	-	596	148	18 902
Councillor - L.K. Satege	-	6 363	-	-	-	-	256	143	6 762
Councillor - M.S. Selokela	-	10 072	-	-	-	-	369	178	10 619
Councillor - M.D Senosha	-	10 072	-	-	-	-	369	85	10 526
Councillor - S.C.G. Senosha	-	12 814	-	-	-	-	425	109	13 348
Councillor - M.S. Thobane	-	14 978	-	-	-	-	468	203	15 649
Councillor - M.J. Kekana	-	10 072	-	-	-	-	369	150	10 591
Councillor - V.N. Mahlangu	-	-	-	-	-	-	-	15	15
Councillor - M.J. Matlala	-	148 412	59 385	34 000	23 060	-	5 321	1 543	271 721
Councillor - M.D. Mochaki	-	148 412	59 385	34 000	23 060	-	5 321	1 547	271 725
Councillor - R.J. Mahoro	-	8 399	-	-	-	-	302	120	8 821
Councillor - K.H. Niewenhuis	-	204 673	70 718	40 800	-	-	7 479	2 328	325 997
	-	**5 007 285**	**1 541 062**	**557 600**	**600 491**	**303 632**	**173 032**	**57 264**	**8 239 465**

In-kind benefits

The Executive Mayor, Speaker, Chief Whip and 3 other Mayoral Committee members are full time councillors. Each is provided with an office, tools of trade and secretarial support at the cost of the Council. The Executive Mayor has use of a Council owned vehicle for official duties and has a driver.

24. Depreciation and amortisation

Property, plant and equipment	7 415 428	5 673 762
Intangible assets	478 651	221 946
	7 894 079	**5 895 708**

25. Impairment of assets

Impairments		
Property, plant and equipment	-	1 277 770

An entity shall assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exits, the entity shall estimate the recoverable service amount of the asset. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable service amount. The reduction is an impairement loss

Once it is determined that there is a potential impairment loss, a formal estimate of the recoverable service amount is to be made by the entity. The recoverable service amount is determined to be the higher of a non-cash generating assets fair value less costs to sell and it value in use. The value in use is the present value of the assets remaining service potential

On inspection of the fixed asset register for the 2020 financial year it was noted that certain movable assets determined to be in an unfavourable condition for future use and were recorded at balances in terms of their carrying values in the fixed asset register that did not accurately reflect their recoverable service potential. These assets were assessed for impairement by comparing their carrying amounts as at 30 June 2020 to their estimated recoverable service potential amounts and an impairment loss was determined and recognised as per GRAP 21 requirements.

	-	1 277 770
	-	-

The recoverable amount was based on the value in use of the assets.

26. Bad debts written off

Thabazimbi Local Municipality	-	2 000 000

During the 2018/19 financial year WDM paid Eskom on behalf of Thabazimbi Local Municipality and a debtor was raised. Council took a resolution in 2019/20 financial year to wrote off debt as per resolution number A275/2020.

27. Project expenditure

FMG - expenditure	929 905	402 008
Strategic planning	170 775	267 374
National Planning WEDA	-	6 500
Agricultural Development	107 600	145 250
Review of the Waterberg Disaster and Risk Management Plan	-	454 102
Humanitarian Relief Materials	-	590 024
LED Coordination	58 596	83 315
District IDP Public Participation Programme	956 580	1 194 494
Planning - Tourism INDABA	1 870 434	1 964 280
Expanded Public Works Program	932 809	-
Review of SDF	334 950	-
Spluma	109 502	-
Planning Design and Refurbishment of WDM Building	442 047	-
	5 913 198	**5 107 347**

28. General expenses

Advertising	240 655	198 230
Annual report	73 802	63 844
Audit fees	2 935 890	2 509 226
Audit committee	303 709	236 482
Bank charges	30 758	41 482
Bursaries	29 885	52 390
Cleaning	196 136	143 779
Conferences and seminars- delegations	18 455	203 479
Contracted services	4 903 637	3 369 825
Consulting and professional fees	905 187	729 139
Consumables	200 103	422 041
Discretionary Bursary Fund	124 120	-
Employee Assistance Program	16 000	184 251
Entertainment	192 266	311 237
Environmental Health - awareness & sampling	56 361	-
Insurance	1 609 440	642 478
COVID - 19 expenditure	1 261 401	1 133 628
Long service award expenditure	-	192 554
Meat inspection	265 510	221 620
Post-retirement health care expenditure	3 911 402	4 259 631
Miscellaneous expenditure	3 246	5 454
Motor vehicle expenses	749 033	811 415
Repairs and maintenance	3 826 282	4 188 185
Municipal account - water, rates & electricity	2 061 276	2 444 254
Printing and stationery	329 177	369 397
Programming	4 111 528	2 638 344
Protective clothing	1 134 855	568 808
Rental of buildings / offices	898 489	728 121
Tourism development	-	157 400
Operating lease expense	805 858	800 849
Security cost	4 292 438	4 408 645
Subscriptions and membership fees	1 348 046	135 214
Subscriptions and publication	-	2 257
Telephone and cell phone expenses	549 215	591 405
Training	82 690	352 407
Travel and subsistence	1 968 672	4 305 032
	39 435 522	**37 422 503**

29. Remuneration of Audit Committee members

Sitting allowance	303 709	236 482

3 Members serve on the Audit Committee. The members are paid an allowance per day and are reimbursed for travel expenses. The 3 year term of the audit committee expired at the end of 31 March 2021 and it was extended with a year from 01 April 2021 to 31 March 2022. The minimum of four meetings are held every year and the chairperson also attended council meetings.

30. Cash used in operations

Deficit	(15 525 969)	(16 349 823)
Adjustments for:		
Depreciation and amortisation	7 894 079	5 895 708
Impairment - PPE	-	1 277 770
Loss on disposal of assets	92 192	306 653
Debt impairment	111 484	-
Bad debts written off	-	2 000 000
Increase in leave and bonus accrual	2 082 096	2 209 075
Actuarial gain / losses - employee benefit obligation	(11 159 982)	(5 750 493)
Increase in long service awards liability	(73 652)	151 096
Actuarial gain / loss - long service award	1 427 187	(46 399)
Movement in employee beneifit liability	3 911 402	3 530 639
Changes in working capital:		
Inventories	(156 700)	106 467
Decrease / (Increase) in receivables from non-exchange	(195 192)	(908 027)
Decrease / (Increase) receivables from exchange transactions	25 322	(28 730)
Decrease/(Increase) in VAT receivable	(206 137)	3 206 734
Other payables (non exchange)	-	2 698 138
Unspent conditional grants and receipts	63 792	-
Decease / (Increase) in payable from exchange	(7 750 463)	92 142
	(19 460 572)	**(1 609 050)**

31. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Capital expenditure	-	6 314 716
• Operational expenditure	12 741 691	8 974 457
	12 741 691	**15 289 173**

Total capital commitments

• Capital expenditure	-	6 314 716
• Operational expenditure	12 741 691	8 974 457
	12 741 691	**15 289 173**

Total commitments

Total commitments		
Authorised capital expenditure	12 741 691	15 289 173

The capital commitments relates to capital projects and will be financed from grants received.
The municipality has entered into a 5 year contract with ABSA Bank for the provision of banking services commencing on 1 July 2015. Normal banking charges will be incurred under the contract and does not include an overdraft facility.

The commitment are disclosed VAT inclusive.

Commitments in respect of leases

Operating lease

Minimum lease payments due		
- within one year	1 549 766	800 849
- in second to fifth year inclusive	2 274 901	667 374
	3 824 667	**1 468 223**

Operating lease payments represent rentals payable by the municipality for photocopiers, buildings and telephone exchange server.The lease period range between 24 and 36 months.

32. Contingencies

	2021	2020
The following are legal cases pending at year end and the potential liability thereof:		
Contingent liabilities		
Mohale Incorporated - defend action against breach of contract Alleged contract breach with Limpopo Business Support Aagency (LIBSA) due to not meeting reporting requirement. An application for exception was granted in our favour.We await the applicant with the matter in this regard. The applicant has not taken any action since.	1 800 000	1 800 000
Khomotso Ledwaba (Case no:4150/20) - Serviced with combined summons for negligence Plaintiff claiming damages.	10 000 000	10 000 000
Walkons Slaughuis Mokopane (Pty) Ltd (Case no:3095/2021) - Notice of motion. Currently exchanging pleadings	1 800 000	
Mariri & 2 others (Case no:LPD 032009) - Matter at labour court for review.	39 600	
Contingent assets		
Waltkons -Suppliers failure to pay after services were rendered.Parties entered into a settlement agreement.		47 692

33. Related parties

[Waterberg District Municipality's Council resolved to disestablish WEDA on 30 May 2019, resolution number A211/2019.One of the resolutions included transferring of WEDÁ's assets to Waterberg District Municipality's ownership.

The district municipality provides support to the local municipalities in the district. Fire fighting is a funded mandate of Waterberg District Municipality which is performed by local municipalities.

Key management personnel (refer to note 22) :

- Municipal Manager,
- Chief Financial Officer
- Manager: Infrastructure Development
- Manager: Planning & Economic Development
- Manager: Corporate Support & Share Services
- Manager: Social Development & Community Services &
- Manager: Executive Support Office

Municipal Councillors (refer to note 23):

- Executive Mayor
- Speaker
- Mayoral Committee Members &
- Councilors

The district municipality provides support to the local municipalities in the district. Fire fighting is a funded mandate of Waterberg District Municipality which is performed by local municipalities. The financial transaction between Waterberg District Municipality and Mogalakwena for the 2021 financial year is R4 903 637 with outstanding balance due of R1 126 543.74

34. Prior period errors

1. cash and cash equivalent

Cash and cash equivalent has been restated due to interest that was not received for the last 3 months and automatically capitalized. This represents an adjusting event for the year ended 30 June 2020.

2. receivables from non-exchange transactions

Interest accrued was overstated in the previous financial year and error was identified. This represents an adjusting event for the year ended 30 June 2020. Payment in advance were expense incorrectly

3. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Casting error was identified on the calculation on provision for bonuses and error was corrected.

4. PAYABLE FROM NON-EXCHANGE TRANSACTIONS

Accruals for fire services were incorrectly captured and were subsequently corrected.

5. VAT RECEIVABLE

Accruals were corrected with a VAT implication and was corrected after year end.

6. PROPERTY PLANT AND EQUIPMENT

Depreciation calculation were incorrectly calculated in the prior year which led to negative carrying amounts, it was however rectify.

The correction of the error(s) results in adjustments as follows:

Statement of financial position	Audited AFS	Restated AFS	Restatements
Cash and cash equivalent	71 476 440	71 585 185	108 745
Receivables from non-exchange transactions	499 368	1 416 218	916 850
Payables from non-exchange transactions	14 878 728	14 970 870	(92 142)
Payables from exchange transaction	12 524 960	12 611 752	(86 792)
Trade and other receivables from exchange transaction	80 192	83 708	3 516
Accumulated Surplus or Deficit	106 795 649	107 684 508	(888 859)
VAT receivable	932 924	966 221	33 297
Property plant and equipment	88 083 108	88 088 493	5 385

Statement of financial performance	Audited AFS	Restated AFS	Restatements
Interest earned - external investments	7 252 986	7 183 252	(69 734)
Employee related costs	104 371 882	104 646 024	(92 142)
General expenditure	38 521 349	38 467 854	(53 495)
Depreciation and amortisation	5 901 093	5 895 708	(5 385)

35. Risk management

The municipality's activities exposes it to the variety of financial risks: Market risk (including currency risks, fair value interest rate risks, cash flow interest risk and price risk) credit risks and liquidity risk.

The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise

Potential adverse effects on the municipality's financial performance.

35. RISK MANAGEMENT (CONTINUED)

35.1 liquidity risk

Liquidity risk is the risk that municipality will encounter difficulty in raising sufficient funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors cash projections and ensure that borrowing facilities are available to meet it cash requirements.

At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	4 861 289	-	-	-
Consumer deposits	-	-	-	2 000
Unspent conditional grant	63 792	-	-	-

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	12 611 752	-	-	-
Consumer deposits	-	-	-	2 000
Unspent conditional grant	-	-	134	-

35. Risk management

35.2 CREDIT RISK

Credit risk is the risk that a counter party to a financial assets will fail to discharge an obligations and cause municipality to incur financial

Loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposit with banks and financial institutions, as well as credit

exposure to consumer and grant debtors.

For banks and financial institutions, only reputable independent rated parties are accepted. Grants are receivables from higher orders levels

Of government. In the case of abattoir debtors, the municipality effectively has the right to terminate services to a debtor. The risks of

non-payments is managed on on-going basis and where practical, services are terminated and procedures applied to recover outstanding

Amounts and appropriate level of impairment provision for default is maintained.

Credit risk consist cash deposit, cash equivalent, trade and other receivables. Abattoir debtors are disclosed net after provisions are made

For impairment and bad debt.

Municipality only deposit cash with major banks with high credit quality of credit standing. An amount of R45 090 374 investment. No

Investments were pledged as security for the period under review. Although credit risk pertaining to cash and cash equivalent are considered

Low, the maximum exposure is disclosed below.

The risk pertaining to unpaid conditional grant is considered to be very low,

Maximum credit and interest risk exposure in respect of relevant financial instruments are as follows:

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2020
Trade and other receivables from exchange transactions	130 616	267 422
Cash and cash equivalent	47 730 974	71 585 185

Market risk

35.3 INTEREST RATE RISK

The municipality is exposed to interest risk due to the movement in short-term interest rates.

The risk is managed by on an on-going basis by comparison between market related rated and historical rates and adjustment made where necessary.

The municipality did not hedge against any interest rate risks during the year under review.

35.4 CURRENCY RISK

The Municipality does not have currency risk as in terms of section 163 of the Municipal Finance Management Act, No.56 of 2003, no municipality may incur a liability may incur a liability or risk payable in a foreign currency.

35.5 FAIR VALUE OF FINANCIAL INSTRUMENTS

At year end the carrying amounts of cash and short-term deposits, trade and other receivables and trade and other payables approximated their fair values due to the short-term maturities of these assets and liabilities.

3.6 Going concern

We draw attention to the fact that at 30 June 2021, the municipality had an accumulated surplus (deficit) of 92 158 536 and that the municipality's total assets exceed its liabilities by 92 158 536.

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. In assessment whether the going concern assumption is appropriate under the current economic climate resulting from the COVID-19 pandemic; management considered wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and if necessary, potential sources of replacement funding. Furthermore, the Municipality has adopted cost containment policy to curd unnecessary spending.

The Municipality has not defaulted on payment of creditors. The municipality do have the ability to operate as going concern and to continue rendering services to its community.

37. Events after the reporting date

Disclose for each material category of non-adjusting events after the reporting date:

- Nature of the event.
- estimation of its financial effect or a statement that such an estimation cannot be made.

38.Fruitless and wasteful expenditure

Opening balance as restated	-	-
Add: Expenditure identified - current	-	9 743
Less: Amounts recoverable - current	-	(7 598)
Less: Amount written off - current	-	(2 145)
Closing balance	-	-

No fruitless and wasteful expenditure incurred during the year under review.

The local municipality previously charged WDM interest incorrectly. It was resolved subsequent to year end and to correct by reversing the interest on the WDM account... The interest was tabled to Council whereby it was referred to MPAC for further investigation.

Special MPAC meeting was held to conclude the investigation conducted and after satisfying themselves with the outcome of the research conducted, the Committee resolved that fruitless and wasteful expenditure in this regard must be certified as irrecoverable and be written off by council.

Subsequent to year end Council wrote off fruitless and wasteful expenditure as recommended by MPAC as per Council resolution A307/2020.

39. Irregular expenditure

Opening balance as previously reported	5 944 567	3 501 766
Add: Irregular Expenditure - current year	1 465 921	3 483 018
Add: Irregular Expenditure incurred in prior year and identified in the current year	-	1 329 155
Opening balance as restated	**7 410 488**	**8 313 939**
Less: Amounts written off	(3 908 722)	(2 369 372)
Less: Amounts written off prior period	-	-
Less: Amount written off - current	-	-
Closing balance	**3 501 766**	**5 944 567**

Analysis of expenditure awaiting investigation by Financial misconduct Board

[

39. Irregular expenditure (continued)

Details of irregular expenditure - current year

As a result of not following Section 32 of MSCR	-	2 369 372
Appointment without municipal account	-	388 424
Payment of supplier not registered on CSD	626 336	1 986 962
Non compliance with PPPFA	176 664	67 415
Contract expired	141 774	-
Procurement process not followed. Three quotations not obtained	2 375	-
Procurement process not followed. Award did not follow a bid process	518 770	-
	1 465 919	**4 812 173**

Amounts recoverable

The classification, validation and recoverability of all irregular expenditure were submitted to council in terms of section 32 of the MFMA for determination. The said submission was routed to by Council for further investigation by MPAC

40. in-kind donations and assistance

The Municipality did not receive any in-kind donations and assistance during the financial year, however donated R 2000 000 to Thabazimbi Local Municipality as per Council resolution in 2020 financial year.

41. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	110 072	1 083 528
Current year subscription / fee	1 292 870	1 208 918
Amount paid - current year	(1 402 942)	(2 182 374)
	-	**110 072**

Audit fees

Current year subscription / fee	2 935 890	2 509 226
Amount paid - current year	(2 935 890)	(2 509 226)
	-	-

UIF

Current year subscription / fee	639 659	596 461
Amount paid - current year	(639 659)	(596 461)
	-	-

PAYE

Current year subscription / fee	20 943 013	18 980 505
Amount paid - current year	(20 943 013)	(18 980 505)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	29 585 343	27 166 094
Amount paid - current year	(29 585 343)	(27 166 094)
	-	-

Figures in Rand	2021	2020

41. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable	1 172 358	966 221

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

The municipality has procured goods and services to an amount of **R 804 204 (2020 - R 1 219 699)** during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

These expenses incurred, approved by the Municipal Manager and reported to Council, are listed below:

Incident		
Deviations on goods and services less than R 30 000	117 047	260 306
Deviations on goods and services between R 30 000 and R 200 000	209 830	959 393
Deviations on goods and services above R 200 000	477 327	-
	804 204	**1 219 699**

Incident		
Urgent and emergency procurement	-	934 299
Limited bidding procurement - single source procurement	477 327	24 944
Organ of state	326 877	260 456
	804 204	**1 219 699**

42. Budget differences

Material differences between budget and actual amounts

Revenue

Service charges - revenue realized from Abbatoir operations. The increase in revenue is attributed to improvement introduced by management in the operations of the facility.

Interest Income - reduction is as a result of decrease in cash reserves

Other income – Increase is attributed to to air quality licensing revenue realized during the year under review.

Expenditure

Employee related cost - The variance on employee related costs was as result of position budgeted that were not filled during the year under review.

Project expenditure - The under-spending on project expenditure was due to delay in the implementation of projects.