



ANNUAL REPORT 2021/2022 VOL.1

John Taolo Gaetsewe District Municipality

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

Auditing is a complex and challenging process that requires a great deal of skill, knowledge, and dedication. It is our responsibility as auditees to provide financial statements and performance of the John Taolo Gaetsewe District Municipality. We take this responsibility very seriously, and we are committed to conducting our work with the highest level of integrity and professionalism.

As we all know, the past year has been especially difficult for the John Taolo Gaetsewe District Municipality. The ongoing COVID-19 pandemic has had a significant impact on the economy and the financial health of the municipality. Despite these challenges, the management of the John Taolo Gaetsewe District Municipality has remained committed to improving the performance and financial management of the municipality.

We would like to take this opportunity to thank the management of the John Taolo Gaetsewe District Municipality for their dedication and hard work during this difficult time. We understand that the task of managing a municipality is never easy, and we appreciate the effort that has been made to ensure the financial stability of the municipality.

As we embark on a new journey to implement the District Development Model (DDM), which is a government-led approach aimed at accelerating socio-economic development and addressing inequality in the country, Government has ensured that the DDM prioritizes investment in underdeveloped districts and works with various stakeholders, including local government, the private sector, and civil society, to drive development and create employment opportunities. The model is seen as a key tool for achieving the government's goal of inclusive growth and reducing poverty and inequality in South Africa.

In the coming year, the management of the John Taolo Gaetsewe District Municipality has plans to continue to improve the performance and financial management of the municipality. This includes implementing new financial controls and systems, strengthening internal audit

processes, and improving transparency and accountability. We are confident that these efforts will lead to a stronger and more financially stable municipality.

We will work closely with the management to identify areas for improvement and provide guidance on best practices for financial management.

In conclusion, we would like to express our gratitude to the management of the John Taolo Gaetsewe District Municipality for their commitment to improving the performance and financial management of the municipality. We look forward to working with the management in the coming year to support the continued success of the municipality.

Thank you.

MRS. P. Q. MOGATLE
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

An annual report is an important document for the John Taolo Gaetsewe District Municipality (JTGDM) as it provides a comprehensive overview of our performance and activities over the past year. It is typically used to communicate with stakeholders, including shareholders, investors, and regulatory bodies, and is intended to help them understand the company's financial performance and overall health.

One key aspect of an annual report is compliance with audit procedures. This ensures that the financial information included in the report is accurate and reliable, and that it meets all relevant legal and regulatory requirements. Compliance with audit procedures also helps to prevent fraud and financial mismanagement, and can help build trust with stakeholders. Capacity building is another important aspect of an organization. This refers to the process of developing and strengthening the skills, knowledge, and resources of the company and its employees. It can be achieved through training and development programs, as well as through strategic investments in technology and equipment. Capacity building can help an organization to increase efficiency, improve quality, and better respond to changing conditions of our communities.

Improving financial performance is a primary goal for the JTGDM. This is achieved through a variety of strategies, such as cost cutting, revenue growth, and increasing efficiency. Risk management is another important aspect of organizational success. It involves identifying and evaluating potential risks that could impact the company's performance, and implementing strategies to mitigate or manage those risks. Risk management is an important aspect that the JTGDM has also prioritized to minimize the impact of negative events, such as financial losses, and can help it to better prepare for unexpected disruptions.

The Annual Report reflects the Audited Annual Financial Statements (2021/22) and Audited Annual Performance Reports (MPAC reflection and Audit Committee). The exercise enables us to recognize that good governance requires effective, representative, transparent and accountable government institutions at all levels, public participation, effective checks and balances, and the separation of powers, as well as noting the role of information and communications technologies in achieving these aims.

The 2021/22 financial year has been truly challenging for Council of JTGDM since we are in the Broader Family of South African Society. Despite challenges ranging from COVID 19, HIV & AIDS, Cancer, Unemployment and Poverty, we are required to soldier on and produce best results including best managerial practices.

It is easy to fall prey to doubt, or the sense that we individually or as a Municipality can't make a difference. But helplessness is corrosive to hope, and hope plus work is what is required. Amid this disruption, what's clear is that we have a once-in-a-generation opportunity to harness digital technology to define the world we want to live in. And for that, I am optimistic. Through continued promotion of policies, processes and mechanisms that protect the public interest, the use of disclosure of assets mechanisms for public officials in order to avoid possible conflicts of interest and incompatibilities, as well as other measures that increase transparency.

In terms of the DDM, to effectively implement it in our Municipality, the following actions will be taken, prioritize engagement with local communities, foster partnerships between the government, private sector, civil society and local communities, develop clear and realistic plans to ensure that development initiatives are well targeted and effective. Also, the Municipality will provide adequate resources to ensure that development initiatives are fully funded and can be executed in a timely manner and continuously monitor and evaluate progress of the DDM's implementation to track progress and make adjustments as needed.

Although this year has taught us that no institution is 100 percent resilient, those fortified by commitment are more resilient and more capable of transforming when faced with sweeping changes like those we are experiencing.

Overall, an annual report, compliance with audit procedures, capacity building, improving financial performance, and risk management are all critical elements of organizational success. Together, they can help an institution to improve performance, build trust with stakeholders, and better respond to changes in the needs of our communities.

MR. K. TEISE

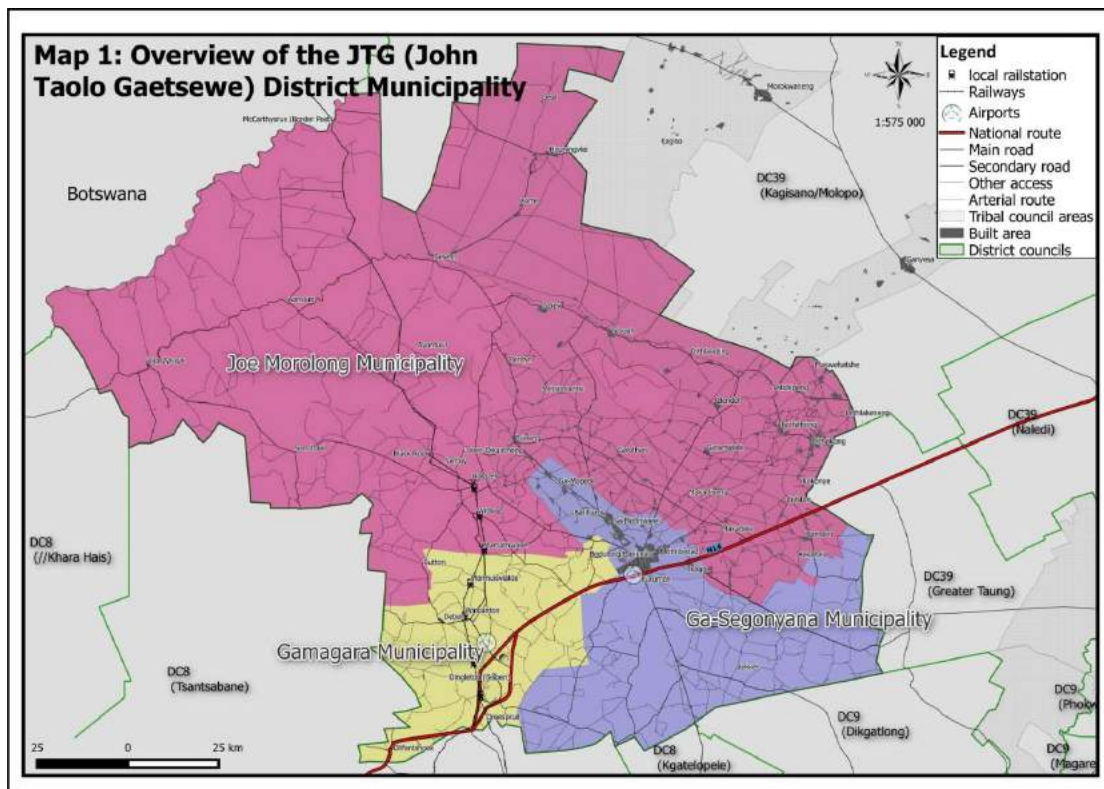
MUNICIPAL MANAGER (ACTING)

1.2 Municipal Functions, Population and Environmental Overview

The John Taolo Gaetsewe District Municipality (JTGDM) is situated in the Northern Cape Province and is bordered by (1) The ZF Mgcawu (previously Siyanda) and Francis Baard District Municipalities to the south and west; (2) The North West Province (Dr. Ruth Segomotsi Mompati District Municipality) to the east and northeast; and (3) Botswana to the northwest. Administratively, the JTGDM comprises three Local Municipalities: (1) The Gamagara Local Municipality; (2) The Ga-Segonyana Local Municipality; and (3) The Joe Morolong Local Municipality, which encapsulates the geographical area covered by the former District Management Area and the former Moshaweng Local Municipality. *(Source: JT Gaetsewe 16-17 SDF Review)*

JT Gaetsewe is the second smallest district in the Northern Cape, occupying only 6% of the Province (27 293 km²). The largest area within JT Gaetsewe is the former District Management Area (DMA) with over 10 000 km². Joe Morolong covers the next largest area of 9 477 km² (StatsSA, 2016). The JT Gaetsewe District comprises of 186 towns and settlements of which the majority (80%) are villages in the Joe Morolong Municipality.

The JT Gaetsewe Municipal Area



(Source: JT Gaetsewe DM 2017 SDF)

Population Demographics

In terms of local population dynamics, the population of John Taolo Gaetsewe District Municipality has increased from 224 799 in 2011 to 242 264 in 2016 i.e. an increase of 17 465. The increase in population is experienced in Ga-Segonyana Local Municipality and Gamagara Local Municipality, with a decrease in population experienced in Joe Morolong Local Municipality. The table below illustrates the John Taolo Gaetsewe District Municipality population as captured in the Census 2011 and 2016 figures from Statistics South Africa.

Population Dynamics

Population/ Areas	2011		2016	
	Population	Contribution to JTG in %	Population	Contribution to JTG in %
Gamagara	41 617	19	53 656	22
Ga-Segonyana	93 651	42	104 408	43
Joe Morolong	89 530	40	84 201	35
John Taolo Gaetsewe	224 799	100	242 264	100
Northern Cape	1 145 861		1 193 780	

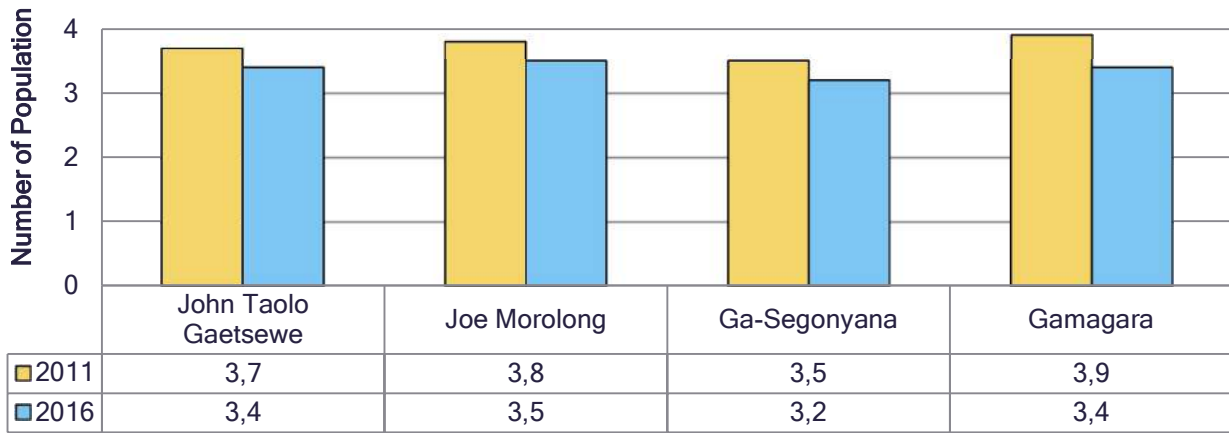
It is evident from the table above that the population of Ga-Segonyana LM has increased from 93 651 in 2011 to 104 408 in 2016 with the increase from 42% in 2011 to 43% in 2016 within the District context. Another increase within the John Taolo Gaetsewe District Municipality is experienced in Gamagara LM where population has increased from 41 617 in 2011 to 53 656 in 2016 from 19% to 22%. A decrease in population is experienced in Joe Morolong LM with the population of 89 530 in 2011 to 84 201 in 2016 with a decrease from 40% in 2011 to 35% in 2016 within the District context. There is a movement of people predominantly from the municipal jurisdiction area of the Joe Morolong Local Municipality to Ga-Segonyana LM and Gamagara LM.

The population growth rate in John Taolo Gaetsewe District Municipality between 2011 and 2016 is 0.017 as compared to the 0.009 for the Northern Cape Province (StatsSA, 2016). The increase in population growth is attributed to in-migration and high fertility rate. It is clear that the trend in the district municipal area is towards a growing population. This is largely attributable to the mining activities around the District.

Population Distribution

The household size within John Taolo Gaetsewe District Municipality was calculated at both urban and rural settlements through Stats SA data 2011. Household as defined by StatsSA

refers to "a group of people, who live together at least 4 nights per week, eat together and share resources or a single person who lives alone". The figure below illustrates the household size within John Taolo Gaetsewe District Municipality per each local municipality.



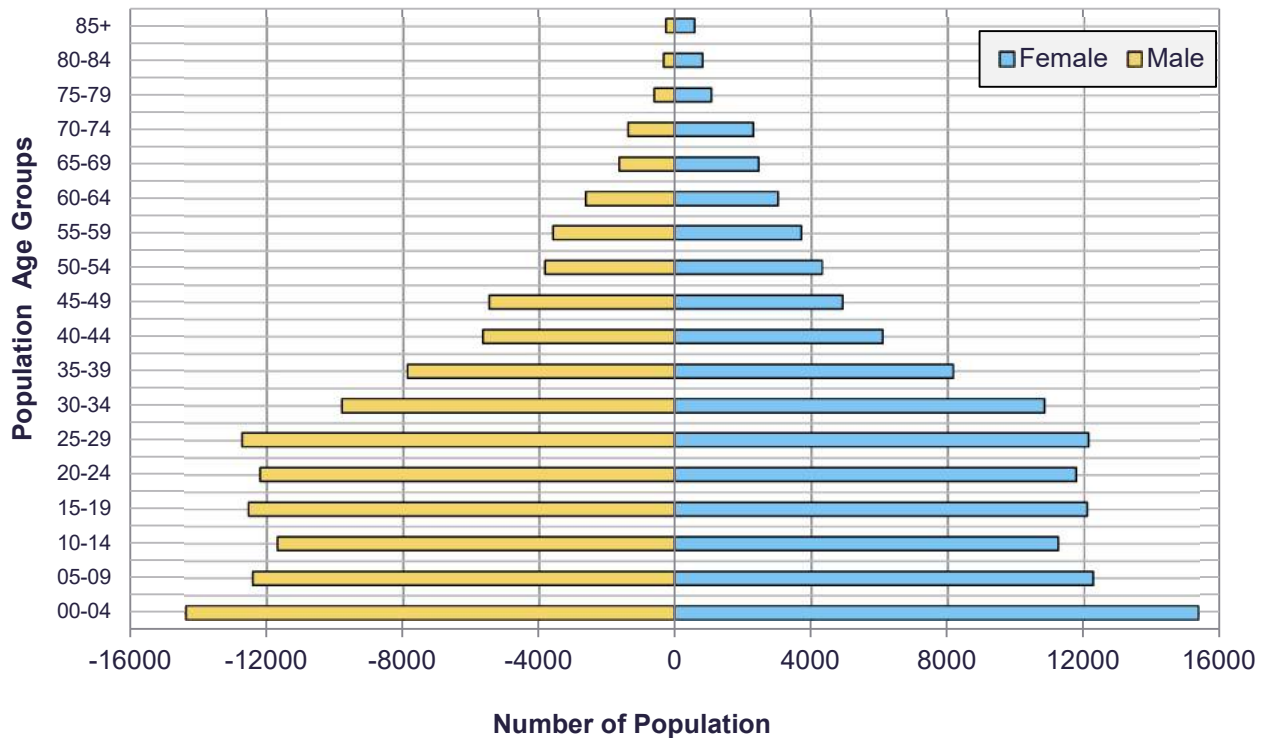
(Source: StatsSA 2016)

It is clear from figure above that the household size decreased from 2011 to 2016 in all local municipalities within the district. A huge decrease is experienced in Gamagara LM from 3.9 in 2011 to 3.4 in 2016, this may be due to the high number of rental accommodation status which includes the in-migration (within the district) and out-migration (from outside the district) arising from work opportunities in Gamagara Local Municipality. The low decrease in Joe Morolong LM and Ga-Segonyana LM is as a result of increase in number of households and high dependency due to level of poverty within the areas, especially in Joe Morolong LM where high number of outmigration is experienced.

Age profile

The age composition is often demonstrated using population pyramid which graphically illustrates the distribution of various age groups in a population. Population pyramids are often viewed as the most effective way to graphically depict the age and sex distribution of a population including age dependency ratio, partly because of the very clear image these pyramids present. Age dependency ratio is the ratio of persons aged under 15 years and older than 64 years to those aged between 15 and 64 years in a population. This ratio has importance because it shows the ratio of economically inactive compared to economically active. Economically active people are expected to earn money, pay tax and contribute to the overall economy whereas economically inactive people are considered as the bigger recipients of government spending e.g. education, social welfare grants and health care. Therefore, the

lower the ratio the better is the situation. The figure below illustrates the population pyramid for John Taolo Gaetsewe District Municipality as captured in the Census 2011.

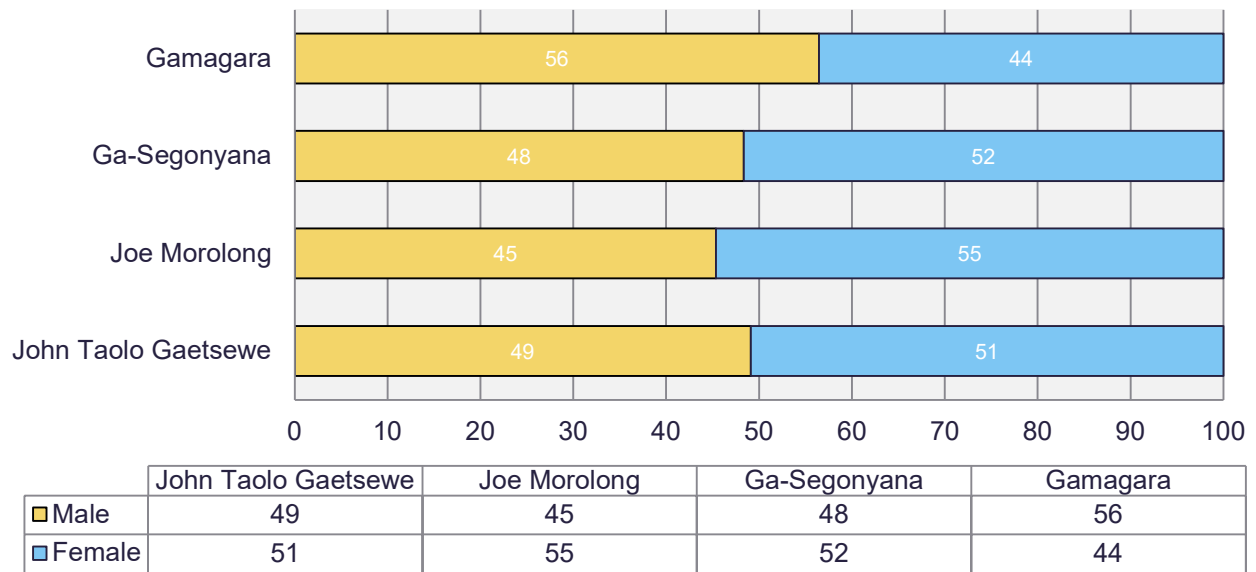


(Source: StatsSA 2016)

The age profile of the JTGDGM in based on Community Survey 2016 as follows: 0 - 14 years: 31.92%; 15 - 64 years: 63.32%; and older than 65: 4.76%. It is not that different from the national profile on Census 2011 (i.e. 0 - 14 years: 31.03%; 15 - 64 years: 63.59%; and older than 65: 5.39%). The figure above shows a generally youthful population between the age segment 15 - 36 of 100 973 people i.e. 41.68%. The implication of this is that there should be equitable distribution of social facilities and development opportunities in line with gender proportions as per figure above.

Gender profile

The migration statistics shows that Gamagara LM has a large number of migrants. Generally male working population migrates to earn for the family. Probably due to the presence of large number of migrant workers in the Gamagara LM, the gender composition is slightly skewed towards the male. A similar conclusion can be drawn for Joe Morolong LM where both shares of migrated population and male population are lowest in the district. The figure below illustrates the information as captured above.



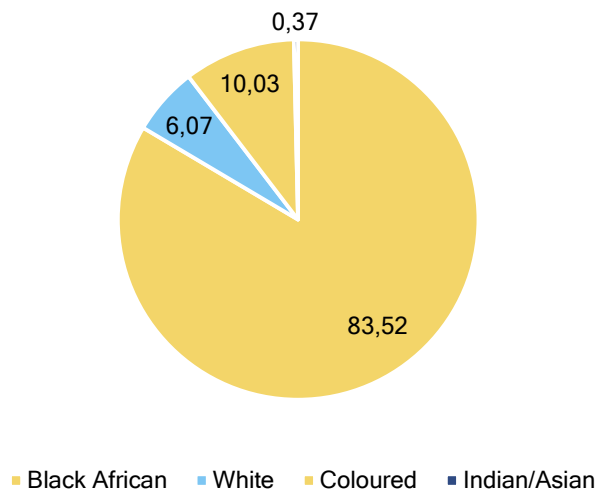
(Source: StatsSA 2016)

Female population contributes 51% of the total District population prevalent in Joe Morolong LM and Ga-Segonyana LM. This figure is slightly similar to the StatsSA 2011 national (51.35%) and provincial (50.69%) figures. The share of the female population is highest in Joe Morolong LM whereas it is lowest in Gamagara LM.

Racial distribution

The racial profile of the JTGD is as follows: Black/African: 83.52%; Coloured: 10.03%; Asian and Indian: 0.37%; White: 6.07%.

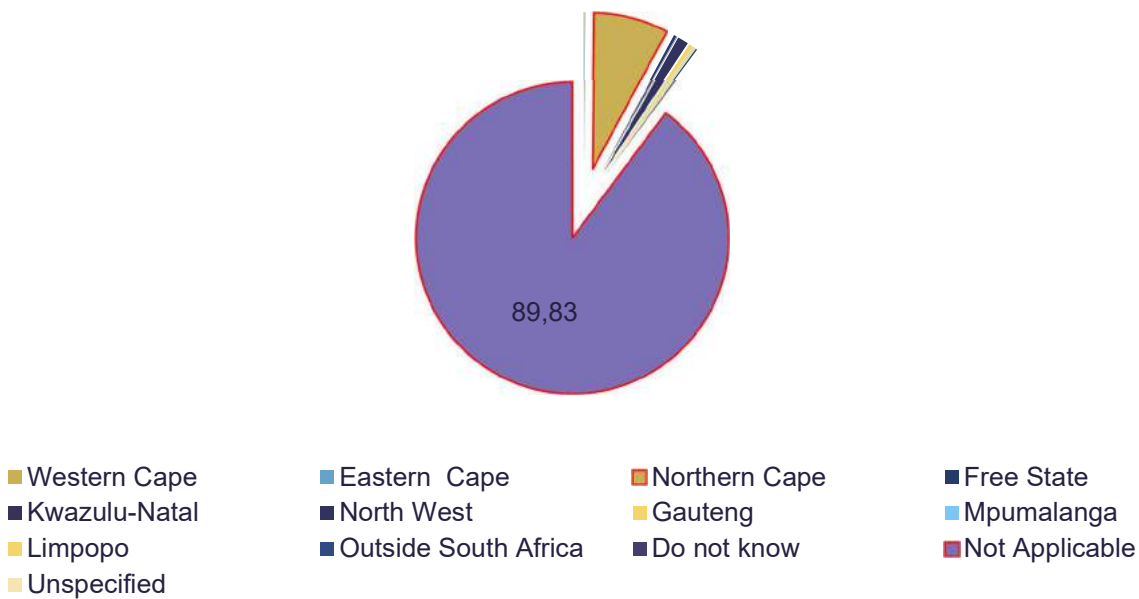
JTGDM Population Group



(Source: StatsSA 2016)

Population Migration

We live in a rapidly changing world in which forced migration have a significant impact on the economic, political and social agendas. The figure below illustrates the level of migration regarding the province of previous residence.



(Source: StatsSA 2016)

It is clear from the figure above that 89.83% of the population originates and still stay in JTGDM. The figure above shows that 89.8% of the population in JTGDM were considered “not applicable”, due to the fact that they do not influence the migration patterns. Within the local municipalities, Gamagara LM (13.7%) experiences a high in-migration within district, with Ga-Segonyana LM (12.4%) and Joe Morolong LM (5%).

Migrated population within the JTGDM contribute approximately 10.17% to the total population, where most of this population originates from Northern Cape Province (7.65). The migration statistics roughly indicates that most of the economic activities are concentrated in the first two local municipalities and people have migrated there in search of jobs and better livelihood.

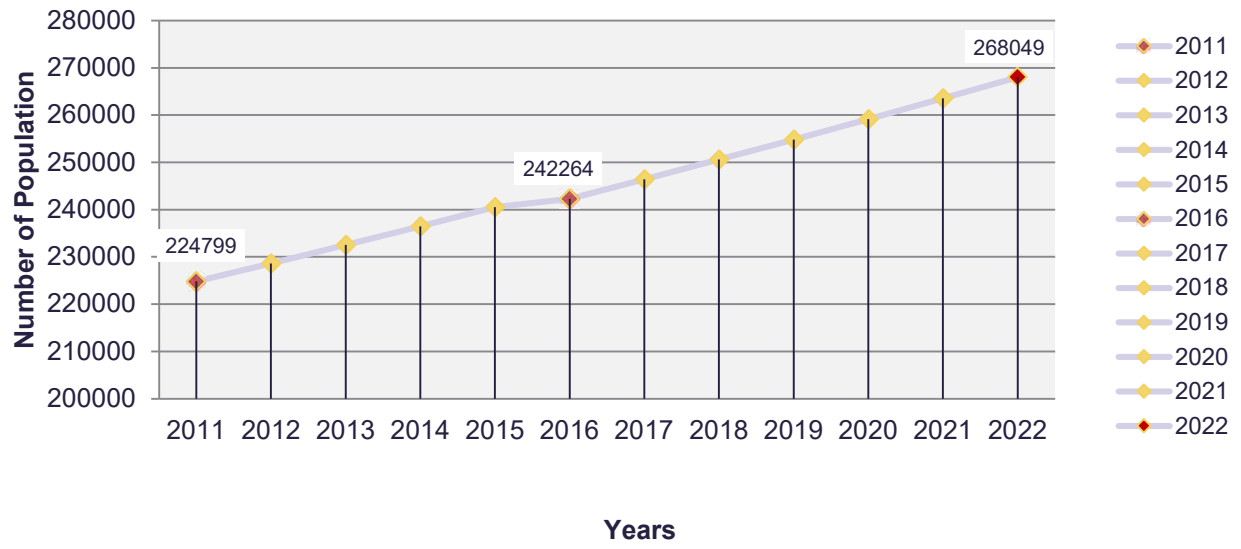
However, JTGDM is experiencing mining closure which is one of the mining industry's toughest sustainable development challenges.

Population in most South African predominantly rural municipalities is not influenced by foreigners residing within their areas as in the case of Joe Morolong LM. Foreigners are more likely to be located at urban areas where development is at a high level. This movement of people is predominantly from the municipal jurisdiction area of the Joe Morolong Local Municipality to Ga-Segonyana LM and Gamagara LM. According to Census 2011 there are more males than females that have moved to John Taolo Gaetsewe District Municipality and this is attributed to job opportunities in the mining sector within the district.

Within the District, people migrate mostly to Ga-Segonyana LM and Gamagara LM. This is consistent with a recent CSIR research project, Spatial and Temporal Evidence for Planning in South Africa (StepSA), explored the use of voter registration information as an alternative source of migration data. Anonymised voter registration data were provided by the Independent Electoral Commission of South Africa for several consecutive elections covering a 12-year period. The data, once spatialised (and related to a single set of voting districts), could then be processed to extract movement trends between different election periods (Maritz and Kok, 2013).

Population Projections

A population projection refers to an extrapolation of historical data into the future, i.e. an attempt to describe what is likely to happen under certain explicit assumptions about the future as related to the immediate past. The District population growth as per Census 2011 and Community Survey 2016 shows a positive growth rate of 1.6 and 0.017 respectively. The figure below is an illustration of population projections of the JTGDM using the intercensal growth rate of 0.017 which shows an increasing population 268049 by 2022. This projection does not take into consideration other factors such as fertility, mortality and migration.



(Source: StatsSA 2011 & 2016)

1.3 Service Delivery Overview

The John Taolo Gaetsewe District area being mainly rural nature, lower level of service of infrastructure is being implemented, for instance water networks are of a supply targeting 200m communal taps, roads networks are prioritised to render access to social amenities like schools, clinic, etc. The service delivery infrastructure planning as implemented by the District Municipality is mainly driven by grants relating to the built industry skills development and roads asset management. All infrastructure planning and skills development grants were effectively used and spent within the financial year.

There are three modes of transportation in the District namely Road, Rail and Air. The District is engaging key stakeholders to establish a regional airport so that the public will not only rely on road transportation. The District had set up the Rural Road Asset Management Systems (RRAMS), and collects road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA). The systems improve the accuracy of roads information as collected per the latest data on municipal roads and do thus guide infrastructure maintenance and investments. This, if adhered to, will assist in the reduction of vehicle operating costs.

The initial network length was recorded as approximately 2, 717.58 km. The network was then digitized and cleaned, due to duplicates, the network decreased. There are currently 2,594.30km of municipal road network captured on the District Rural Road Asset Management System. A total of 45.44km is block paved, 1,343.01km is earth, 884.02km gravel and 321.83km flexible pavement. The Municipality maintains the Roads Asset Management Plan (RAMP) developed through the RRAMS and continues to improve data on all municipal roads to guide infrastructure investment on roads. The RAMP assists in reducing vehicle operating costs and in extending the lifespan of municipal roads. The plan is also critical in the allocation of road infrastructure related grants. The Division of Revenue Act emphasises that any planned road project should relate to the RAMP.

Four Civil Engineering technicians are running the RRAMS programme. The graduates are trained in the road management system and they are crucial in roads data gathering and arrangement. They assisted local municipalities on planning information required for roads.

Professional capacitation of graduates in the built industry under the Infrastructure Skills Development Grant (ISDG) programme is ongoing. Since inception of the grant, three Town Planning graduates trained through the ISDG programme are appointed in the three municipalities as professionals in management positions. One registered a professional Civil Engineering Technician is appointed in the Technical Services Department of a nearby local municipality. This development is relevant to the programme objectives as it enhances the built environment levels of professionalism in local government.

Project management, design and Geographic Information System software programmes and related hardware were purchased to improve the training and skills development environment in the built industry in the previous financial year. Formal training related to that was also done.

Reviewed business plans for the upgrading of municipal roads, manufacturing of interlocking paving blocks, capacity development in the municipality to efficiently implement Human Settlement Accreditation related functions were submitted in request of funding. The Integrated Transport Plan was reviewed in the 2021/22 financial year and the District will explore its implementation on achieving sustainable integrated transport in detail. In this way, a step change will be achieved by prioritising the right development in the right locations, along major road and activity route in the district.

This approach, coupled with a focus on public transport (PT), non-motorised transport (NMT) and Travel Demand Management (TDM) will reduce travel times and costs, as well as deliver important environmental benefits. This document seeks to set out the District's plans for transport within the wider context of its drive to create an equal society based on integrated communities, economic inclusion and access to opportunities.

The housing demand estimated for the planning period 2021- 2030, requires that approximately 335 hectares of land be available in the JTG District, to supply the estimated housing backlog and another 2,246 hectares to accommodate the household growth in total with various housing options from both the public and private sector. This situation is reflected in the District Integrated Human Settlement Sector Plan reviewed in the 2020/21 financial year.

Challenges remain on water borne sanitation in addressing the basic housing needs and slow progress in eradicating housing backlogs. Challenges further, relates to addressing emergency

housing needs which were created by floods experienced during the end of the last financial year (2020/21). The Municipality received funding to commence on 791 temporary housing units in the Joe Morolong and Ga-Segonyana Local Municipalities and this is envisaged to be completed in the next financial (2022/23).

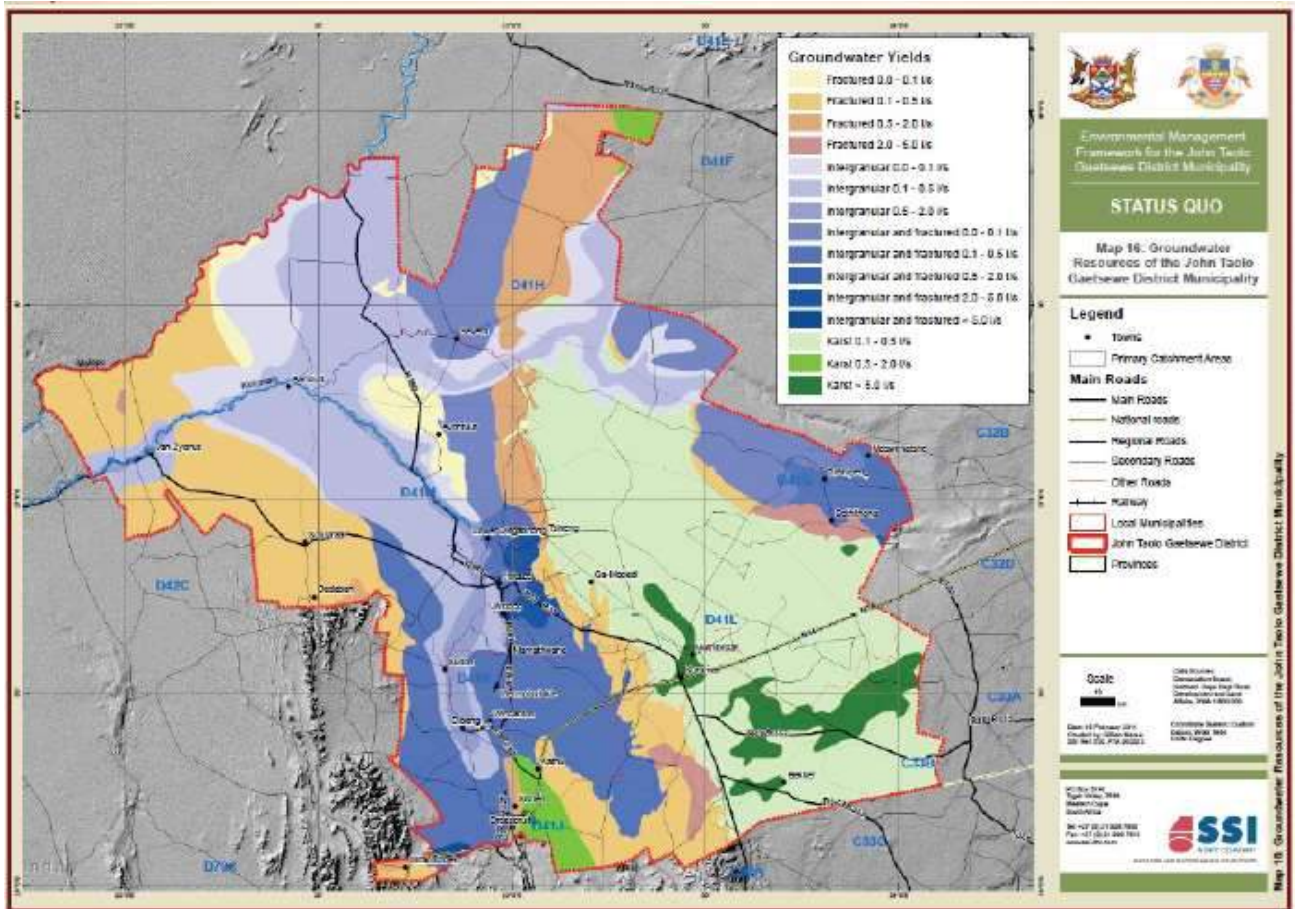
Water

The John Taolo Gaetsewe District Municipality is not a Water Service Authority and does not have the executive authority to provide water services within its area of jurisdiction in terms of the Municipal Structures Act (Act No. 117 of 1998) or the ministerial authorizations made in terms of this Act.

The District is, however, being plagued by several challenges on the supply of water. Around 8,251 (11,5%) household has no access to the safe drinking water. The 11,5% excludes 8,7% of the population which draws water from own boreholes, rain water harvesting, water carrier/tanker or flowing water/stream/river etc. Only 37,7% have yard piped connections in their yards.

The JTGDM has a “flat” geomorphic profile, with the Kuruman hill’s ridge system bisecting the district along a north-south axis. The drainage pattern in the district is determined by this ridge system, channeling all streams northwards and then sharply westwards. Falling in the Lower Vaal Water Management Area, the most important catchment area in the JTGDM is the sKorannaberg Mountains, from which the majority of the streams in the district spring and from where they drain into the Kuruman River system. (Source: JT Gaetsewe 2017 SDF Review)

Groundwater yields



(Source: JT Gaetsewe 2011-12 SDF Review)

Access to piped water

All the local municipalities in the District have Water Master Plans and are also responsible for the development and maintenance of water sources, like boreholes, operation and maintenance of bulk pipeline, operation and maintenance of reticulation network, process operation and maintenance of water treatment works to ensure rendering of portable water to the community. The sources of water supply are the aquifers located along villages and town. The water network reticulation for all the villages is the 200m radius communal standpipes beside the township and town areas which has yard connections.

The municipalities are reticulating water in all the villages however like most municipalities in semi-arid areas with insufficient rainfall, most borehole are drying up. As a way to manage and control the dwindling water resource the municipalities installed pre-paid meter in the villages however the lack of cooperation to pay services by some community members are a challenge to this initiative as they constantly vandalise installed prepaid standpipes. Access to basic

services is one of the important priorities of the municipalities. Around 8,251 (11,5%) household has no access to the safe drinking water that's excluding 8,7% who managed to get water from own boreholes, rain water tank, water carrier/tanker or flowing water/stream/river etc. And because of the rural nature of the municipalities only 37,7% have yard piped connections. The Municipalities have intensified water provision through Municipal Infrastructure Grant programme as reflected on projects undertaken per municipalities. Bulk is generally still an issue which hampers provision of waterborne sewerage in townships like Vanzylsrus.

The Vaal Gamagara water supply pipeline can assist Municipalities a lot in augmenting the water sources in the region and ease the current water shortages due to depletion of ground water sources. The following are the 2016 Stats for the District and Municipalities:

Table 1: Distribution of households by access to safe drinking water by municipality, CS 2016

Municipality	Access to safe drinking water		No access to safe drinking water		Total Households
	Households	Percentage	Households	Percentage	
Joe Morolong	21,497	90,3	2,303	9,7	23,800
Ga-Segonyana	27,615	85,3	4,774	14,7	32,388
Gamagara	14,502	92,5	1,174	7,5	15,677
John Taolo Gaetsewe	63,614	88,5	8,251	11,5	71,865

Table 2: Distribution of households by main source of water for drinking, CS 2016

Municipality	Piped (tap) water inside the dwelling/house/yard		Piped water on community stand / Neighbour's tap/Public/communal tap		Others		Total Households
	Households	Percentage	Households	Percentage	Households	Percentage	
Joe Morolong	2,439	10,2	18,520	77,4	2,961	12,4	23,919
Ga-Segonyana	11,530	35,3	18,410	56,4	2,729	8,4	32,669
Gamagara	13,328	84,8	1,782	11,3	612	4	15,723
John Taolo Gaetsewe	27,297	37,7	38,712	53,5	6,301	8,7	72,310

Table 3: Distribution of households by main source of drinking water supplier, CS 2016

Municipality	Municipality		Other Water scheme		Water vendors		Own service		Flowing water/stream/river/spring/rain-water		Total House-holds
	House-holds	%	House-holds	%	House-holds	%	House-holds	%	House-holds	%	
Joe Morolong	17,665	74,2	2,383	10,0	84	0,4	3,123	13,1	550	2,3	23,805
Ga-Segonyana	22,747	70,4	5,673	17,6	1,514	4,7	2,298	7,1	68	0,2	32,300
Gamagara	15,000	95,5	127	0,8	69	0,4	511	3,3	-	-	15,707
John Taolo Gaetsewe	55,415	77,2	8,183	11,4	1,666	2,3	5,932	8,3	8,3	0,9	71,812

Table 4: Distribution of households by water interruptions in the last three months, CS 2016

Municipality	Water interruptions		No Water interruptions		Total Households
	Households	Percentage	Households	Percentage	
John Taolo Gaetsewe	16,483	30,1	38,356	69,9	54,838

Sanitation

Sanitation is a basic need in communities which can pose serious health and hygiene risks for communities and the environment at large scale, if not properly managed and monitored. According to the White Paper on Basic Household Sanitation, 2001, basic sanitation is defined as: "The minimum acceptable basic level of sanitation is: Appropriate health and hygiene awareness and behaviour - A System for disposing of human excreta, household waste water and refuse, which is acceptable and affordable to the users, safe, hygienic and easily accessible and which does not have an unacceptable impact on the environmental and a toilet facility for each household".

A total of 65 469 (90.5%) households in the District has some form of toilet, and around 6 841 (9.5%) have no access to sanitation services. 40 377 (56%) households in the District are the Pit latrine toilets and only 22 480 (31%) households are Flush toilets.

The Provincial Department of Water and Sanitation and CoGHSTA are running sanitation projects in the district to eradicate the inadequate toilets and providing toilets where there is a lack. Based on the 2016 STATS the sanitation backlog for John Taolo Gaetsewe can be determined to be 9,453 households.

Table 28: Distribution of households by type of toilet facility and municipality, CS 2016

Municipality	Flush toilets connected to a public sewerage system	Flush toilets connected to a septic tank or conservancy tank	Chemical toilets	Pit latrine toilet with ventilation pipe	Pit latrine toilet without ventilation pipe	Ecological toilet / other	Bucket toilet	No Toilet
Joe Morolong	1,281	233	172	12,921	5,596	509	1,025	2,182
Ga-Segonyana	5,717	1,772	35	6,115	15,612	453	162	2,789
Gamagara	12,712	764	34	55	79	208	1	1,869
John Taolo Gaetsewe	19,711	2,769	241	19,090	21,287	1,170	1,202	6,841

The 2016 STATS, indicates that the households overall rating for sanitation services is at 45.2% and 16.7% of households have no access to sanitation.

Refuse Removal

In the case of refuse removal, 24.63% of the population within the JTGDGM have their refuse removed by the local authority or a private company at least once a week or less often. This is far below less than half the provincial figure of 64.89%. In relation to the other four other districts in the province, it is far below the figure in this regard in these municipalities which all have percentages above 75%.

In the absence of a refuse removal service, population is dependent on their own endeavour, with 63.65% of the population within the JTGDGM having their own refuse dump. This is more than three times the provincial figure 21.45% respectively, and far higher than the figure in the four other districts in the province, which all have figures of less than 20%. With regards to the situation in the three local municipalities in the district, while 84.92% of the population in Gamagara LM and 67.87 % in the province have their refuse removed by the local authority or a private, only 12.33% in the Ga-Segonyana LM and 3.09% in the Joe Morolong have access to such a service. According to SEAT (2014), refuse removal in the JTG district area has not shown any real improvement in the past three years, nor in the 10 years between 2001 and 2011 Census.

Household level of refuse removal

	Joe Morolong	Ga-Segonyana	Gamagara	John Taolo Gaetsewe
Removed by local authority/private company/community members at least once a week	2 539	12 630	44 489	59 658
Removed by local authority/private company/community members less often than once a week	58	242	1 071	1 372
Communal refuse dump	4 902	4 737	1 125	10 764
Communal container/central collection point	1 320	2 168	409	3 896
Own refuse dump	71 031	77 757	5 402	154 190
Dump or leave rubbish anywhere (no rubbish disposal)	3 002	4 084	567	7 653
Other	1 349	2 790	592	4 731

(Source: StatsSA 2016)

Electricity

The Part B of Schedule 4 and 5 of the Constitution in section 156(1) grant Municipalities executive authority to administer the local government matters and list as part of the powers and functions, Electricity reticulation. Part of the reticulation includes Bulk supply of electricity, the transmission, distribution and, where applicable, the generation of electricity, and also the regulation, control and maintenance of the electricity reticulation network. However only around 30% of the households in the District obtain electricity from the municipalities the other 70% is supplied directly by Eskom, and that deprives the municipalities an income generating opportunities.

The 2016 Community Survey indicates that 8,527 (11.8%) of the households are still with no electricity in the District. Majority 58 753 (81%) of the households are on Prepaid. Only around (1232) 1.7% households use alternative source of energy.

There continues to be a lack of co-ordination between stakeholders - local municipalities in the District and Eskom. Lack of support on electricity supply strategy from ESKOM is a concern. This being reflected and raised in the district planning platforms.

Access to electricity

Table 59: Distribution of households by main type of energy source

Municipality	In-house Convention Meter	In-house pre-paid meter	Connected to other source which household pays for	Connected to other source which households is not paying for	Solar home system	Generator/ Battery	Other	No Access to Electricity	Total
Joe Morolong	768	19,727	46	26	10	0	85	3,258	23,920
Ga-Segonyana	1,438	26,848	529	21	127	120	59	3,526	32,668
Gamagara	1,595	12,178	156	24	12	0	15	1,743	15,723
John Taolo Gaetsewe DM	3,801	58,753	731	71	149	120	159	8,527	72,311

42 342 (68%) of the households in the District use Eskom prepaid, and 18 541(30%) households' electricity is provided by municipality, it can also be noted that 60 888 (98%) households utilizes prepaid electricity in the District

Table 60: Distribution of households by municipality and supplier of electricity

Municipality	Municipality Prepaid	Municipality Post-paid	Eskom Prepaid	Eskom Post-paid	Other Supplier	Total
Joe Morolong	2,216	7	17,741	149	146	20,259
Ga-Segonyana	7,207	168	20,532	135	33	28,074
Gamagara	9,117	335	4,069	213	26	13,760
John Taolo Gaetsewe DM	18,541	510	42,342	497	205	62,094

Housing

The District Municipality is accredited to administer national housing programmes under the level 2 housing function in terms of Section 10 of the Housing Act (Act 107 of 1997 as amended).

The District has an Integrated Human Settlement Sector plan which provide the strategic direction for transforming human settlements in the John Taolo Gaetsewe District aligned to the Provincial Department and Local municipalities' Sector plans and IDPs. This transformation relates to accelerating human settlement delivery on well-located land, that provide opportunities to beneficiaries to access the property market and have sufficient access to social amenities and economic opportunities. This transformation will further support the integration of communities and the spatial restructuring of the towns and villages in the Municipal area.

Table 42: The following are household growth projections 2016, 2021 to 2024 (STATS 2016)

Backlog indicator	Total Households			Growth (Calculated)
	CS 2016	2021 Estimates	2024 Estimates	
Joe Morolong	23 919	24 159	24 304	0,2%
Ga-Segonyana	32 669	40 517	46 104	4,4%
Gamagara	15 723	24 303	31 560	9,1%
John Taolo Gaetsewe	72 310	88 979	101 968	3,6%

From the 2016 Community Survey growth projections, the household's growth in the District can be calculated to be 88 979 in 2021 and 101 968 by 2024. Using the SMEC report, the growth scenario anticipated for the housing backlog and delivery by 2030 may be calculated as follows:

Table 43: The housing backlog and targeted delivery of housing units

		Gamagara	Joe Morolong	Ga-Segonyana	JTG
Housing Backlog 2021	Total Backlog/Need	4 440	4 817	7 441	16 698
Future Growth in Households (2021-2030) – Maximum growth scenario	Future Demand: Low Income	12,180	5,046	6,867	24,094
	Future Demand: Gap Market	9,035	765	2,657	12,457
Proposed Average Supply/ Delivery of units – 2021-2030	Total Housing Delivery/Supply Rate	2 609 units/year	1 112 units/year	1 770 units/year	5 491 units/year
	Supply for Backlog Eradication by 2030	488 units/year	530 units/year	817 units/year	1 836 units/year
	Supply for Future Growth – Low Income group (moderate growth)	1218 units/year	505 units/year	687 units/year	2,409 units/year
	Supply for Future Growth – Gap Market	903 units/year	77 units/year	266 units/year	1,246 units/year

The municipal targets for housing supply should balance their yearly allocations towards addressing the backlog, vs providing for the upgrading of informal settlements and providing for the household growth and gap market. This balance is necessary to ensure that the

municipality provide for the backlog and for the income groups that increase their revenue base, and hence support the municipal financial sustainability.

The housing demand estimated for the planning period 2021- 2030 requires that approximately 335 hectares of land be available in the JTG District to supply the estimated housing backlog and another 2,246 hectares to accommodate the household growth in total with various housing options from both the public and private sector. This land need is divided per local municipality as follows:

Table 44: The JTG estimated land requirement

Municipality	Type	Number of households	Size per dwelling unit	Estimated Land Required by 2030
Gamagara LM	Housing Backlog, 2021	4,440	300m ²	135 ha
	Housing Demand for all income groups due to household growth	28,073	500m ²	1,404 ha
Ga-Segonyana LM	Housing Backlog, 2021	7,441	300m ²	225 ha
	Housing Demand for all income groups due to household growth	10,713	500m ²	536 ha
Joe Morolong LM	Housing Backlog, 2021	4,817	300m ²	145 ha
	Housing Demand for all income groups due to household growth	6,112	500m ²	306 ha
John Taolo Gaetsewe DM		61,596	-	2,751ha

An estimated 505 hectares are required to accommodate the housing backlog of 16,698 households in the District within the 2021 to 2024 planning term. Moreover, the total average land required to accommodate various housing options due to the household growth (an estimated total of 44,897 additional households), is estimated at 2,245 hectares within the same term. Which brings the overall land requirement of 61,596 households to 2,751 ha. *(Source: Integrated Human Settlement Sector Plan, JTG-Reviewed)*

Roads, Storm water and Transport

Storm water management in various towns and townships seeks to mainly address roads surface water drainage problems. The storm-water infrastructure can best be described as aged. In a number of cases capacity problems are also experienced, mainly due to accumulation of debris in the pipes and surface drains. This debris (gravel, silt, refuse, etc.) are not being removed to allow storm-water systems to function efficiently. In some cases, culverts

crossing the roads have collapsed, grids from inlets have been stolen, which exacerbates the problem of refuse being deposited in the systems. The increased sewage influent at the various WWTW, indicates that storm-water is entering the sewerage.

Though the municipalities do not have storm-water bylaws or policies, they do have storm-water masterplans in place that will guide them on how to proceed to reduce the storm-water problems. There have not been any storm-water projects implemented in the municipalities. This indicates that storm-water management has not been a priority in the municipalities. The initiative to compile the masterplans shows a paradigm shift towards mitigation of the storm-water risks and identification of mitigating projects to be implemented.

The Rural Asset Management Systems, is envisaged to assist the Local Municipalities in project prioritisation, maintenance scheduling and application of funding for maintenance and rehabilitation of the roads. The three local municipalities have finalised their Road Masterplan which also incorporate the Storm-water master plans. There are currently 2,594.30km of municipal road network captured on the District Rural Road Asset Management System. Of which 45.44km is Block paved, 1,343.01km is earth, 884.02km gravel and 321.83km have flexible pavement.

Table 16: The following is the total municipal road network for the District

Surface Type	Road Network In km
BLOC	45.44
EARTH	1,343.01
FLEX	321.83
GRAV	884.02
TOTAL	2,594.30

The modes of transportation in the District beside road transportation are rail and air transportation. The air transportation is mainly privately owned as a result the airport in the region on private land. The District is spearheading stakeholder engagements for the establishment of a regional airport. The District also has an Integrated Transport Plan which is reviewed annually.

The rail infrastructure of the Northern Cape is an important element of the provincial transportation system. The rail transport is mainly utilised in the mining sectors. A railway line extends from Blackrock southwards past Sishen to Kimberley where it connects with the main Cape Town - Johannesburg line. A second line used to transport ore from this area extends from Sishen southwards to Saldanha Bay where it supplies the Saldanha Steel Plant.

Walking and cycling are the most dominant mode of non-motorised transport within the John Taolo Gaetsewe District Municipality with animal drawn transport being the least dominant and found mostly in rural low-income communities. The non-motorised transport within the District is slowly developing and has to date not been given substantial attention to reach appreciable impact in the District. The extent of non-motorised transport within the District still need to be comprehensively quantified. The non-motorised transport infrastructure has been developed in an ad-hoc fashion and there is a need for pedestrian side-walk and cycle path plan to be developed for John Taolo Gaetsewe District Municipality.

Because the District is mainly rural, the priority is to develop or improve the access roads in the villages and towns. The District assists the local municipalities in compiling the Roads Asset registers that will in future assist with the prioritisation of the road's construction and maintenance.

It is noteworthy that the roads agency function was moved away from the District Municipality and maintenance of provincial roads is now the sole responsibility of the Provincial Roads Department.

Comment on Access to Basic Services

Water, sanitation, roads, housing and refuse removal are still the biggest needs. The increase in mining related activities in the District puts severe strain on the roads infrastructure, with no short term alternative to roads. Mass transport and alternative modes of transport must be introduced in the District in conjunction with mixed land uses, proper land management and development.

1.4 Financial Health Overview

The municipality submitted its Annual Financial Statements to Auditor-General timeously on the 31 August 2022. During the financial year all existing finance related policies were reviewed

and an additional policy, namely the UIF reduction strategy was adopted to strengthen the financial management of the municipality. All creditors were paid within 30 days, and there was no loan commitment.

This overview highlights the Municipality's financial performance in the 2021/22 financial year. Full details appear in the audited Annual Financial Statements for the year ended 30 June 2022.

The municipality faced serious financial setbacks as compared to previous financial years mainly due to the prevailing market and economic conditions. However, such were closely monitored to ensure that the municipality continues to operate as a going concern. The effectiveness of the strategies and improvements deployed.

Statement of Changes in Net Assets

	Revaluation reserve	Accumulated Surplus	Total net assets
Balance at 01 July 2020	63 703 719	35 074 421	98 778 140
Revaluation of land and buildings	(1 679 000)	-	(1 679 000)
Net income recognised directly in net assets	(1 679 000)	-	(1 679 000)
Surplus for the year	-	4 375 244	4 375 244
Total recognised income and expenses for the year	(1 679 000)	4 375 244	2 696 244
Total changes	(1 679 000)	4 375 244	2 696 244
Opening balance as previously reported	62 024 719	39 449 666	101 474 385
Adjustments			
Prior year adjustments	-	768 531	768 531
Restated* Balance at 01 July 2021 as restated*	62 024 719	40 218 197	102 242 916
Changes in net assets			
Surplus/(Deficit) for the year	-	(2 692 746)	(2 692 746)
Total changes	-	(2 692 746)	(2 692 746)
Balance at 30 June 2022	62 024 719	37 525 451	99 550 170
Note(s)	17		

The municipality continued to maintain a Net Asset position for the year under review.

A decrease in total net asset was recorded for the 2021/22 financial year. The municipality recorded the deficit of R 1 724 641, without taking into consideration the fair value adjustment, gain or loss on disposal of asset which amount to - R 968 105 .Total operating deficit for the year amounting to R 2 692 746.

Statement of Cash Flow

	Note(s)	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		100 975	2 270 869
Grants		106 925 744	106 601 360
Interest income		2 311 608	1 846 389
Construction Contracts		50 973 000	-
		<u>160 401 327</u>	<u>110 718 618</u>
Payments			
Employee costs		(76 226 095)	(75 966 062)
Suppliers		(48 675 959)	(28 645 297)
Finance costs		(730 545)	(207 353)
		<u>(125 632 599)</u>	<u>(105 018 712)</u>
Net cash flows from operating activities	35	34 768 728	5 699 906
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(1 137 382)	(1 337 021)
Proceeds from sale of property, plant and equipment	10	-	23 374
Purchase of other intangible assets	11	(400 834)	(68 012)
Proceeds from sale of biological assets	8	667 745	-
Net cash flows from investing activities		(870 471)	(1 381 659)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of other financial liabilities		-	(703 344)
Finance lease payments		(203 763)	(268 012)
Net cash flows from financing activities		(203 763)	(971 356)
Net increase in cash and cash equivalents		33 694 494	3 346 891
Cash and cash equivalents at the beginning of the year		12 091 027	8 744 136
Cash and cash equivalents at the end of the year	3	45 785 521	12 091 027

Below is an extract of the Statement of financial Performance:

Statement of Financial Performance

	Note(s)	2022	2021
REVENUE			
Revenue from exchange transactions			
Rental of facilities	18	191 239	139 924
Other income	19	-	314 743
Administration and management fees	20	1 749 426	1 869 911
Interest received	21	2 311 608	1 846 389
Total revenue from exchange transactions		4 252 273	4 170 967
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	22	107 705 302	105 071 264
Contract revenue	50	11 589 715	-
Donations received	23	4 287 751	4 395 670
Total revenue from non-exchange transactions		123 582 768	109 466 934
Total revenue		127 835 041	113 637 901
EXPENDITURE			
Employee related costs	24	(71 456 263)	(69 555 051)
Remuneration of councillors	25	(5 447 245)	(5 179 288)
Depreciation and amortisation	26	(4 895 388)	(3 849 153)
Finance costs	27	(1 295 545)	(581 353)
Debt Impairment	28	(1 486 177)	(113 755)
Contract costs	50	(10 078 013)	-
Transfers and subsidies	30	(18 000)	(78 115)
Operational costs	31	(34 883 051)	(30 987 914)
Total expenditure		(129 559 682)	(110 344 609)
Operating Surplus/(Deficit)		(1 724 641)	3 293 292
Gain/(Loss) on disposal of assets	32	(1 370 480)	(197 974)
Fair value adjustments	33	1 391 921	1 100 725
Actuarial (losses)/gains	15	(93 000)	(1 214 000)
Gains/(Loss) on biological assets	34	97 041	1 393 201
Loss on non-current assets held for transfer	6	(2 302 904)	-
Gain from reversal of impairment	28	1 309 317	-
		(968 105)	1 081 952
Operating Surplus for the period		(2 692 746)	4 375 244

Revenue increased to R 127 million (2021: R113 million) with the total expenditure increasing to R 129 million (2021: R 110 million).

The municipality will continue to prioritise the repairs and maintenance of assets because preservation is important for continued service delivery.

A net operating deficit of R 2 692 746 has been recorded during the year under review. This is from a net deficit position amounting to R 1 724 641 recorded in the 2021/22 financial year.

Financial Overview: Year 2021/22			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	105 578	158 813	119 295
Taxes, Levies and tariffs			
Other	5 274	7 903	8 540
Sub Total	110 852	166 716	127 835
Less: Expenditure	110 155	164 015	129 560
Net Total*	696	2 702	(1 725)
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	59.4%
Repairs & Maintenance	0.4%
Finance Charges & Impairment	2.1%
	T 1.4.3

Comment on Operating Ratios

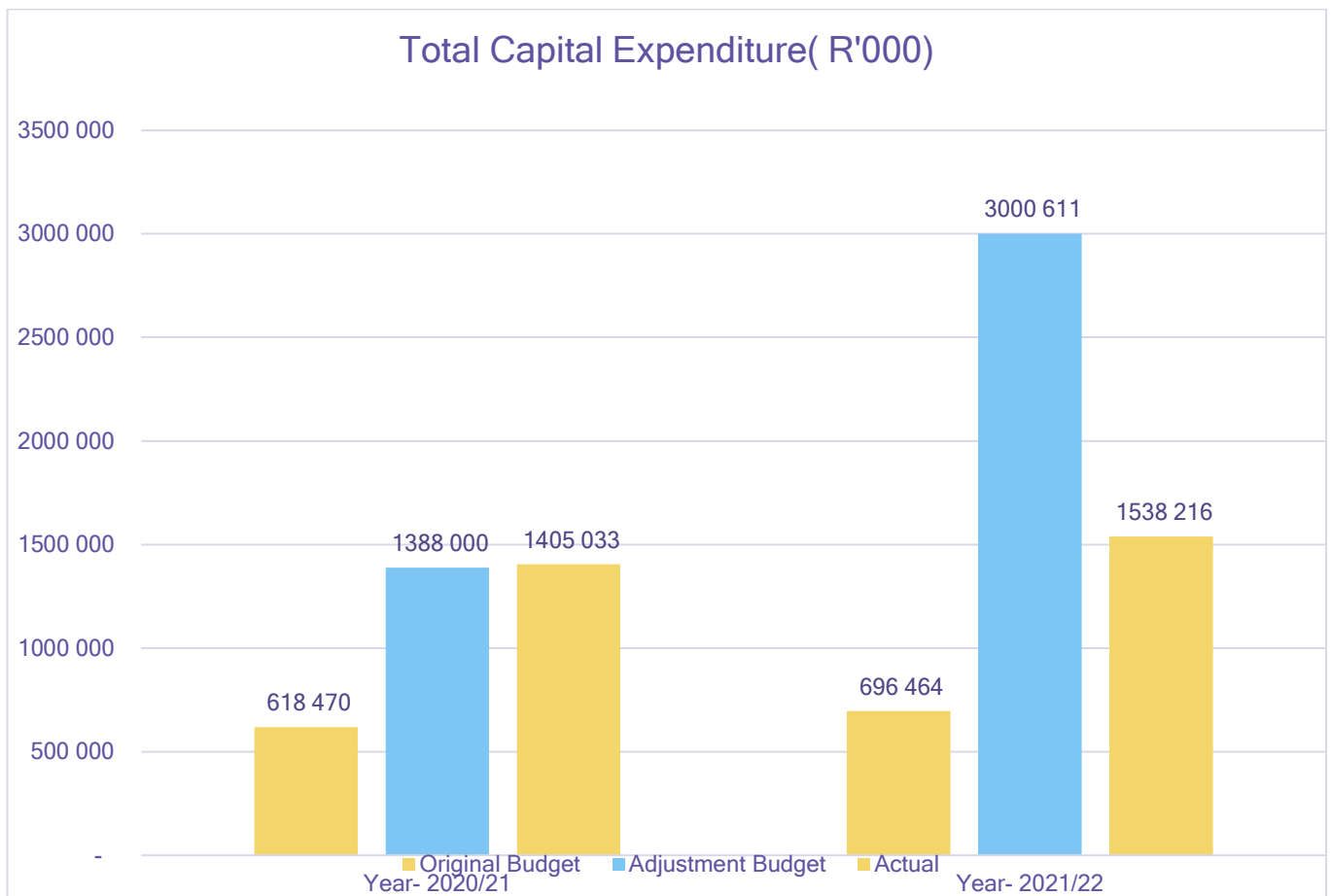
Employee costs including remunerations of councilors remain high at 59%. The high % is directly as a result of grant dependency and the inability to generate any additional revenue.

Repairs & Maintenance relates more to items of property plant and equipment and finance charges related to finance lease in respect of copy machines.

Repairs & Maintenance relates more to items of property plant and equipment:

Total Capital Expenditure: Year -2019/20 to Year 2021/22			
			R'000
Detail	Year -2019/20	Year- 2020/21	Year- 2021/22
Original Budget	1 951 000	618 470	696 464
Adjustment Budget	1 737 000	1 388 000	3 000 611
Actual	966 859	1 405 033	1 538 216
			T 1.4.4

For the 2021/22 the municipality invested towards property, plant and equipment and intangibles assets. Most part of the spending being on computer equipment.



The spending on the capital expenditure relates to office equipment and IT equipment procured during the year.

1.5 Organisational Development Overview

Organisational development was done in line with the approved Workplace Skills Plan for 2021/22. Additional training as identified during the performance assessments and requests from the Training and Development Committee were also accommodated. The Municipality focused on the prescribed minimum competency training of all qualifying staff members.

1.6 Auditor General Report - Current Year 2021/2022

The Municipality received an unqualified with findings opinion for the 2021/22 Financial Year. An audit action plan has been developed with the objective to sustain this audit outcome.

1.7 Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of 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 the 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	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	
8	Mayor tables the unaudited Annual Report	August
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

Comment on the Annual Report Process

It is important that the above Annual Report process timeframes are followed as closely as possible. Completion of the Annual Report and especially the Annual Performance Report is of critical importance. It informs both the planning process for the IDP and also provides a tool to both Council and our community to measure our performance and progress in addressing services.

CHAPTER 2 - GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 Political Governance



Executive Mayor: Cllr. S Mosikatsi



Speaker: Cllr. PQ Mogatle

The Executive Mayor, as the Political Head, is supported by the following Mayoral Committee Members that headed the respective portfolio committees:



Furthermore, the Executive Mayor is also supported by the Budget Steering Committee.

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE						
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Written and signed Apologies for non-attendance	Percentage Apologies not written for non-attendance
	FT/PT			%	%	%
Councillor T Anthony	PT	Chairperson: Finance and Corporate Committee	ANC	80	10	10
Councillor G Assegaai	PT	Chairperson: Planning and Development Committee	ANC	80		20
Councillor H du Plessis	PT	Infrastructure & Basic Services Committee	DA	80	10	10
Councillor L Gwai	PT	Planning and Development Committee	EFF	40		60
Councillor L Kaebis	PT	Infrastructure & Basic Services Committee	ANC	60		40
Councillor G Kaotsane	PT	Infrastructure & Basic Services Committee	EFF	60	10	30
Councillor O Kgopodithata	PT	Planning and Development Committee	ANC	80		20
Councillor K Makwati	PT	Infrastructure & Basic Services Committee	ANC	70		30
Councillor T Molwagae	PT	Community Development Services Committee	EFF	20		10
Councillor K Masilabele	FT	Chairperson: Community Development Services Committee	ANC	100		
Councillor O Mathibe	PT	Planning and Development Committee	DA	90		10
Councillor P Mogatle	FT	N/A	ANC	100		
Councillor O Mokweni	PT	Community Development Services Committee	ANC	90	10	
Councillor S Mosikatsi	FT	Executive Mayor	ANC	80	10	10
Councillor O Monaki	FT	Chairperson: Infrastructure & Basic Services	ANC	80		20
Councillor P Ohentswe	PT	Finance and Corporate Committee	EFF	80		20
Councillor Booysen A	PT	Finance and Corporate Committee	ANC	90		10

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Written and signed Apologies for non-attendance	Percentage Apologies not written for non-attendance
Councillor Koketso Paul	PT	Community Development Services Committee	DA	90		10
Councillor KS Setlhodi	PT	Community Development Services Committee	EFF	60		10
Councillor L Moagi	PT	Planning and Development Committee	ANC	70	10	20
Councillor Matebesi I	PT	Finance and Corporate Committee	ANC	100		
Kgosi GE Thaganyane	PT	N/A	N/A	20		60
Kgosi PS Bareki	PT	N/A	N/A	20	10	50

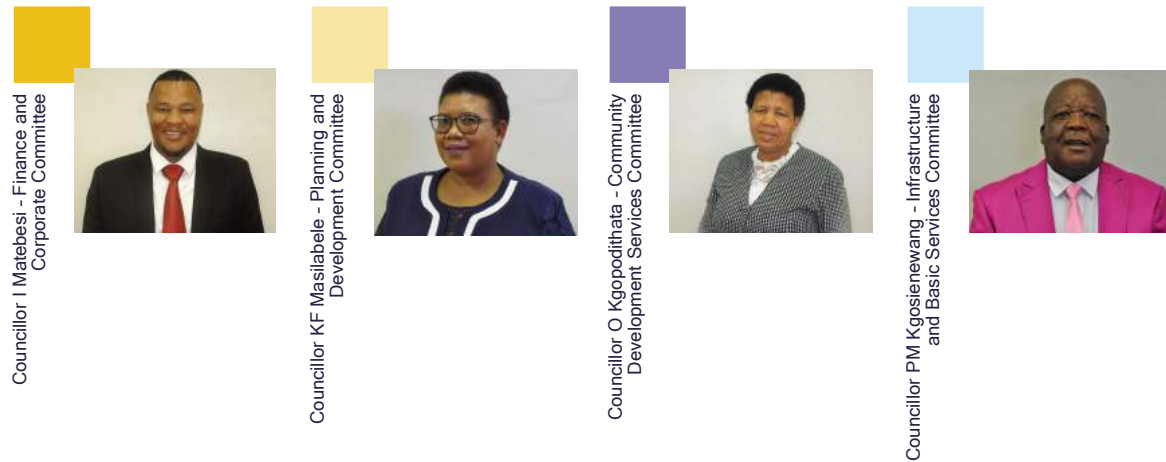


Executive Mayor: Cllr. P Mogatle



Speaker: Cllr. I Aiseng

The new Executive Mayor, as the Political Head, is supported by the following Mayoral Committee Members that headed the respective portfolio committees:



COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE (New Council inaugurated on 03 December 2021)						
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Written and signed Apologies for non-attendance	Percentage Apologies not written for non-attendance
	FT/PT			%	%	%
Councillor PQ Mogatle	FT	Executive Mayor	ANC	100		
Councillor IE Aiseng	FT	Speaker	ANC	100		
Councillor KF Masilabele	FT	Chairperson: Development & Planning Committee	ANC	90		10
Councillor OH Kgopodithata	FT	Chairperson: Community Development Services Committee	ANC	100		
Councillor I Matebesi	PT	Chairperson: Finance and Corporate Committee	ANC	100		
Councillor GG Kaotsane	PT	Infrastructure & Basic Services Committee	EFF	70		30
Councillor PM Kgosiengewang	FT	Chairperson: Infrastructure & Basic Services Committee	ANC	100		
Councillor PJ Ohentswe	FT	Finance and Corporate Committee	EFF	80		20
Councillor TC Moilwe	FT	Community Development Services Committee	EFF	80		20
Councillor OD Mathibe	PT	Planning and Development Committee	DA	90		10
Councillor AI Eilerd	FT	Finance and Corporate Committee	DA	90		10
Councillor NG Ngesi	FT	Finance and Corporate Committee	ANC	100		
Councillor N Tswere	PT	Planning and Development Committee	ANC	100		
Councillor M Filipo	PT	Finance and Corporate Committee	ANC	90		10
Councillor TG Mosegedi	PT	Community Development Services Committee	ANC	100		
Councillor N Mereothle	PT	Community Development Services Committee	ANC	90		10
Councillor KR Paul	FT	Community Development Services Committee	DA	100		
Councillor KS Setlhodi	PT	Community Development Services Committee	EFF	70		30
Councillor M Valela	PT	Infrastructure & Basic Services Committee	ANC	90		10
Councillor GM Chere	PT	Infrastructure & Basic Services Committee	ANC	90		10
Councillor TM Motsoare	PT	Planning and Development Committee	ANC	80		20
Councillor BI Sebebo	PT	Infrastructure & Basic Services Committee	DA	90		10

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE (New Council inaugurated on 03 December 2021)						
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Written and signed Apologies for non-attendance	Percentage Apologies not written for non-attendance
Councillor OA Etshetshang	PT	Infrastructure & Basic Services Committee	EFF	90		10
Kgosi GE Thaganyane	PT	N/A		80		20
Kgosi PS Bareki	PT	N/A	N/A	40	20	40

Political Decision-taking

The Council of John Taolo Gaetsewe District Municipality is made up of four Portfolio Committees which report to Mayoral Committee and the Mayoral Committee reports to Council, eventually Council takes the final decision. The decision that Council takes either approves or rejects the reports submitted.

Upon decision by Council, the administration has to implement that decision and report back to Council in the form of a Council Resolution Register. The register will indicate as to how the administration has implemented the Council decision and progress thereof.

2.2 Administrative Governance

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager	Mr. DH Molaole
Corporate Services Department	Mrs. EM Tshabaemang (Director: Corporate Services)
BTO Department	Mrs. GP Moroane (Acting – CFO)
Community Development Services Department	Mr. TH Matlhare (Acting – Director: Community Development Services)
Economic Development Department	Mr. KK Teise (Director: Local Economic Development)
Basic Services & Infrastructure	Mr. MW Molusi (Director: Basic Services & Infrastructure)



Municipal Manager

Mr. D. H. Molaole



Director: Basic Services and Infrastructure

Mr. M. W. Motshabi



Director: Corporate Services

Mrs. E. M. Tshabaemang



Director: Development and Planning

Mr. K. K. Teise



Acting Director: Community Development Services

Mr. T. H. Matlhare



**Acting Chief Financial Officer: Budget and Treasury
Office**

Mrs. G. P. Moroane

COMPONENT B: CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Municipality is part of and contributes to various cooperative governance and inter-governmental initiatives by the different spheres of Government and coordinates the inter-governmental relations forums in the District.

2.3 Intergovernmental Relations

National Intergovernmental Structures

The Municipality participates in various forums at national level, which include MINMEC and MINTECH meetings that are attended by the Executive Mayor and Municipal Manager or their delegates respectively.

Provincial Intergovernmental Structure

The Municipality participates in the Premier's IGR where the Executive Mayor reports on the progress made in the District at large and presents a report on behalf of all the Municipalities in the District. The Municipal Manager also attends the Premier's IGR with the Executive Mayor and also attends the HOD Forum. Various other provincial forums are participated in by the Municipality and ranges from health and safety to water and sanitation, to social MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars, set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money, minimize the opportunities for fraud and corruption.

Overview Supply Chain Management

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars, set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Municipality's Supply Chain Management Unit is a support function for all business units within the municipality, assisting them to implement their service delivery priorities. One of the main objectives of the unit is to ensure provision of efficient, transparent, fair, equitable and cost-effective procurement services.

The Unit operates under the direct supervision of the Chief Financial Officer and the Head: Supply Chain Management, to whom this duty has been delegated to in terms of section 82 of the Act and its core functions are:

1. Demand Management;
2. Acquisition Management;
3. Logistics Management;
4. Disposal Management;
5. Risk management; and
6. Performance Management.

The supply chain management policy for the year 2021/22 was adopted by Council during May 2021 in term of SCM Regulation 3 (1) (a).

The main change made to the policy was to bring it in line with the structure of the SCM regulations. The aim was to establish a credible base from which the business processes can be developed. Further review of the current SCM policy was done in order to align the policy to the revised Preferential Procurement Regulations 2017, issued in terms of the section 5 of the preferential Procurement Policy Framework Act, Number 5 of 2000 (PPPFA). The regulations were published in the Government Gazette No 40553 on 20 January 2017 these regulations aim to align the Preferential Procurement Policy Framework Act, 2017, Central Supplier Database, E-Tender portal and the Broad - Based Black Economic Empowerment Act, 2003 effective from 7 December 2011, issued by National treasury

Performance of Supply Chain Management

In terms of the MFMA SCM regulations, the SCM policy of the municipality must provide for a system of demand, acquisition, logistics, disposal, risk and performance management, and the current policy has been aligned to provide for that.

1. DEMAND MANAGEMENT

The preferential policy objectives were identified at national level hence during the 2020/21 financial year a procurement plan was developed and the procurement preferential preference points were set on how these objectives will be met for each contract for the 2021/22 financial year.

The National Treasury has issued a media release in February which informs or instruct all the state entities to put all the tenders on abeyance. This impacted on the fully implementation of the procurement plan.

The National Treasury has issued a Media release on the 30th May 2022 regarding the decision of the Constitutional Court that:

- the suspension of the declaration of the order of invalidity of the 2017 Regulations is still valid for the remainder of the 12-month period, namely until 16th January 2023. This means that
- the 2017 Regulations in there entirely are still valid, the bid committees are now permissible to do the procurement of goods and services to apply the 2017 PPFA Regulations until the 16th January 2023.

The table below depicts progress on the implementation of the 2021/22 procurement plan:

Bid Number	Bid Description	Date advertised	Closing Date	Date awarded	Awarded to	Bid Price Awarded (R)
01-2021/22	Provision of Banking Services for JTGDM for a period of 60 months	05 Nov 2021	28 Jan 2022	-	-	To be advertised in the 2022/23 FY
02-2021/22	Supply and Delivery of IT Equipment (Laptops)	05 Nov 2021	03 Dec 2021	25 Jan 2022	R288 139.90 (VAT Excl)	Kelokilwe (Pty) Ltd Locally based, 100% black owned
03-2021/22	Supply and Delivery of Fencing Materials (EPWP)	05 Nov 2021	03 Dec 2021	25 Jan 2022	R535 182.00 (VAT Excl)	Ogone M Resources (Pty) Ltd Locally based, 100% black owned
04-2021/22	Panel of Auctioneers for a period of 24 months as and when needed	05 Nov 2021	09 Dec 2021	-	-	To be advertised in the 2022/23 FY
07-2021/22	Invitation for verification and valuation of municipal owned biological assets (game species) at Thwane game farm in Van Zylsrus for a period of 36 months	07 June 2022	21 June 2022	-	-	To be advertised in the 2022/23 FY
08-2021/22	Invitation for supply, delivery and installation	07 June 2022	21 June 2022	27 June 2022	R539 559.53 (VAT Excl)	ServeUp Service and

	of audio and video recording system					Supply (Pty) Ltd Locally based, 100% black owned
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From the table above, it is evident that 60% of planned procurement items were acquired during the 2021/22 financial year.

2. ACQUISITION MANAGEMENT

Thresholds as per section 12 of the SCM regulations has been set and complied with throughout the year. A thorough review of the bid documentation was done to ensure full compliance with all circulars and the latest SCM regulations to ensure full compliance in the 2021/22 financial year. A procurement plan was developed to guide all the procurement processes during the year and implemented accordingly.

Legal and Policy Implications

In accordance with Section 6(3) of the Council's Supply Chain Management Policy, the Municipal Manager must submit a Quarterly Report on the implementation of its Supply Chain Management Policy.

Furthermore, the Supply Chain Management activities are governed by various legislation which inter alia included revised PPPFA, MFMA, BBBEE and CIDB Act. Compliance to the Acts is paramount in order to ensure that the municipality has a procurement system that is fair, transparent, effective and economical.

Salient Details of Supply Chain Management Activities

The municipality remains on course with the implementation of its SCM Policy, and has steadily improved overall service delivery. A summary of SCM Activities is given below:

a) Supply Management Reforms

Management continues to ensure that all the all the procurement of goods and services comply to the revised Regulations, PPPFA, MFMA Circulars (CSD and E-Tender portal) and Practice

notes. The following policies have been updated and adopted by the Council as required by the legislation:

- Standard for Infrastructure Procurement and Delivery Management (SIPDM) Policy Framework for 2021/22 FY
- Supply Chain Management Policy for 2021/22 FY

b) Internal Auditor’s Findings on the implementation of the SCM policy

Management has implemented the audit action in ensuring that for each service provider appointed on the quotations below R30 000 comply fully with the following:

- Complete the MBD forms
- CSD Registered
- Quotations vs pro forma invoice on accommodations *

c) Implementation of mSCOA SCM module

The SCM module on SAGE system is fully functional. The CCG Consultants continued to provide technical support as and when required.

d) SCM Unit Functionality

The Municipality continued to have and manage a fully functional SCM Unit e.g. through providing administrative and committee secretariat to the Bid Committees. This function ensures compliance in respect of formal committee practice and record.

e) Contract Management

The performance of contractors was evaluated on monthly basis as required by section 116 (2)(a) of the MFMA. Generally, the performance of contractors for various contracts within the municipality was satisfactory. The contract register had been developed and it was continuously updated.

f) Legal Implications

- In accordance with Section 6(3) of the Council’s Supply Chain Management Policy, the Municipal Manager must submit a Quarterly Report on the implementation of its Supply Chain Management Policy.

- Furthermore, the Supply Chain Management activities are governed by various legislation which inter alias included revised PPPFA, MFMA, BBBEE and CIDB Act. Compliance to the Acts is paramount in order to ensure that the municipality has a procurement system that is fair, transparent, effective and economical.

3. LOGISTICS MANAGEMENT

An effective system of logistics management has been established. The municipality however does not necessarily have stores items such as small tools and equipment, but have consumable items such as stationery, refreshments etc. The continuous interrogation of inventories and improvements on systems and processes has yielded positive results in that there is a progressive reduction of stock holdings.

4. DISPOSAL MANAGEMENT

An effective system of disposal management has been established and detailed processes developed to ensure compliance with section 40 of the SCM regulations. Asset and Disposal Steering Committee is also established.

5. RISK MANAGEMENT

The contracts are being monitored on monthly basis, though there is a human capital challenge as there is only one monitoring officer. Also, measures are now being put in place to ensure identification, consideration and avoidance of potential risks in the supply chain management system in accordance with section 41 of the SCM regulations. The supply chain management operational risk register was maintained during the year under review.

Supply Chain Management is a specific focus area in the Auditor General's Report. Issues raised during the current period audit are addressed in the Audit Action Plan.

6. PERFORMANCE MANAGEMENT

A Contract Management Report on performance of service providers is included in **Appendix I** of the Annual Report.

2.4 By-laws

The Municipality published the Commonage Management By-Law in 2021/22. The public participation processes in respect of the Draft Air Quality Management and Municipal Health Services By-Laws were concluded.

2.5 Websites

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (Year -1)	Yes
The annual report (Year 0) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes
All service delivery agreements (Year 0)	No
All long-term borrowing contracts (Year 0)	No
All supply chain management contracts above a prescribed value (give value) for Year 0	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in Year 0	No
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes

2.6 Public Satisfaction on Municipal Services

The Municipality commissioned a customer satisfaction survey on behalf of all the municipalities in the District. It was concluded during the 2015/16 financial year and the findings are summarized below. The Municipality intends to conduct a new survey in 2022/23.

Although service protests were experienced in the District these protest were related to services provided by sector departments such as roads. Communities disrupted educational services in some areas of especially Joe Morolong Municipality because of the demand for roads. The Municipality facilitated at a political level to resolve the roads issue.

Comment on Satisfaction Levels

John Taolo Gaetsewe District Municipality commissioned a Customer Satisfaction Survey for the entire District. The Survey was also conducted in support of the Gamagara, Ga-Segonyana and Joe Morolong Local Municipalities. It was undertaken to gather information on customer requirements, their expectations on performance and measure the community satisfaction index (CSI). The survey served as a mechanism to identify and prioritize service improvement areas from a customer's perspective and provide a benchmark upon which future improvements in service delivery and customer satisfaction could be measured.

The study focused on generating information sourced from external customers (Individual & corporate, as well as NGOs, CBOs and SMMEs). This covered both the domestic, regional and international community. The study focused on a sample from the John Taolo Gaetsewe District Area, which includes, Local Municipalities and other stakeholder service outlets e.g., tribal offices. The survey had a sample size of 500 questionnaires.

Local residents were appointed to distribute questionnaires with a target of at least 10 to achieve the overall target of 500 questionnaires. A random sample selection procedure was followed. Forms were completed using face to face contact. No telephone interviews were conducted.

The following findings have been summarised for easy referencing for Council and comprehensive reports are available at the Strategic Planning and Organizational Performance Management Unit:

*Joe Morolong Local Municipality (Bothitong, Dikhing, Dithakong, Tsaelengwe,
Pietersan and Washington):*

Rating	Poor 1	Satisfactory 2	Good 3
Service Experience	599	117	428
Service Delivery	5115	534	924

Ga-Segonyana Local Municipality (Mothibistad, Kuruman, Bankhara Bodulung, Seven Miles, Gantatelang, Ditshoswaneng, Thamoyanche and Mapoteng):

Rating	Poor 1	Satisfactory 2	Good 3
Service Experience	790	419	959
Service Delivery	8080	1845	2578

Gamagara Local Municipality (Gamagara, Kathu and Dibeng):

Rating	Poor 1	Satisfactory 2	Good 3
Service Experience	181	160	347
Service Delivery	1372	1028	1604

The research results may be summarized as follows and is clearly addressing almost exclusively issues related to local municipalities:

A. Service Experience

- Service points are not easily accessible
- There are insufficient staff to provide effective service
- Staff are impatient and not helpful and unfriendly
- Staff are competent and knowledgeable
- Office hours of service points are unsuitable and inconvenient
- The municipal offices close early and this affects people who work
- Areas in and around the offices are clean and neat
- Residents doesn't find it easy to reach the municipality telephonically
- Switchboard staff are not friendly and courteous
- People at the helping desk are sometimes impatient in dealing with clients

B. Service Delivery

- The water is not of good quality and clean water is not provided to households.
- Water supply is very limited in rural areas, many households do not have taps in their homes.
- Sanitation services are generally poor. The communities are not satisfied with the sewer bucket removals which they felt are ineffective, sewerage suction tanker services are

not effective and the absence of waterborne sewerage systems which in some areas is very ineffectively.

- Lack of sanitation and sewerage services is severe in rural areas where some households do not have these services.
- People need to be notified when the water supply will not be available.
- Electricity bill is expensive and some areas do not access to electricity.
- People need to be notified when electricity supply will not be available.
- Roads and Storm Water need maintenance.
- Potholes are repaired within reasonable time.
- Speed humps are needed in busy areas and close to schools.
- Refuse removal in the most areas is very poor and attention needs to be paid to at least removal once a week and minimization of waste and refuse dumps that are unclean should be closed completely.
- Most areas where refuse has been removed not clean and are unhygienic.
- The refuse removal services need to be improved as some of the refuse bins are damaged by waste collectors.
- The communication between the municipality and the rest of the community needs more improvement.
- Municipal Health Services such as clinics close early while most of them have limited staff members; the service is reported as in general not satisfactory. In some rural wards there is a need for mobile clinics.
- There is a need for a hall, a park, sports facilities and a library in many areas/wards.
- Fire and rescue services are provided poorly in rural areas and there is need to expand the service to these areas.
- After hour municipal emergency services delay to respond or simply do not respond.
- The municipality's law enforcement and traffic services are mostly working in urban areas, are not visible in the rural areas.
- The rates and accounts service is generally poor.
- The accounts are often inaccurate. Billing is thumb sucked and residents don't have easy channels to complain about accounts.
- Residents in urban areas complain that they don't see the meter readers but do get accounts.
- The ward committees are functional, but regular report backs are not forthcoming.

- The municipality is not accessible to many and information published needs to be improved to be more relevant for local citizens.
- Council meetings are not always accessible.
- The residents would want to be involved in IDP/budget meetings but need to be well informed in advance.

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The Municipality continues to support the locals with roads, human settlement and water quality monitoring services whereby planning documents are developed, related information and advices are given to the municipalities. An Integrated Transport Plan is developed and being reviewed, a comprehensive identification of the roads network through the Rural Roads Assets Management System (RRAMS) is made. Replacement of mud houses is continued and is depended on funding resources allocated. The intent is to implement housing projects as guided by the Integrated Human Settlement Plan over the years. This will, however be impeded by inadequate funding resources.

There are anticipated needs for increase on human resources. This is already visible by the contract appointment of interns on certain sectors - RRAMS programme. The outcome of Assessment of Bulk Water Services will surely also shed light on areas which need to be beefed up with human resources. The Municipality on economic development had commenced in ensuring that the District Growth Development Strategy, the Local Economic Development Strategy and the Small Medium and Macro Enterprises are in place. Contractor development processes have commenced in the financial year under review and the District Municipality will continue to play an oversight role in the implementation of the programme.

COMPONENT A: BASIC SERVICES

The pressing needs on services are a coordinated supply of bulk water services so as to optimize efficiency on the supply of the service. On housing needs there is a huge backlog of housing as indicated in the Council adopted Integrated Human Settlement Plan which needs to be addressed. The needed services for the new township establishments is an area to be addressed. The Norms and Standards of National Home Builders Registration Council (NHBRC) that houses be built only in areas where the Geotech and Dolomitic investigation are completed has been covered in many areas within the District.

Basic Services backlogs eradication is being hampered by poor roads conditions and this continue to have an effect on transportation services which in turn places duress on the better

roads. The municipality had shed light on the magnitude of roads in the municipal space and their overall conditions. This information is being used as a planning tool, to quantify the resources required in addressing these challenges in an informed manner.

3.1 Water Provision

Local Municipalities are Water Service Authorities and in some instances Water Services Providers. The District Municipality does however; support the local municipalities where feasible within the available resources.

Comment on Water Use by Sector

Though noted that there are the mining, agriculture and other water user sectors in the district, it cannot be ascertained yet what the actual volume of extraction, use and losses are. The Local Municipalities which are water services authorities cannot not avail this information as there are challenges relating to water metering still.

Comment on Water Services Performance Overall

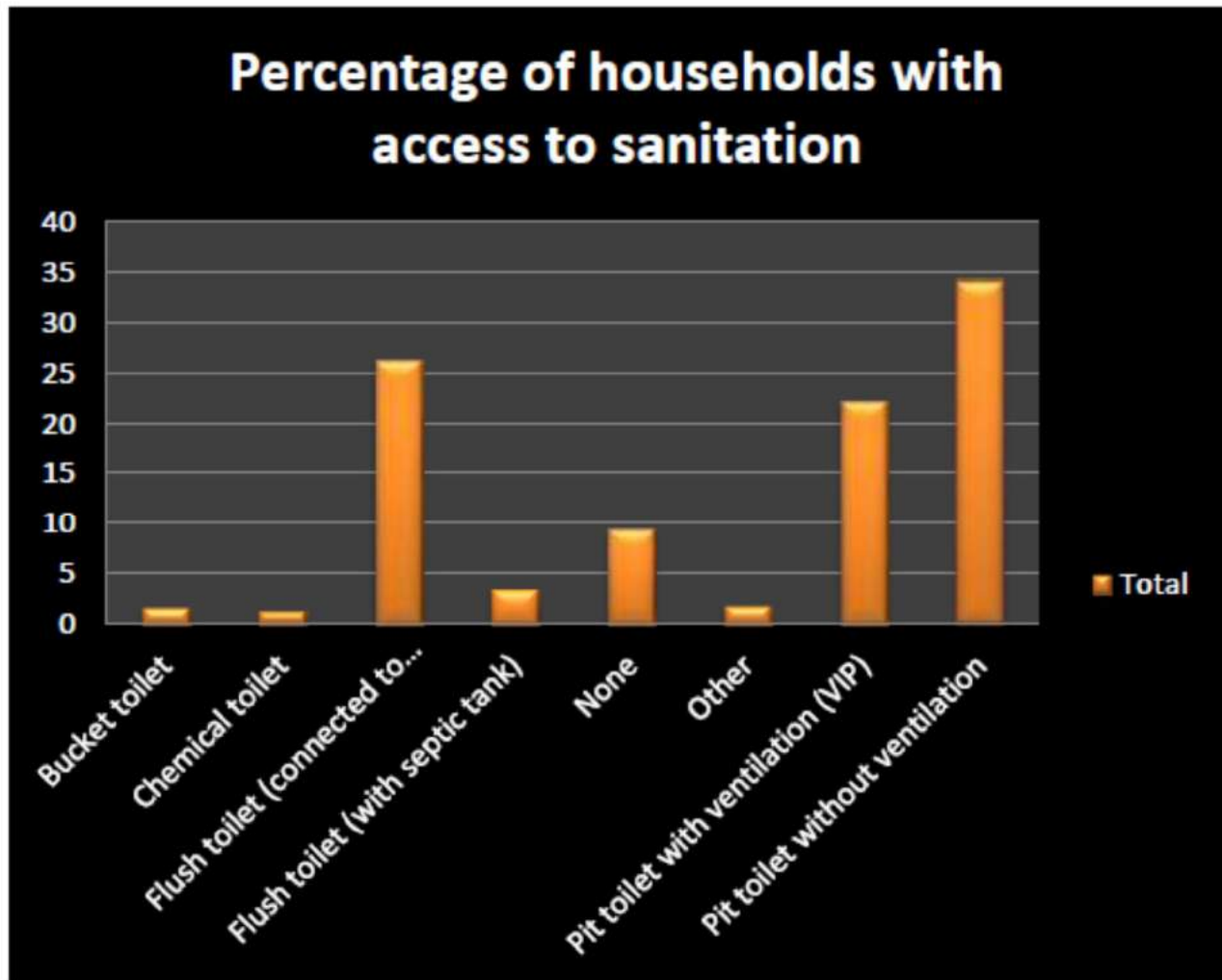
The Municipality targets to provide Bulk Water Services in a coordinated way and optimizing the district wide resources. The assessment can be attained within the approved budget. This outcome will assist in shedding light on how best the services can be performed in the district and this is being done in consultation with the local municipalities.

3.2 Waste Water (Sanitation) Provision

All of the municipalities within the area of jurisdiction of the JT Gaetsewe District Municipality (DC45) reported that they performed a sanitation function during the August 2008 capacity assessment review; in each case the function is rendered by the Technical Services (Basic Services and Infrastructure) Department, together with the Community Services Department in the case of the Ga-Segonyana Local Municipality (NC452), and consists in the main of the provision of waterborne and dry sanitation facilities.

In this regard it is noted that two of the municipalities within the area of jurisdiction of the JT Gaetsewe District Municipality (DC45) have officials managing the sanitation function who each hold a national diploma in civil engineering qualification. (Source: 2008 Municipal Demarcation Board Municipal Capacity Assessment Report)

JT Gaetsewe District Municipality monitors waste and sanitation on a monthly basis from an Environmental Health perspective.



Source: Census 2011

Comment on Sanitation Services Performance Overall

The MHS function of JTGDM monitor sanitation from an Environmental Health Perspective.

3.3 Electricity

The services are being implemented by the local municipalities and in some areas by Eskom. There had however been a big coverage of household electricity - grid supply throughout the district. The areas still mainly not covered are new establishments - particularly informal settlements and in fills. There is however plans in place to augment such shortcomings, particularly in the Ga-Segonyana Local Municipal area. There are developments on alternate energy in the district with a solar park in Kathu being established. Few villages and many cattle

posts are being serviced by limited supply of alternate energy and the sustainability thereof in such instances is not satisfactory.

Comment on Electricity Service Performance Overall

The District Municipality is currently not implementing the function and does engage with the locals where support is being requested.

3.4 Waste Management

JT Gaetsewe District Municipality does not provide this service.

Comment on Waste Management Service Performance Overall

JTGDM completed the IWMP for the whole district. A waste management forum is fully functional at district level and supports local municipalities in implementing their IWMP.

3.5 Housing

The Integrated Human Settlement Plan (IHSP) is in place and reviewed annually. Council had approved the SDBIP which outlines that a Human Settlement Forum should sit quarterly to ensure that the recommendations in the strategic plan are followed and the information is updated on an annual basis. There are projects reflected in the Human Settlement Plan and preparations of business cases are in line with the Integrated Human Settlement Plan. The Municipality reports on matters relating to housing distress as from risks related to improper housing structures, disaster incidents and progress on projects implemented by the Local Municipalities.

Challenges are that the eradication of the housing backlogs are very slow in local municipalities and inadequate contract management.

Comment on the Performance of the Housing Service Overall

The performance of housing in overall is not very satisfactory due to insufficient funding, contract management challenges and aligning projects to the new Norms and Standards of NHBC on Geotech and Dolomitic investigations. There are planning projects completed and ongoing, particularly on Geotech and Dolomitic investigations in all municipalities in the District.

There are four main construction sites in the district on civil engineering services for 240 low-cost houses in Wrenchville which has been completed and the construction of top structures thereof had commenced. The construction of 163 of the 177 houses in Bankhara/Bodulong has been completed. Both projects in the Ga-Segonyana Local Municipal area. A project of 5700 houses mixed development project at Kathu is at an advanced planning stage and Engineering Services for 1265 housing sites at Sesheng is at construction stage, both the projects are implemented at Gamagara Local Municipality.

3.6 Free Basic Services and Indigent Support

Provision of free basic services is with the local municipalities - this includes identification of indigents and policies addressing the methods of how such services are being provided.

Comment on Free Basic Services and Indigent Support Overall

Indigent support and free basic services are not provided by the District, but by the local municipalities.

COMPONENT B: Road and Transport

Transport within JT Gaetsewe District is characterized by a limited availability of number of transport modes and huge backlogs in transport logistics. This is the reality despite the fact that Kuruman is an important distribution depot for the surrounding rural areas. The Municipality had through the development of the Rural Roads Asset Management identified the extent of the roads network and completed the review of the Integrated Transport Plan. The roads asset system and the transport plan will guide on transport infrastructure and the all pressing transport services needing attention.

Road transportation remains a challenge on certain focal areas: existence of by-laws, law enforcement, safety on roads, limitations of resources on planning tasks, fare structures for

different modes of public transportation, of taxi licensing, inadequacies of bus, lack of weigh bridges and inadequate taxi ranks.

3.7 Roads

All of the municipalities within the area of jurisdiction of the JT Gaetsewe District Municipality (DC45) reported that they performed the municipal roads function in each of the assessment periods under review. The function is performed within the Technical Services (Basic Services and Infrastructure) Department within each of the municipalities within the service area of the JT Gaetsewe District Municipality (DC45). It is noteworthy that the provincial roads agency function was moved away from the District Municipality and is now the sole responsibility of the Provincial Roads Department.

The Integrated Transport Plan identified key transport infrastructure projects, including roads. The output on the Rural Roads Asset Management System (RRAMS) assists in guiding on prioritising roads needing attention. There is progress on district roads as being implemented by the Department of Roads and Public Works and local municipalities had also constructed some roads. The steps following the identification of roads needing attention will be followed by sourcing funding as to the projects implemented.

Comment on the Performance of Roads Overall

The projects embarked on are strategic projects and no capital projects were embarked upon. Operation related function of roads is with the local municipalities, the Department of Roads and Public Works and SANRAL on the national road. A Roads Management Plan (RAMP) and municipal roads will be developed in the new financial year to ensure legal ownership of the proclaimed roads.

3.8 Transport (including vehicle licensing & public bus operation)

The Reviewed Integrated Transport Plan seeks to address the population and socio-economic transportation challenges by ensuring the existence of structures which initiate plans to ensure the existence of improved and maintained infrastructure and services.

Comment of the Performance of Transport Overall

The transport services are not properly regulated hence the need to re-establish the Transport Forum to ensure the implementation of the District Integrated Transport Plan. The

municipalities and the Department of Roads and Public Works are embarking on capital and operational projects, particularly roads as transport infrastructure projects.

Generally, the level of service on public transport is not satisfactory due to long waiting times for public transport. The condition increases hitchhiking and this in turn make taxi operators to erect informal taxi ranks on N14 and R31. The highest volumes of public transport (taxis and busses) of areas with 15 km's of the Kuruman town and the route linking Hotazel and Kuruman ranging between 651-1300 per day.

Road freight and parking in towns are areas and concern and there is a necessity for roads infrastructure plans in the municipalities to take care of.

3.9 Waste Water (storm water drainage)

The storm water function in towns is being executed by the local municipalities; there are no adequate plans though to provide the service in villages. There are however limited roads associated developments pertaining to storm water drainage during construction of new roads, which relates to the protection of roads infrastructure. Many existing rural settlements including informal settlements close to towns are in the risk of being below the flood lines.

Comment on the Performance of Storm Water Drainage Overall

There are no specific storm water capital projects in the district currently. The operations functions in the towns by the local municipalities are ongoing, particularly on maintenance related incidents causing flooding on roads.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.10 Planning

The District compiles a package of plans. These plans include the Integrated Development Plan (IDP), Spatial Development Framework (SDF), Housing Sector Plans, Local Economic Development Strategy, Integrated Transport Strategy and District Growth and Development Strategy. The IDP is the master plan and covers a period of five years and must be reviewed annually. The development priorities contained in the IDP are based on the spatial priorities and objectives identified in the SDF.

The IDP must be aligned with all sector plans internally and externally. The District Municipal Planning Tribunal (DMPT) was established in 2016; in terms of the Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013. The DMPT was fully functional in dealing with development applications from all 3 local municipalities. For the year 2021/22 Local Municipalities opted out of the DMPT to establish their respective MPTs.

The values, vision and mission of the municipality that is also guiding planning and development in the District and indicated in the IDP are as follows: “The Vision” statement of the JT Gaetsewe District Municipality reflects its commitment to the ideal of an integrated, development-focused district, and is built on the following municipal core values:

- 👤 Development - strive for the development of the district and its people, while also striving for own personal development;
- 👤 Commitment - stay committed to the vision of the John Taolo Gaetsewe DM and to serving the people of the district in whatever you do;
- 👤 Care - to show empathy and care towards others, while striving to promote a positive working atmosphere; and
- 👤 Integrity - stay true to whatever you commit to, performing your duties to the best of your ability, while conducting yourself professionally at all times.

Vision

Working together for a better life for all in the district.

The vision statement of the JT Gaetsewe DM represents an ideal of what it wishes to achieve. It represents the main and ultimate deliverable of the municipality. The focus is on the value that the municipality aims to create and add for the communities of the district.

Mission

A global centre of excellence for environmentally sustainable, innovative and competitive iron ore and manganese mining and steel beneficiation that anchors a diversified and inclusive economy with an empowered and prosperous local community.

The above-mentioned mission statement reflects what the municipality will do in an ongoing manner to constantly striving towards achieving its vision. The District Development priorities indicated in the IDP are as follows:

- Water & Sanitation
- Roads & Transport
- Local economic development (LED)
- Land development and reform
- Integrated human settlements
- Sustainable Development Orientated Municipality
- Environmental management and conservation and climate change management
- Promotion of health in the District
- Disaster management

The District Reviewed Spatial Development Framework (SDF) was concluded in 2017. The reviewed SDF is compliant with Chapter 4(21) of the SPLUMA (Act 16 of 2013). Spatial Development Frameworks are long terms plans that are reviewed every 5 years and can only be amended through a legislatively prescribed process.

The reviewed SDF retains the previous spatial development vision of the District as follows: *“The John Taolo Gaetsewe District Municipality will become a district in which all its residents...*

• ... engage in viable and sustainable wealth-generating economic activities. This will result in the eradication of poverty, and will ensure a dramatic reversal in the unequal distribution of wealth and income and the skewed access to opportunities in the district. Viable, well-planned rural development initiatives will bring an end to the deep poverty and the destitution of the district. Due to well researched and tested desert-resistant agricultural practices, high-value rural products will be produced and over-grazing and soil erosion won't be a problem any longer. Serious investment in and exploitation of renewable sources of energy will result in the district becoming self-reliant in the generation of electricity which will provide a sizeable injection into the national electricity grid.

• ... live in sustainable human settlements that are safe, vibrant and in balance with the environment. Young people will grow up with the prospect of a bright future, either in the district, or anywhere else in the world as the quality education they will have received, will prepared them for. Walking and cycling will be the two most common modes of movement within towns and villages, while a safe and reliable minibus system will provide public transport between settlements. Traffic management and road maintenance will mean that mining trucks no longer pass-through settlements and potholes will be a thing of the past. Water and energy-use, energy generation and the construction of housing, will be examples of “best practice in green design, building and living”. Due to proper, respected and wise land-use management, including the regulation of mining activities, uncontrolled settlement expansion will not take place and environmental damage will be minimised.

• ... participate in the governance of the district, including settlement formation and expansion, economic development, education, and the provision of basic services. Plans will be prepared with full participation of all interested and affected parties, which will be based on accurate information and will be implemented. Elected politicians and officials will serve the people and corruption and misappropriation of funds will be rare occurrences. Traditional leaders will serve on a civil society advisory body that is consulted on all strategic decisions by the elected politicians. Decisions that affect the public will be based on evidence, and only taken after careful consideration of all the viable options and deliberation on all the positions and perspectives in the district. Due to payment for services by all, and smart systems and practices, the municipalities in the district will be financially viable and desirable places to work in.

In support of the vision, the SDF provides a spatial structure that would promote the following development objectives:

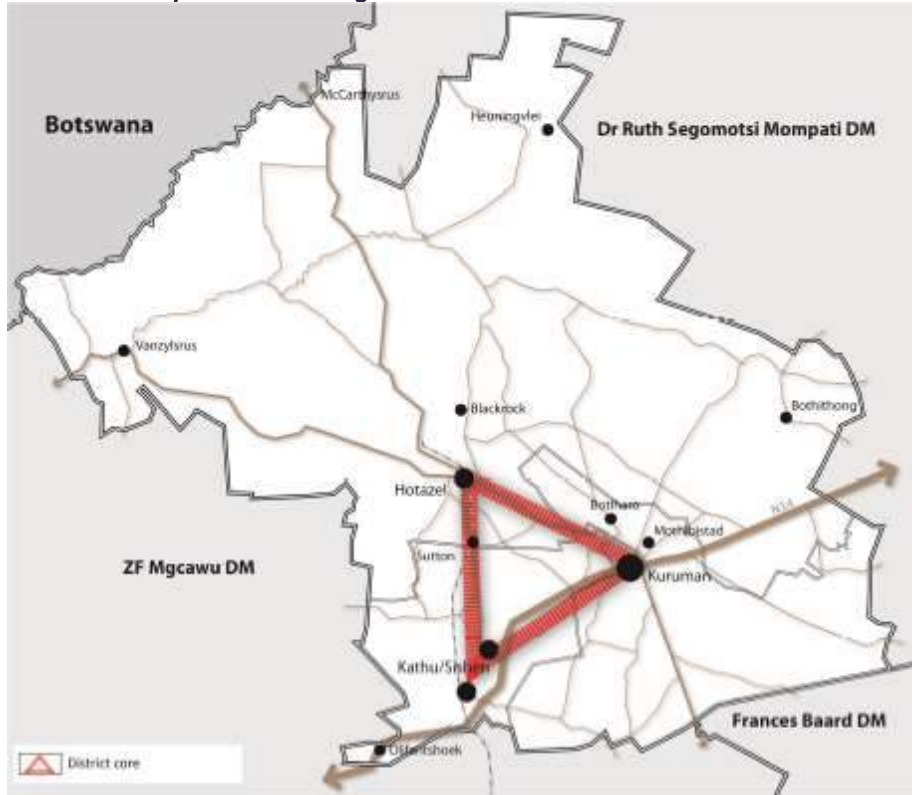
- Attract new business (especially manufacturing linked to other sectors e.g. mining, agriculture) to the district in a focused/core area.
- Create a spatial structure that would maximise accessibility of the dispersed population to a range of services and facilities.
- Support the diversification of the economy, whilst strengthening existing area-specific economic activities relating to specific regions.
- Promote expansion of the mining industry in such a way that its negative impacts are minimised and distressed mining communities are supported.
- Stimulate the agricultural sector through the strengthening of commercial farming and the creation of a new intensive agriculture and agro-processing SMME economy in densely populated rural areas with predominantly subsistence farming.
- Enhance tourism as a more important component integrated in the economy of the district.

The reviewed SDF supports the SPLUMA principles and the incorporation thereof is indicated as follows:

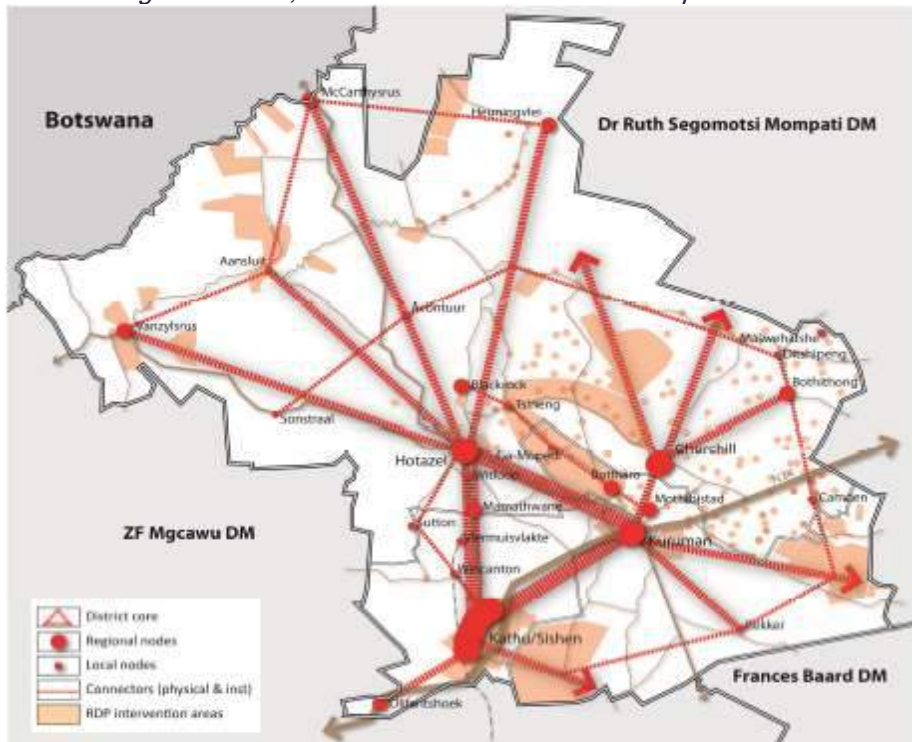
SPLUMA Principles	Spatial Application in JTGDM SDF
Spatial Justice	Connectors between regional nodes, local nodes and human development hubs serve impoverished villages.
Spatial Sustainability	Strategies in functional economic regions address mining, agricultural and tourism activities as major economic activities in the area. The locality of the region on the N14 highway is proposed to accommodate a light industrial strip between Kuruman and Sishen/Kathu, which will assist in a diversifying the economy and creating job opportunities. The clustering of social facilities in nodes should further combat sprawl and assist with the creation of viable communities and sustainable settlements.
Spatial Efficiency	Through the integration of mining, agricultural (both commercial and subsistence) and tourism activities in spatial planning, area-based strategies could be applied more efficiently.
Spatial Resilience	The spatial framework provides a conceptual spatial idea, which gives guidance to context-specific implementation relating to the characteristics of a specific place and in relation to a specific community.
Good Administration	The spatial framework builds on the spatial framework of the Northern Cape, whilst taking cognisance of planning in the three local municipalities, thus supporting the principle of intergovernmental coordination.

The following elements guide the spatial structure of the district and form the basis of the SDF:

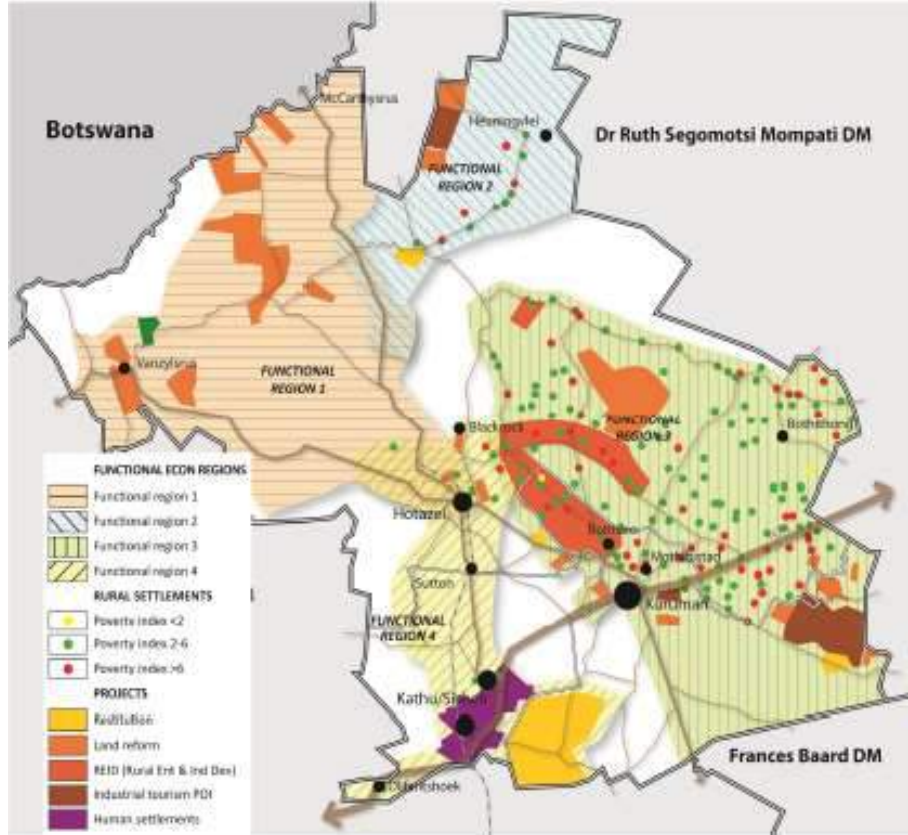
Spatial structuring element 1: Intensified district core



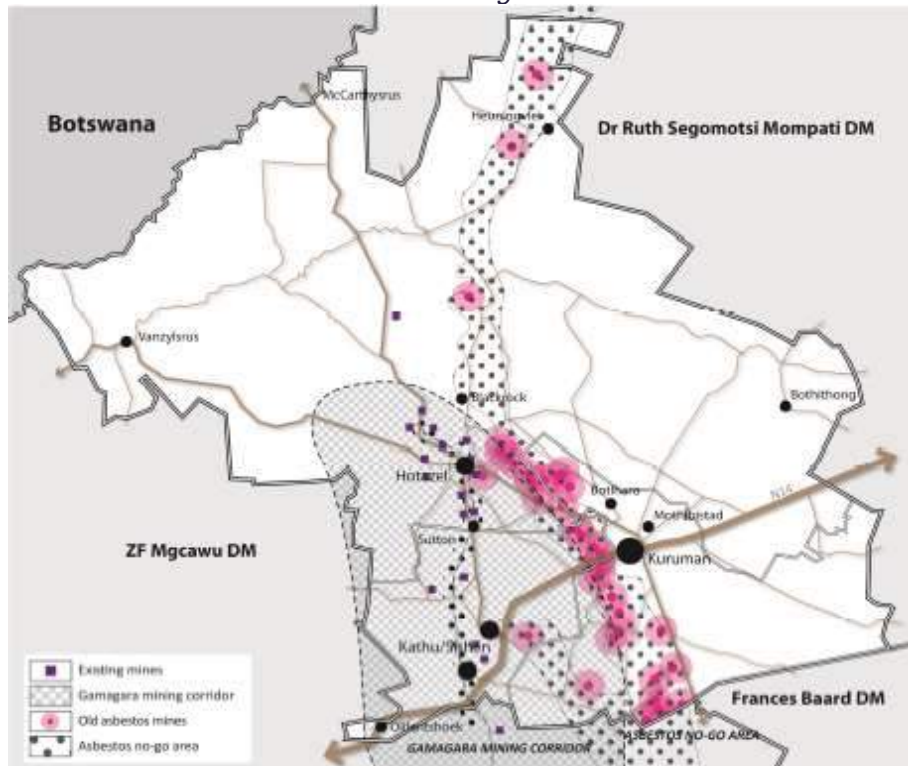
Spatial structuring element 2: Polycentric network of nodes and (physical and institutional) connecting routes - Regional nodes, Local nodes and Human Development Hubs



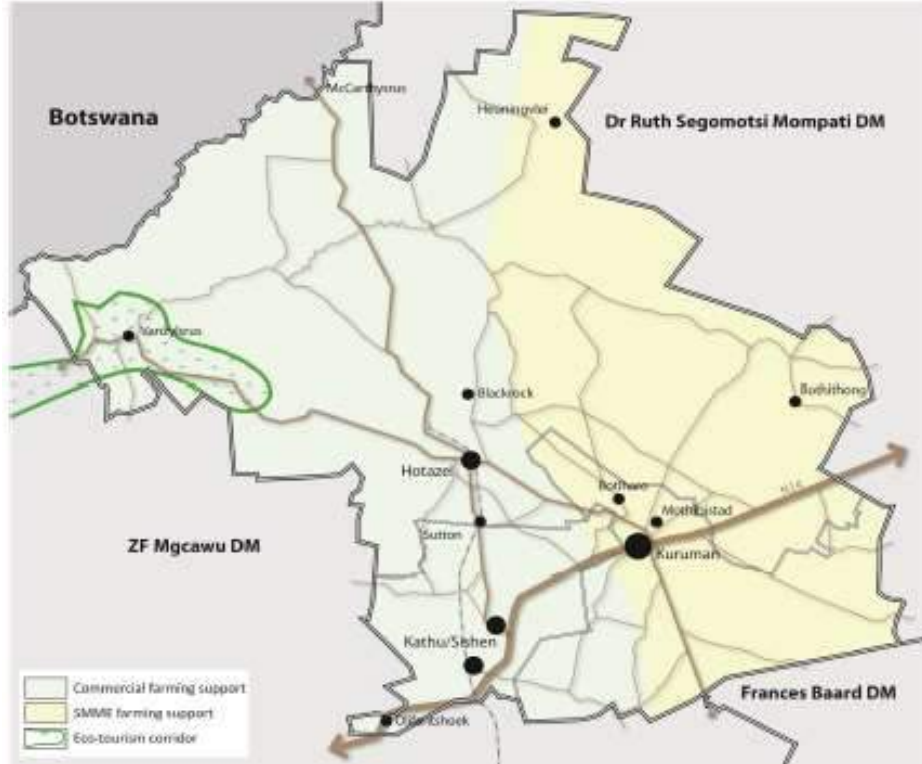
Spatial structuring element 3: Functional economic regions - Functional Regions 1 - 4



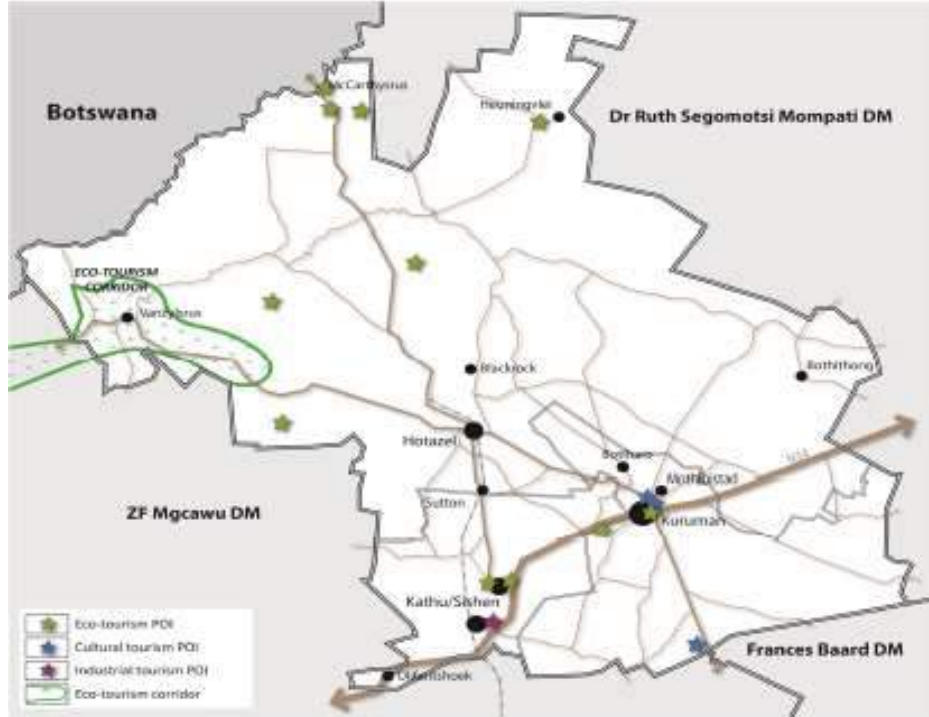
Spatial structuring element 4: Mines and mining activities - Gamagara Mining Corridor, Active mines and Asbestos no-go area



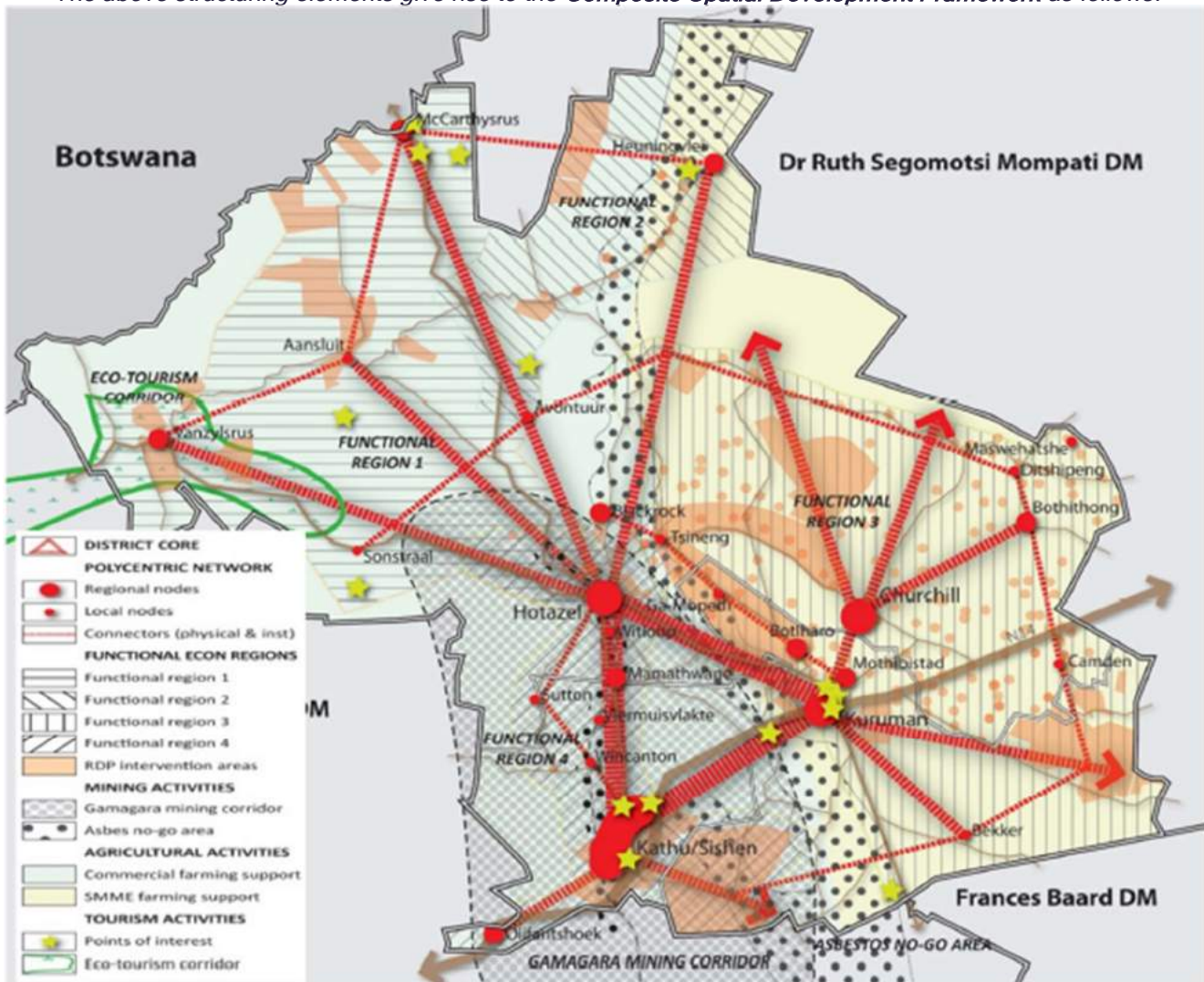
Spatial structuring element 5: Agricultural activities - Commercial farming and rural extensive farming



Spatial structuring element 6: Tourism activities- Points of interest and Eco-tourism Corridor



The above structuring elements give rise to the *Composite Spatial Development Framework* as follows:



Employees: Planning Services					
Job Level	Year -1	Year 0			
	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	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	4	4	0	0%

T 3.10.4

Comment on the performance of physical planning overall

The Municipality commenced with the following physical planning projects:

- Human Settlement Plans - completed. Funding is dependent on grants and unfortunately limits the roll out of projects. Reviews are now taking place annually.
- Integrated Transport Plan - Reviews are taking place on an annual basis.
- The Rural Roads Asset Management Strategy project is a multi-year project is progressing well and is still unfolding.
- Integrated infrastructure plan - development of the plan commenced and will be concluded in phases due to lack of information and funding
- Air Quality Section 78 Assessment could not commence in 2017/18 and concluded in 2019/20 instead. Progress is still ongoing and the Municipality is currently waiting for comments on the assessment report.

3.11 Local Economic Development (including tourism and market places)

LED is the function under which the following programmes are implemented:

- **Tourism**
 - Tourism Awareness Campaigns
 - Entrepreneurial support
 - Cleaning Campaign
 - Skills Development
 - Schools Tourism
 - Women in tourism
- **Comprehensive Rural Development Programme(CRDP)**
 - Support Agriculture Cooperatives (Youth and Women)
 - Enterprise development
 - Support to local emerging farmers
 - Management of commonage farms
 - Agricultural Programs (including Agri-Parks)
 - JTG Rural Development Plan
- **SMME**
 - Enterprise development
 - Supplier development
 - Database development
 - Help develop Business plan
 - Lobby for funds for Enterprises

Comment on local job opportunities

The mining sector created more jobs, followed by Sectoral Departments and Tourism in the District. Provincially unemployment stands at 28% and John Taolo Gaetsewe District at 28,5%. Municipalities plan to have a mining Supplier Day Awareness for communities and business people.

Comment on local economic development performance overall

Each local area has a unique set of opportunities, problems, and has developed an LED strategy that is specific to its local context. The local municipalities agreed in line with the legislation that the JTG District municipality can run/drive the following priorities:

7 priorities:

- Tourism development and running of office
- Support SMME's and Cooperatives
- Coordination of Social and Labour Plan
- Support to Local Emerging Farmers
- Infrastructure: Roads and bulk water
- Agri-Park Mega Project
- Regional Development agency

The Local Economic Development (LED) and Tourism Unit got involved in number of initiatives and activities that steered economic development in the District for the period under review. These events have big economic benefits to the business and community at large as they create temporary job opportunities to the residents of the District and they are not limited to the following:

- Desperados Bikers rally
- Annual Durban Tourism Indaba
- Kurara Clap your hands Annual festival
- Harambe Annual Festival
- Second Eye Annual Festival
- Saluki Annual Festival
- Kgalagadi Jazz Festival

Unfortunately, due to the COVID-19 lockdown regulations the JTGDM deemed it necessary to postpone its participation in all public events until a directive is given to resume with such events.

CRDP

The Unit envisaged to work together with relevant sectoral Department in all spheres to harness resources and avoid unnecessary duplication of projects for community development. Fourteen Agricultural cooperatives are assisted by the Cooperative Grant. John Taolo Gaetsewe District Municipality facilitated the process and it will be an ongoing effort.

Implementation of the Agri-park is of great help to local farmers. The coordination of farmers in JTG District is on track. The Pilot Project (Heuningvlei Farmer Production Support Unit) hand-over by the Deputy President was postponed to the next financial year. The following was purchased for the Project:

- Two Trucks (10 Ton)
- Two Toyota Single cab Bakkies (GD6)
- Deeping Spray
- Crate Neck Clamps
- 30 Bonsmara Bulls
- Mobile Kraals

SMME's Support and Development

The District plan to continue with the partnership with social partners for Enterprise and Supplier development programmes. The Department needs resources and capital to improve its planning, research capacity, implementation of projects and monitoring thereof.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

The District Municipality only perform municipal health services. Other services are provided by the local municipalities where those functions are assigned to them and where they have the resources to do so.

3.12 Cemeteries and Crematoriums

The MHS section of JTGDM monitors Funeral Undertakers and Mortuaries in terms of the National Health Act and regulations.

Service Statistics for Cemeteries and Crematoriums

Funeral Undertakers and Mortuaries are regularly monitored for compliance in terms of the National Health Act, 61 of 2003.

Comment on the performance of cemeteries and crematoriums overall

JTGDM monitor Cemeteries, funeral undertakers and mortuaries as part of the Municipal Health function - disposal of the dead. Fencing of cemeteries is on an annual basis implemented. Four cemetery sites were fenced in both Joe Morolong and Ga-Segonyana Local Municipalities.

3.13 Child Care, Aged Care, Social Programmes

The MHS Section of JTGDM monitors Environmental Health risk factors at Child Care Facilities as part of the MHS function.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection. The Department of Environmental Affairs (National) has approved funding for Environmental Protection and Infrastructure Programme (EPIP). The Department remains committed in supporting municipalities through funding initiatives that enhance the protection of environment and responsible use of natural resources. A number of projects has been approved and are implemented from 2017/18-2021/22 MTEF Cycle in the local municipalities.

The projects are as follows. Waste Management and Greening; Greening and Open Space Management; and Establishment of a Game Farm.

3.14 Pollution Control

Environmental Pollution Control is conducted in terms of the Municipal Health Services function within the scope of the National Health Act.

Comment on the performance of pollution control overall

Monitoring of Environmental Pollution is conducted in terms of the Municipal Health function within the scope of the National Health Act, 61 of 2003.

3.15 Bio-diversity; Landscape (incl. open spaces) and other (e.g. coastal protection)

This service is not provided by the District Municipality.

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections. The 9 Municipal Health functions defined as Environmental Health was delegated to District and Metro Municipalities in South Africa. Environmental Health is the only preventative health service designed to identify and contain environmental risk factors that have a detrimental effect to the health of communities.

3.16 Clinics

The Municipal Health function at JTGDM monitor Health Care Facilities from an Environmental Health perspective.

Comment on the performance of clinics overall

As indicated Health Care Facilities and Hazardous Medical Waste are monitored by the Municipal Health Section of JTGDM from an Environmental Health perspective.

3.17 Ambulances

This service is not provided by the District Municipality, but by the Provincial Department of Health.

3.18 Health Inspection; Food & Abattoir Licensing; Inspections; Etc.

MHS is a District and Metro Municipal function and consist of the following:

DEPARTMENT OF HEALTH
 No. R. 698 26 June 2009
 HEALTH PROFESSIONS ACT, 1974 (ACT NO. 56 OF 1974)
 REGULATIONS DEFINING THE SCOPE OF THE PROFESSION OF ENVIRONMENTAL
 HEALTH: AMENDMENT

The Minister of Health has, under section 33(1), read with section 61(2) of the Health Professions Act, 1974 (Act No. 56 of 1974), and on the recommendation of the Health Professions Council of South Africa, amended the regulations promulgated by Government Notice No. R. 888 of 26 April 1991, as reflected in the Schedule.

SCHEDULE

Definitions

1.

In this Schedule, "**the regulations**" means the regulations relating to the scope of the profession of environmental health published under Government Notice No. R. 888 of 25 April 1991, and any word or expression to which a meaning has been assigned in the regulations shall bear such meaning, unless the context otherwise indicates.

Amendment of the regulations

2.

The regulations are hereby amended by the addition at the end of the regulations as an annexure, of the following Scope of Practice of Environmental Health Practitioners:-

ANNEXURE

SCOPE OF PRACTICE OF ENVIRONMENTAL HEALTH PRACTITIONERS

In addition to the scope of the profession as prescribed in the regulations, the following acts fall within the scope of practice of environmental health practitioners.

Environmental health services include performance of the following acts:

(1) WATER MONITORING - District Municipal Health Competency

- (a) Monitoring water quality and availability, including mapping water sources and enforcing laws and regulations related to water quality management;
- (b) ensuring water safety and accessibility in respect of a safe quality (microbiological, physical and chemical) and an adequate quantity for domestic use as well as in respect of the quality for recreational, industrial, food production and any other human or animal use;
- (c) promoting access to water for all communities by providing inputs toward the planning, design and management of the water supply system and ensuring healthy community water supplies through surveillance;
- (d) ensuring monitoring of effective waste water treatment and water pollution control, including the collection, treatment and safe disposal of sewage and other water-borne waste, and surveillance of the quality of surface water (including sea water) and ground water;
- (e) advocating proper and safe water usage and waste water disposal;
- (f) sampling and testing water in the field and examining and analysing it in a laboratory.

(2) FOOD CONTROL - District Municipal Health Competency

- (a) Ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary raw material or raw products production, up to the point of consumption;
- (b) inspecting food production, distribution and consumption areas;
- (c) monitoring informal food trading;
- (d) inspecting food premises and any nuisances emanating therefrom;
- (e) enforcing food legislation and the Codex Alimentarius;
- (f) applying food quality monitoring programmes and principles through various techniques, e.g. Hazard Analysis and Critical Control Points System (HACCP System) audits;
- (g) promoting the safe transportation, handling, storage and preparation of foodstuffs used in the Primary School Nutrition Programme (PSNP), prisons, health establishments, at airports, etc.;

- (h) promoting the safe handling of meat and meat products through, amongst others, meat inspections and examination of abattoirs;
- (i) promoting the safe handling of milk and milk products.

(3) WASTE MANAGEMENT AND GENERAL HYGIENE MONITORING - District Municipal Health Competency

- (a) Ensuring proper refuse storage, collection, transportation, transfer and processing, materials recovery, and final disposal;
- (b) ensuring proper management of liquid waste including sewage and industrial effluents;
- (c) ensuring the proper storage, treatment, collection, transportation, handling and disposal of medical waste and hazardous waste;
- (d) sampling and analysing any waste or waste product such as sewage or refuse;
- (e) investigating and inspecting any activity relating to the waste stream or any product resulting therefrom;
- (f) advocating proper sanitation;
- (g) controlling the handling and disposal of diseased animal tissue;
- (h) ensuring safe usage of treated sewage sludge and ensuring that reclaimed waste is safe for health;
- (i) ensuring waste management including auditing of waste management systems and adherence to the 'cradle-to-grave' approach.

(4) HEALTH SURVEILLANCE OF PREMISES - District Municipal Health Competency

- (a) Conducting environmental health impact assessments of, amongst others, housing projects;
- (b) assessing aspects such as ventilation and indoor air quality, lighting, moisture-proofing, thermal quality, structural safety and floor space;
- (c) assessing overcrowded, dirty or other unsatisfactory health conditions on any residential, commercial, industrial or other occupied premises;
- (d) monitoring all buildings and all other permanent or temporary physical structures used for residential, public or institutional purposes (including health care and other care, detainment, work and recreation, travel,

- tourism, holidaying and camping) and the facilities in connection therewith and the immediate precincts;
- (e) ensuring urban and rural land-use planning and practices that are conducive to sustainable development by conducting sound environmental health impact and other assessments;
 - (f) ensuring the prevention and abatement of any condition on any premises, which is likely to constitute a health hazard;
 - (g) ensuring the health safety of public transport facilities such as buses, trains, taxis, boats and aeroplanes as well as all other facilities in connection therewith;
 - (h) ensuring compliance with the principles of Local Agenda 21 and the Healthy Cities approach to integrated service rendering and the practical minimising of any environmental health risk.

(5) SURVEILLANCE AND PREVENTION OF COMMUNICABLE DISEASES, EXCLUDING IMMUNIZATIONS - District Municipal Health Competency

- (a) Promoting health and hygiene, aiming at preventing environmentally induced diseases and related communicable diseases;
- (b) Collecting, analysing and disseminating epidemiological data and information;
- (c) Using the Participatory Hygiene and Sanitation Transformation (PHAST) training approaches and any other educational training programmes or approaches for effectual control measures at community level;
- (d) Conducting epidemiological surveillance of diseases;
- (e) Establishing an effective environmental health surveillance and information system within the different spheres of governance;
- (f) Developing environmental health measures, including protocols, with reference to epidemics, emergencies, diseases and migrations of populations.

(6) VECTOR CONTROL MONITORING - District Municipal Health Competency

- (a) Identifying vectors, their habitats and breeding places;
- (b) conducting vector control in the interest of public health, including control of arthropods, molluscs, rodents and other alternative hosts of diseases;

- (c) removing or remedying conditions resulting in or favouring the prevalence of or increase in rodents, insects, disease carriers or pests;
- (d) ensuring the residual spraying of premises and precincts;
- (e) investigating zoonotic diseases and vector-borne diseases in the working and living environment;
- (f) surveying imported cargo and livestock for the prevalence of disease vectors;
- (g) undertaking serological testing of rodents, dogs and other pets or animals.

(7) ENVIRONMENTAL POLLUTION CONTROL - District Municipal Health Competency

- (a) Ensuring hygienic working, living and recreational environments;
- (b) identifying the polluting agents and sources of water, air and soil pollution;
- (c) conducting environmental health impact assessments of development projects and policies, including assessments of major hazard installations;
- (d) Identifying environmental health hazards and conducting risk assessment and mapping thereof;
- (e) Preventing accidents, e.g. owing to paraffin usage;
- (f) Approving environmental health impact assessment reports and commenting on environmental impact assessment applications;
- (g) Ensuring clean and safe air externally (ambient and point sources) through emission inventory monitoring, modelling and toxicological reports, reviews and complaint investigations;
- (h) Controlling and preventing vibration and noise pollution;
- (i) Preventing and controlling soil pollution that is detrimental to human, animal or plant life;
- (j) Ensuring compliance with the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), and its regulations, including anticipating, identifying, evaluating and controlling occupational hazards;
- (k) Taking the required preventative measures to ensure that the general environment is free from health risks;
- (l) Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc., which involves controlling the internal

effects of pollution on the worker and the external effects of pollution on the community and the environment;

- (m) Monitoring management of infrastructure integrity, including management of the infrastructure integrity of pipelines and tanks;
- (n) Ensuring, jointly with other role players, a readiness for abnormal operating conditions and disasters;
- (o) Developing sustainable indicators appropriate for monitoring the effectiveness of environmental management systems of industries.

(8) DISPOSAL OF THE DEAD - District Municipal Health Competency

- (a) Controlling, restricting or prohibiting the business of an undertaker or embalmer, mortuaries and other places or facilities for the storage of dead bodies;
- (b) monitoring practices at cemeteries, crematoria and other facilities used for the disposal of dead bodies;
- (c) managing, controlling and monitoring exhumations and reburials or the disposal of human remains.

(9) CHEMICAL SAFETY - District Municipal Health Competency

- (a) Monitoring and regulating all operators, fumigation firms and formal and informal retailers that deal with the manufacture, application, transport and storage of chemicals;
- (b) Permitting, licensing and auditing the premises of the above, e.g. by issuing Scheduled Trade Permits;
- (c) Facilitating advice, education and training on pesticides and/or chemical safety.

(10) NOISE CONTROL - District Municipal Health Competency

- (a) Assessing the extent of noise pollution and its effects on human health;
- (b) facilitating noise control measures;
- (c) measuring ambient sound levels and noise levels.

(11) RADIATION (IONISING AND NON-IONISING) MONITORING AND CONTROL - District Municipal Health Competency

- (a) Ensuring ionising and non-ionising radiation sources are registered with the Department of Health;
- (b) ensuring registered ionising and non-ionising sources meet licence conditions;
- (c) monitoring the safe transportation of radioactive material to ensure compliance;
- (d) ensuring radioactive sources are licensed at the South African Nuclear Energy Corporation (NECSA);
- (e) ensuring the proper disposal of all radiation waste materials from hospitals and other licensed establishments;
- (f) ensuring protection against any form or sources of electromagnetic radiation.

(12) PORT HEALTH - Department of Health Competence

- (a) Monitoring, inspecting, sampling and labelling all imported foodstuffs, cosmetics and disinfectants at all ports of entry (harbours and border posts);
- (b) monitoring all imported foodstuffs, cosmetics and disinfectants for which a certificate of approval is required;
- (c) sampling foodstuffs consumed on board all aeroplanes and ships;
- (d) monitoring, inspecting and sampling (for chemical and bacteria testing purposes) all maize and wheat imports;
- (e) monitoring continuous rodent and vector control at airports and harbours;
- (f) monitoring imports of used pneumatic tyres for the prevalence of mosquitoes such as the Aedes species (vectors for yellow fever, dengue fever and encephalitis);
- (g) Providing a continuous vaccination programme for seafarers at all ports;
- (h) Monitoring and inspecting all hazardous cargo entering the country;
- (i) Monitoring and preventing communicable diseases on a 24 hour-basis;
- (j) Monitoring water on board ships to ensure that it is safe for human consumption;
- (k) Monitoring food wastes and medical waste for disposal.

(13) MALARIA CONTROL - Department of Healthy Competency

- (a) Ensuring, developing and implementing a malaria control programme for the country, thus lowering parasite levels in the population and preventing deaths through rapid diagnosis and prompt treatment;
- (b) Ensuring a continued active and feasible malaria surveillance programme;
- (c) Carrying out house-to-house surveys to actively detect malaria cases;
- (d) Ensuring blood smears are taken from foreigners and people who have visited malaria-endemic countries for malaria parasitaemia screening;
- (e) ensuring randomised screening of the population by blood sampling for testing during seasonal changes in high-risk malaria areas;
- (f) carrying out epidemiological surveys to research the extent of transmission and gather data on the infected population;
- (g) undertaking vector control on an annual basis by application of residual insecticides on inner wall surfaces, roofs and eaves of dwellings in malaria areas;
- (h) conducting continued health education and awareness programmes on malaria, for example by distributing pamphlets and launching campaigns.

(14) CONTROL AND MONITORING OF HAZARDOUS SUBSTANCES - Department of Health

Competency

- (a) Ensuring the correct labelling of hazardous substances;
- (b) Ensuring all active ingredients are indicated;
- (c) Ensuring warning signs are indicated;
- (d) Ensuring precautions are taken during storage and transportation, and the appropriate protective gear is used during handling;
- (e) Ensuring all hazardous substances are registered with the Departments of Agriculture and Environmental Affairs and Tourism;
- (f) Ensuring hazardous substances control to prevent injury, ill-health or death by reason of the toxic, corrosive, irritant or flammable nature of substances;
- (g) Ensuring control over the importation, manufacture, sale, operation, application, modification or dumping of such substances;
- (h) Ensuring premises are licensed and registered with the appropriate authorities;

- (i)* Inspecting premises to ensure compliance with safety, storage and other precaution measures;
- (j)* Ensuring sampling is done according to approved procedures;
- (k)* Ensuring all labelling regulations are complied with;
- (l)* Checking all stock records and ensuring the hazardous substance register is up to date;
- (m)* Ensuring that empty containers are disposed of according to statutory requirements.

(Signed)
DR A MOTSOLEDI, MP
MINISTER OF HEALTH

Service Statistics for Health Inspection, etc.: Municipal Health Services

Breakdown of Targets and Actual Performance	
Actions Annual Target	528
Actions Quarterly Target	132
Actions Actual Performance	856
Break Down	
Water	76
Health Surveillance of Premises	65
ECD	76
Food Premises	541
Awareness Campaigns	18
Food Samples	12
Funeral Undertakers	25
Air quality Management Inspections	43

Comment on the performance of clinics overall

As indicated Health Care Facilities and Hazardous Medical Waste are monitored by the Municipal Health Section of JTGDM from an Environmental Health perspective.

There is a healthy relationship between the National Department of Health and the District Municipality. The National Department of Health recently deployed one Environmental Health Practitioner (Community Service) for one year to do community services in the District. The Community Development Services Department appreciates efforts by the National Department and therefore would like to lobby for another Environmental Health Practitioner (Community services) to assist in the District. The Department needs internships for Municipal Health Services. Therefore, the Community Development Services Department would further like to engage organizations like the National Rural Youth Service Corps (NARYSEC) to see how we can forge good relations so that we can be able to work together in future, especially on issues related to environment.

The Department (Community Development Services) has also prepared business plans that have been send to different stakeholders to assist with funding of environmental projects in order to further enhance service delivery.

There are also challenges facing this profession in our district, for example geographically the District is huge and the resources and the manpower are few, therefore the Environmental Health Practitioners has to travel long distances to execute their duties. Compliance remains

a challenge in most businesses and government institutions, but the EHP's try everything in their power to do their job, by advising and taking the necessary punitive measures were possible. In some instances they must be able to identify themselves fully because some new business owners will not trust them thinking that they are not the right personnel.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc. Security and Safety is not a District Municipality function.

3.19 Police

Security and Safety is not a District Municipality function.

3.20 Other (Disaster Management)

1) ACTIVITIES DURING THE YEAR

1.1) Attendance of meetings

- District Disaster Management Advisory Forum Meetings was combined with COVID JOC meetings.
- Virtual JOC meetings commenced on a quarterly base.
- Disaster Management Unit meetings commenced on a monthly base.
- Fire Protection Association meetings commenced bi-annually.
- Road Incident Management System meetings commenced on a quarterly base.

1.2) Contingency Planning

The following Contingency Plans were compiled and submitted.

- Winter Season Contingency Plan
- Heavy Rain Contingency Plan
- Veldt fire Contingency Plan
- Contingency Plan for the Festive Season of 2021
- Contingency Plans for the Easter weekend of 2022

1.3) Compilation of reports

- Compilation of 4 Quarterly reports for the JTGDM Council.

- Compilation of 4 Quarterly Reports for the Provincial Disaster Management Centre
- Compilation of Annual JTGDM Report
- Compilation of Annual Provincial Disaster Management Report

2) RESULTS OF PREVENTION AND MITIGATION INITIATIVES

2.1) Road Incident Management System Workshop

Awareness programs focused on the following prioritised disaster risks:

- Fire Awareness
- Severe Weather Storms
- COVID Awareness

2.2) Disaster Risk Reduction

- 10 Disaster Management Employees received in-house Disaster Management Centre training.

3) CLASSIFICATION, MAGNITUDE AND SEVERITY OF DISASTERS/ INCIDENTS

3.1) Emergencies Coordinated

- 2067 Emergencies were co-ordinated and monitored by the DMC.
- Standing Operating Procedures were activated for all emergencies handled.

3.2) COVID 19 Disaster

The Head of the National Disaster Management Centre (NDMC), announced the revocation of the classification of the COVID-19 pandemic as a national disaster, in Government Gazette Nr. 46199 on 05 April 2022.

4) PROBLEMS EXPERIECED IN DEALING WITH INCIDENTS

- Role Players/ Sector Departments, Local Municipalities do not budget for Disaster Assistance in their Operational Budget.
- Slow response from Sector Departments.

5) WAY IN WHICH PROBLEMS WERE ADDRESSED

JTG District Municipality developed and approved a COVID Contingency plan.

6) DISASTER MANAGEMENT PLAN

DMP and DMF were compiled and reviewed for each Local Municipality and the District Municipality.

COMPONENT H: SPORTS AND RECREATION

This component includes: community parks; sports fields; community halls; stadiums; swimming pools; and camp sites. An Integrated Employee Wellness policy and strategy are in place. Sports and recreation is covered in the employee wellness activity program. Sports and Recreation services are however provided to communities by the Department of Sports, Arts and Culture.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate services policies, financial services, human resource services, ICT services, property services. All policies have been consulted with all stakeholders, thereafter the policies were submitted to Council for approval and implemented as required.

3.21 Executive and Council

This component includes: Executive office (mayor; councilors; and municipal manager). The Municipal priorities for 2021/22 as indicated below. The priorities are numbered for convenience only. Priorities are regarded as equally important:

1. Water & Sanitation
2. Roads & Transport
3. Local economic development (LED)
4. Land development and reform
5. Integrated human settlements
6. Sustainable Development Orientated Municipality
7. Environmental management and conservation and climate change management
8. Promotion of health in the District
9. Disaster management

Service Statistics for the Executive and Council

The Municipality does not provide services directly to communities. The annual performance of the Municipality is indicated in the Unaudited Annual Performance Report in Volume 3.

Comment on the performance of the Executive and Council

Council managed to meet successfully during the year and a number of ordinary and special meetings were held. Council fulfilled its oversight obligations with the assistance of the Municipal Public Accounts Committee, as well as the Audit and Performance Committee.

Management to the most extent, were also effective and is continuing with its change management process. Improvements were made to the Budget and Treasury Office over the course of the year. Certain processes in this regard are still unfolding. The Municipality also progressed to an unqualified without findings audit opinion 2020/21 Financial Year.

3.22 Financial Services

Please refer to the Audited Annual Financial Statements 2021-2022 in the Annual Report Volume II.

3.23 Human Resource Services

The HR unit is responsible for individual performance management, skills development, bursaries, recruitment & selection, HR administration, employee benefits and leave management.

Comment on the performance of Human Resource Services overall

Bio-metric and CCTV systems were introduced as a control to adhere to attendance and punctuality policies of Council. The mentioned capital projects will serve the purpose to safeguard Council property as well as to address the safety of Councilors and Officials.

Budgeted vacant positions were advertised and filled as per approved organogram. Performance assessments were conducted and reported to council on quarterly basis. Leave has been administered and consolidated on monthly basis. Training programs (including on-job training) have been implemented for all officials (including interns) and councilors.

3.24 Information and Communication Technology (ICT) Services

During the year under review, network problems were experienced especially at Technical Services, Management did address the issues as the needs arise. Council envisaged to address these IT challenges during the next financial year by allocating sufficient budget for improvement of IT infrastructure.

IT audit findings were fully addressed. The accounting system and HR system are on the Sage Evolution and Sage 300 People systems.

3.25 Property; Legal; Risk Management and Procurement Services

Tremendous improvement has been recorded around seating of MPAC and MPAC resolutions, where even the prior year UIF register has been worked on and recorded for council resolutions.

The members of the MPAC have received numerous and rigorous training throughout the year in order to ensure that we build capacity around them in relation to the required investigations of MPAC. There has also been interaction between MPAC and the Provincial Legislature in terms of workshops facilitated by COGHSTA and the Provincial Legislature.

Issues of compliance have been tackled in line with departmental and functional adherence to policy and legislation. Management has put systems in place to ensure that all units, departments and the Office of the Municipal Manager take charge and responsibility in responding to possible breaches. We expect, going forward to enforce the improvement in the upcoming years by making compliance a performance target for Directors.

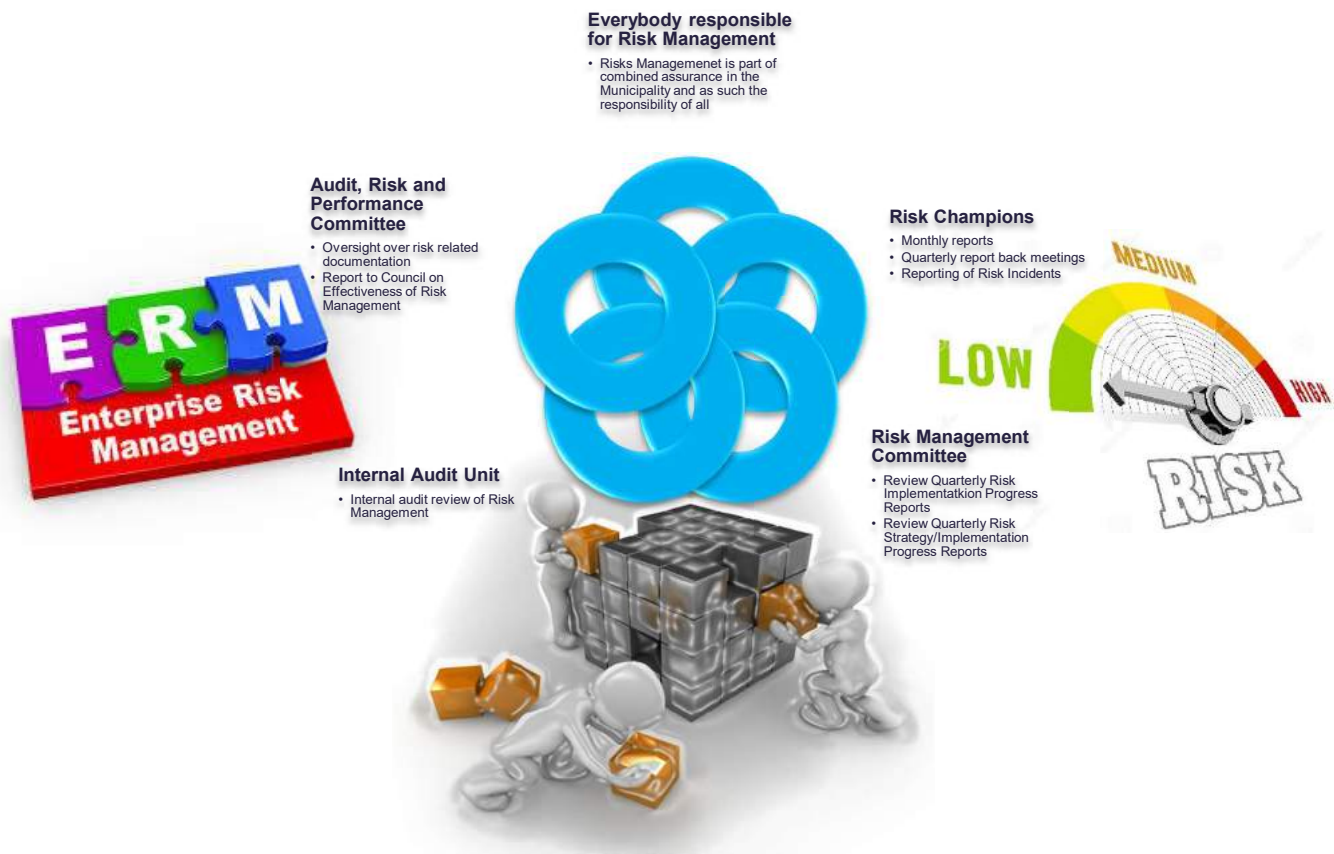
The continuous implementation of the Risk Management Model assisted the Municipality to identify risks, to assess risk and to treat risk, related to the operations and performance of the Municipality.

The Municipal Council adopted a Risk Management Framework that formed the basis of developing and/or implementing the following:

- Risk Management Policy, which is a comprehensive policy that outlines the risk management methodology to be used for the identification and assessment of risk;
- Fraud and Corruption Management and Promotion of Ethics and Professionalism Policy and Plan;
- Risk Register for 2021/22, with quarterly progress reviews and reporting during the year;
- Risk Management Strategy and Implementation Plan guides risk management activities and reporting during the year. Progress was also monitored and reported on during the year on a quarterly basis;
- Risk based auditing and the development of internal audit plans;

- Risk assessment and Risk Register for the 2022/23 Financial Year; and
- Risk Management Strategy and Implementation Plan for 2022/23.

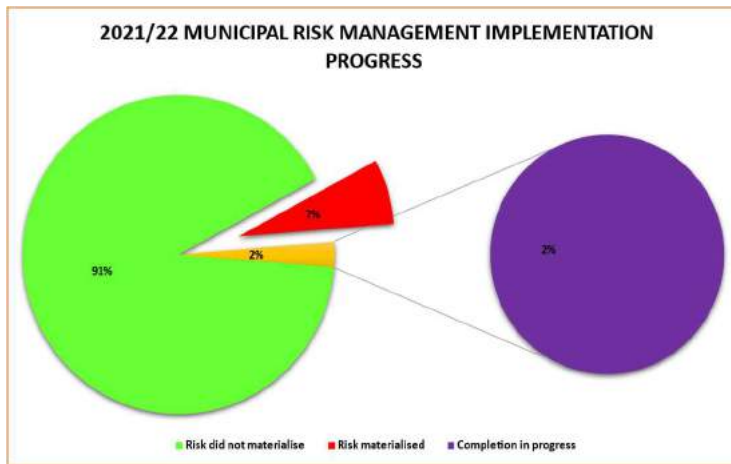
The Municipality continued to implement and review risk management progress as displayed in the figure below:



Risk Management Champions were identified for each business unit in the Municipality. Quarterly updates of the risk register and report were based on the monthly reports and quarterly meetings with Risk Champions. In addition to this, Risk Champions also reported on the occurrence of risk incidents during each quarter. This was included in the library of risk incidents that has commenced in 2019/20 and continued in 2021/22.

Risk register updates and reports were reviewed by the internal Risk Committee, before submission to the Audit and Performance Committee of Council. The combination of reporting and participation of Risk Campions, reporting to the internal Risk Committee and its review of

documentation, as well as the review of the Audit and Performance Committee all contributed to the increased awareness of risk and the combined responsibility to manage it.



The quarterly risk reporting included a dashboard that enabled Management to view its risk implementation progress at a glance. The risk that did not materialize for 2021/22 was 91%. Risk that materialized was 7%. The availability of especially external stakeholders contributed to the materialized risk and particularly so

during the local government election process of 2021.

The internal Risk Management Committee (RMC) consists of Senior Management. All members signed the Risk Committee Charter and performed their duties in terms of the Charter. Key performance indicators were developed for the Risk Management Committee and included in the Charter. The Committee was able to assess its performance for 2021/22, in terms of these indicators. The assessment is as follows:

IDP OBJECTIVE	IDP KPI	RMC KPI	OUTPUTS	FREQUENCY	PERFORMANCE ASSESSMENT
<i>To manage risks to the Municipality</i>	Number of quarterly Internal Risk Management Committee Meetings held by 30 June	4 Quarterly RMC meetings held by 30 June	✓ Minutes of RMC meetings	✓ Quarterly	✓ The RMC meetings took place on a quarterly basis. Four meetings were held.
<i>To manage risks to the Municipality</i>	Risk assessment annually completed by 30 June	Draft combined Strategic and Operational Risk Register Reviewed by 10 June.	✓ Reviewed strategic risk register	✓ Annually	✓ The RMC reviewed the draft Risk Register for 2022/23 prior to submission to the Audit Risk and Performance Committee (ARPC)

IDP OBJECTIVE	IDP KPI	RMC KPI	OUTPUTS	FREQUENCY	PERFORMANCE ASSESSMENT
<i>To manage risks to the Municipality</i>	Number of quarterly risk register progress reports submitted by 30 June	Risk Management Strategy/Implementation Plan annually reviewed by 31 May.	✓ Reviewed Risk Management Strategy/Implementation Plan annually reviewed	✓ Annually	✓ The RMC reviewed the draft Risk Management Strategy/Implementation Plan for 2022/23 prior to submission to the ARPC
<i>To manage risks to the Municipality</i>	Number of quarterly risk register progress reports submitted by 30 June	4 Quarterly risk register updates (risk reports) reviewed by 30 May.	✓ Reviewed quarterly risk progress reports	✓ Quarterly	✓ The RMC reviewed four quarterly risk register updates and progress reports prior to submission to the ARPC
<i>To manage risks to the Municipality</i>	Number of quarterly risk strategy/implementation plan progress reports submitted by 30 June	4 Quarterly Risk Management Strategy/Implementation Plan progress reports reviewed by 30 June	✓ Reviewed Risk Management Strategy/Implementation Plan progress reports	✓ Quarterly	✓ The RMC reviewed four quarterly Risk Management Strategy/Implementation Plan reports prior to submission to the ARPC
<i>To manage risks to the Municipality</i>	Risk management policy annually reviewed by 31 May	Reviewed Risk Management Policies annually reviewed by 31 March	✓ Reviewed Risk Management Policy	✓ Annually	✓ The policy was not amended and was reaffirmed by Council.
<i>To manage risks to the Municipality</i>	Fraud Prevention Policy Annually reviewed by 31 May	Reviewed Fraud Management Policy annually reviewed by 31 March	✓ Reviewed Fraud Management Policy	✓ Annually	✓ The policy was not amended and was reaffirmed by Council.
<i>To manage risks to the Municipality</i>	Number of quarterly Internal Risk Management Committee Meetings held by 30 June	RMC Charter reviewed by 31 May.	✓ Reviewed RMC Charter	✓ Triennially	✓ The RMC Charter was reviewed in 2021 and will be reviewed again in 2023.
<i>To manage risks to the Municipality</i>	Number of quarterly Internal Risk Management	RMC Key Performance Indicators Developed	✓ RMC Key Performance Indicators	✓ Triennially	✓

IDP OBJECTIVE	IDP KPI	RMC KPI	OUTPUTS	FREQUENCY	PERFORMANCE ASSESSMENT
<i>To manage risks to the Municipality</i>	Committee Meetings held by 30 June				
	Number of quarterly Internal Risk Management Committee Meetings held by 30 June	RMC self-assessment annually performed	✓ Annual self-assessment report	✓ Annually	✓ The RMC performed a self-assessment for 2020/21, prior to submission to the ARPC and inclusion in the Annual Report.
<i>To manage risks to the Municipality</i>	Number of quarterly Internal Risk Management Committee Meetings held by 30 June	Risk incident register reviewed.	✓ Reviewed Risk Incident Register	✓ Quarterly	✓ Reported risk incidents were reviewed on a quarterly basis.
	Number of quarterly Internal Risk Management Committee Meetings held by 30 June	Annual Report risk management comment reviewed by 15 August	✓ Reviewed Annual Report risk management comment	✓ Annually	✓ The RMC reviewed the input to the 2020/21 Annual Report, prior to submission to the ARPC.

Risk Management is continually improved upon and has proven to be a valuable tool in the combined assurance process, as well as the general management and performance of the Municipality. The Audit, Risk and Performance Committee performed independent oversight over risk management on behalf of Council and reported quarterly to Council on the effectiveness of Risk Management.

Risk and ethics awareness sessions were conducted with all internal departments in preparation for the risk assessment for the 2022/23 financial year, as well as for the role out and management thereof. The concepts of risk, risk management, risk assessment and ethics were discussed in terms of the policies of Council and the relevant legislation. Particular attention was given to the concepts related to unethical behavior, including dishonesty, fraud, corruption, theft and maladministration. The Accounting Officer spent at approximately two hours with each department, during which he set the scene for both risk and ethics

management, the importance thereof, as well as the importance of each member to contribute to the successful implementation of the policies and standards contained in the policies.

Service Statistics for Property, Legal, Risk Management and Procurement Services

The legal cases have reduced in number due to the careful and considerate way of dealing with such cases, consulting the aggrieved and promoting discussions in a quest of arriving at amicable solutions on pending cases, which recognises that even compromises become a requirement after all options are tested. We commit to deal with all remaining cases in the spirit of the public interest, prudence regarding funds, avoidance of policy abuse and adhering to legislation, in the process following good corporate practices.

The procurement of municipal services is expected to adhere to the principles of competition, accountability, transparency, equity and fairness.

The above principles become the terrain for contestation from time to time due to either the public or administrative considerations. It must be emphasized that the guidance by the Constitution of South Africa, the Supply Chain Policy and Regulations must at all times be adhered to.

We also need at our municipal level to win the public and private sector confidence regarding the processes and procedures we undertake to arrive at procurement outcomes. That will go a long way in attracting funding for municipal functions, especially when government as a whole and members of society place their trust in municipal systems, municipal officials and executives.

Comment on the performance of Property Services overall

Property services is limited to the maintenance and/or refurbishment of municipal properties.

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises. The Municipality provides none of the above services. The Community Services Department perform inspections at abattoirs, but the Municipality do not have any abattoirs.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

The Organisational Performance is reported on in Volume 3 of the Annual Report, in the annual performance report.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

As per amended Systems Act, the Organogram is annually reviewed and approved by Council. The 2021-22 was approved by Council in May 2021 for implementation from 1st July 2021.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

The Organisational Performance is reported on in Volume 3 of the Annual Report, in the annual performance report.

4.1 Employee Totals, Turnover and Vacancies

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	4	1	25.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	3	1	33.00
Senior management: Levels 13-15 (Finance posts)	2	0	100.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	11	4	37.00
Highly skilled supervision: levels 9-12 (Finance posts)	3	0	100.00
Total	32	12	37.50

<p><i>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.</i></p>	<p>T 4.1.2</p>
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Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	-	-	-
Year -1			%
Year 0	25	6	5.5
<p><i>* Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year</i></p>			<p>T 4.1.3</p>

Comment on vacancies and turnover

Budgeted vacant positions were filled as per Council's recruitment and selection policy.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

A functional Local Labour Forum (LLF) was assisting in a stable working environment. Relevant issues were discussed and resolved at LLF level and submitted to Council for approval. Despite the functional LLF some issues in the workplace still need attention and it is envisaged in coming financial year Management will try to resolve these issues in LLF.

4.2 Policies

HR Policies and Plans				
No.	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1.	Cash & Investment Policy	100	100	6.5.28/05/2021

2.	Expenditure Management Policy	100	100	6.5.28/05/2021
3.	Fund & Reserve Policy	100	100	6.5.28/05/2021
4.	Accounting Policy	100	100	6.5.28/05/2021
5.	Telephone Policy	100	100	6.5.28/05/2021
6.	Remuneration Policy	100	100	6.5.28/05/2021
7.	Housing Allowance Policy	100	100	6.5.28/05/2021
8.	Rental of Council Facilities Policy	100	100	6.5.28/05/2021
9.	Catering Policy	100	100	6.5.28/05/2021
10.	Attendance & Punctuality	100	100	6.5.28/05/2021
11.	Credit Control Policy	100	100	6.5.28/05/2021
12.	Fraud and Corruption Management, Promotion of Ethics and Professionalism Policy and Plan	100	100	6.5.28/05/2021
13.	Emergency Policy	100	100	6.5.28/05/2021
14.	Expanded Public Works Policy	100	100	6.5.28/05/2021
15.	Information Technology Policy	100	100	6.5.28/05/2021
16.	Compassion & Bereavement Policy	100	100	6.5.28/05/2021
17.	Internship & Experiential Policy	100	100	6.5.28/05/2021
18.	Fleet Management Policy	100	100	6.5.28/05/2021
19.	Job Evaluation Policy	100	100	6.5.28/05/2021
20.	JTGDM Corporate Governance of Information & Communication Technology Policy	100	100	6.5.28/05/2021
21.	Policy Development Framework	100	100	6.5.28/05/2021
22.	Records Management Policy	100	100	6.5.28/05/2021
23.	Registry Manual	100	100	6.5.28/05/2021
24.	Recruitment & Selection Policy	100	100	6.5.28/05/2021
25.	Sexual Harassment Policy	100	100	6.5.28/05/2021
26.	Staff Retention Policy	100	100	6.5.28/05/2021
27.	Risk Management Policy	100	100	6.5.28/05/2021
28.	Transfer Policy	100	100	6.5.28/05/2021
29.	Training & Development Policy	100	100	6.5.28/05/2021
30.	Vehicle Allowance Policy	100	100	6.5.28/05/2021

31.	Individual Performance Management Policy	100	100	6.5.28/05/2021
32.	Code of Conduct for Employees	100	100	6.5.28/05/2021
33.	Delegations Framework	100	100	6.5.28/05/2021
34.	Leave Management Policy	100	100	6.5.28/05/2021
35.	Acting & Secondment Policy	100	100	6.5.28/05/2021
36.	Individual Performance Management Framework	100	100	6.5.28/05/2021
37.	Study Assistance Policy	100	100	6.5.28/05/2021
38.	Bursary Policy (non-employees)	100	100	6.5.28/05/2021
39.	Placement Policy	100	100	6.5.28/05/2021
40.	Employment Equity Plan	100	100	6.5.28/05/2021
41.	HRM Strategy	100	100	6.5.28/05/2021
42.	Assets Management Policy	100	100	6.5.28/05/2021
43.	Budget Policy	100	100	6.5.28/05/2021
44.	Travel & Subsistence Policy	100	100	6.5.28/05/2021
45.	Tariff Policy	100	100	6.5.28/05/2021
46.	Credit Control & Debt Collection Policy	100	100	6.5.28/05/2021
47.	Impairment Policy	100	100	6.5.28/05/2021
48.	Supply Chain Management Policy	100	100	6.5.28/05/2021
49.	Petty Cash Policy	100	100	6.5.28/05/2021
50.	3G Card Policy	100	100	6.5.28/05/2021
51.	Cost Containment Policy	100	100	6.5.28/05/2021
52.	Virement Policy	100	100	6.5.28/05/2021
53.	Infrastructure Procurement Policy	100	100	6.5.28/05/2021

Comment on workforce policy development

Notch increase Policy will be drafted for Council in the next financial year.

4.3 Injuries, Sickness and Suspensions

Quarter 1 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	180	n/a
Sick leave		
With sick note	376	n/a
Without sick note	27	n/a
Additional paid sick leave	Nil	n/a
Special leave		
<i>Study</i>	22	n/a
<i>Family responsibility</i>	39	n/a
<i>Court appearance</i>	6	n/a
<i>Maternity leave</i>	22	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>	Nil	n/a
<i>Special</i>	Nil	n/a
Council resolutions/ Overtime	33	n/a
Unpaid	Nil	n/a
Long Service	17	n/a

Quarter 2 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	287	n/a
Sick leave		
With sick note	312	n/a
Without sick note	11	n/a
Additional paid sick leave	Nil	n/a
Special leave		
<i>Study</i>	50	n/a
<i>Family responsibility</i>	28	n/a
<i>Court appearance</i>	Nil	n/a
<i>Maternity leave</i>	41	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>	Nil	n/a
<i>Special</i>	Nil	n/a

Council resolutions/ Overtime	67	n/a
Unpaid	Nil	n/a
Long Service	8	n/a

Quarter 3 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	49	n/a
Sick leave		
With sick note	297	n/a
Without sick note	10	n/a
Additional paid sick leave	Nil	n/a
Special leave		
<i>Study</i>	Nil	n/a
<i>Family responsibility</i>	6	n/a
<i>Court appearance</i>	Nil	n/a
<i>Maternity leave</i>	22	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>	Nil	n/a
<i>Special</i>		n/a
Council resolutions/ Overtime	17	n/a
Unpaid	Nil	
Long Service	11	n/a

Quarter 4 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	226	n/a
Sick leave		
With sick note	303	n/a
Without sick note	3	n/a
Additional paid sick leave	Nil	n/a
Special leave		
<i>Study</i>	41	n/a
<i>Family responsibility</i>	39	n/a
<i>Court appearance</i>	Nil	n/a
<i>Paternity</i>	5	n/a

<i>Maternity leave</i>	55	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>	Nil	n/a
<i>Special (Union)</i>	4	n/a
Council resolutions/ Overtime	85	n/a
Unpaid	Nil	
Long Service	2	n/a

Comment on injury and sick leave

Throughout the year the municipality has experienced minor incidents where sick leave of some staff members is of high rate. There are cases of sick leave days being depleted before the end of the sick leave cycle (31 December 2023). There is a need to introduce a Wellness Programme in the workplace.

In addition to the Wellness Programme, an Occupational Health and Safety (OHS) Committee was elected for JTGDM in ensuring a safe workplace.

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
None	-	-	-	-

4.4 Performance Rewards

Implementation of Performance rewards are in line with the Individual Performance Management (IPMS) policy.

Comment on performance rewards

No performance rewards issued during the year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Skills and developed of staff and councilors was done in line with the Work Skills Plan and Training & Development Policy.

4.5 Skills Development and Training

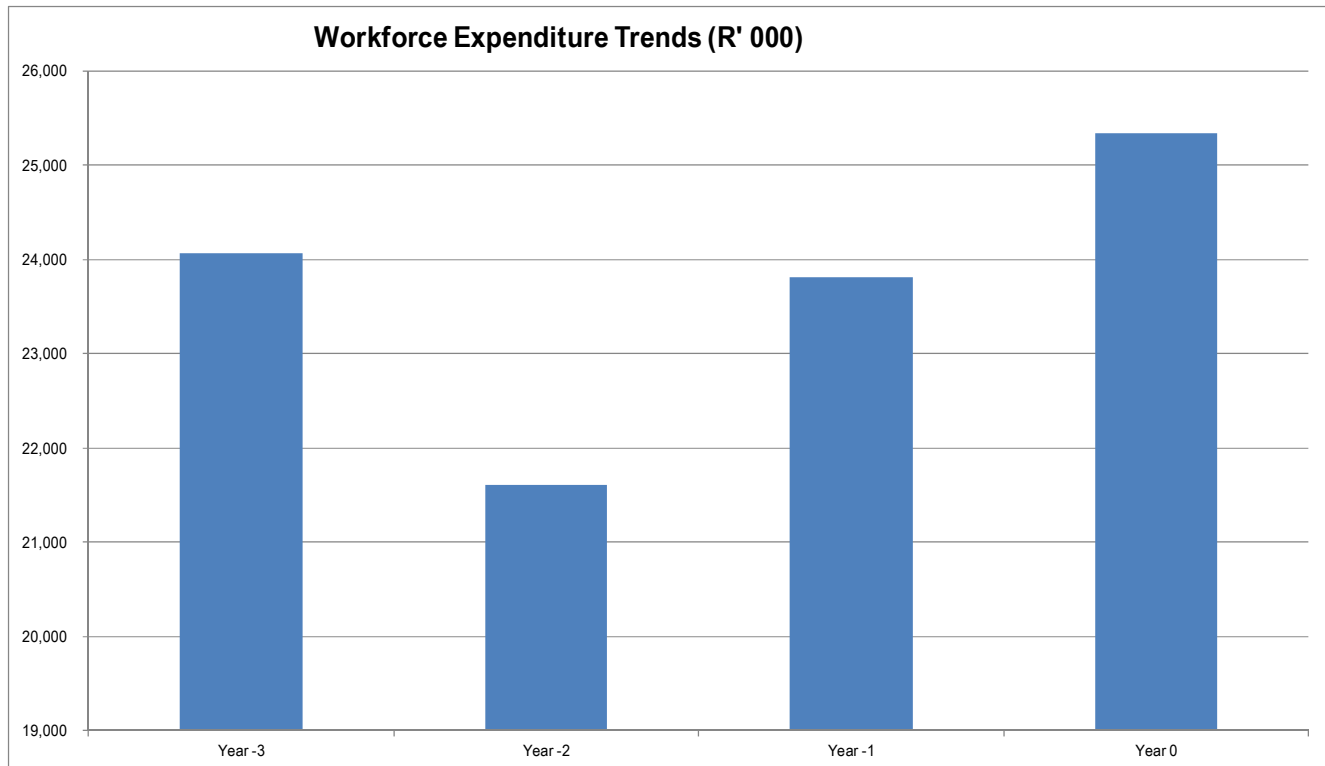
Management level	Gender	Employees in post as at 30 June Year 1	Learnerships		Skills programmes & other short courses			Other forms of training			Total		Target
			Actual: End of Year 0	Actual: End of Year 1	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	
			No.										
MM and s57	Female	2	0	0	1	0	2	1	1	2	1	4	
	Male	4	0	0	0	0	4	0	0	4	0	8	
Councillors and middle managers	Female	8	0	0	5	4	8	2	1	4	7	5	12
	Male	12	0	0	4	4	12	1	0	1	5	4	13
Technicians and associate professionals*	Female	7	0	0	3	1	7	2	1	7	5	2	14
	Male	9	0	0	6	3	9	3	2	9	9	5	18
Professionals	Female	18	0	0	2	3	9	2	5	0	4	8	9
	Male	8	0	0	3	0	4	3	0	0	6	0	4
Sub total	Female	35	0	0	11	8	26	7	8	13	18	16	39
	Male	33	0	0	13	7	29	7	2	14	20	9	43
Total		68	0	0	24	15	55	14	10	27	38	25	82

Skills Development Expenditure											R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2	0	0	1	1	1	1	2	2	
	Male	4	0	0	0	0	0	0	4	0	
Legislators, and middle managers	Female	12	0	0	5	4	2	2	7	6	
	Male	5	0	0	4	2	1	1	5	3	
Professionals	Female	20	0	0	2	2	2	2	4	4	
	Male	10	0	0	3	3	0	3	3	6	
Technicians and associate professionals	Female	13	0	0	13	4	0	2	13	6	
	Male	18	0	0							

					18	5	0	3	18	8
Clerks	Female	28	0	2	28	1	9	9	37	12
	Male	8	0	1	8	0	1	1	9	2
Service and sales workers	Female	1	0	0	1	1	0	0	1	1
	Male	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	2	0	0	2	0	0	0	2	0
	Male	6	0	0	6	1	0	0	6	1
Elementary occupations	Female	4	0	0	4	0	0	0	4	0
	Male	10	0	0	10	0	0	0	10	0
Sub total	Female	82	0	0	56	13	14	16	70	31
	Male	61	0	0	49	11	2	10	55	20
Total		143	0	0	105	24	16	26	125	51
<i>*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.</i>									1%*	*R962 499.78
										T4.5.3

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 Employee Expenditure



Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 10-13)	Female	5
	Male	5
Skilled (Levels 7-9)	Female	2
	Male	0
Highly skilled production (Levels 6)	Female	3
	Male	0
Highly skilled supervision (Levels 4)	Female	0
	Male	0
Middle management (Levels 3)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		15

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).

Disclosures of Financial Interests

All Senior Managers and Councillors have completed the Interests Disclosure Register in the year under review.

CHAPTER 5 – FINANCIAL PERFORMANCE

The Office of the Auditor General conducted an audit on the municipality's 2021/22 Annual Financial Statements and issued an unqualified with findings audit opinion.

This outcome is a regress as compared to the previous 3 years, where the municipality received an unqualified without findings audit opinion. The municipality however strives to ensure improvement given its strengths which includes but are not limited to:

1. Responsiveness of the Council, Council Committees, Management team and municipal staff on issues pertaining to improved systems.
2. Effectiveness of the Risk and Internal Audit functionaries within the municipality as well as the Advisory of the Audit, Risk and Performance Management Committee
3. Continued improvements on the functionality and operations of the core financial management system.
4. Success in data migration processes conducted
5. Development of and monitoring implementation of the Audit Action Plan, aimed at addressing other matters that the Office of the Auditor General emphasized on during the previous audits.

Furthermore, the plan that was developed to address the going - concern issues of prior period, was fully implemented and monitored on an ongoing basis.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The financial performance of the Municipality as at 30 June 2022 is reported in the audited Annual Financial Statements in Vol II.

5.1 Statements of Financial Performance

Period	30-Jun-22		
Schedule	Going Concern assessment		
Key Financial Ratios	2021/22	2020/21	Commentary
Current Ratio	1.24	2.01	Current assets exceeds current liabilities, this confirms that the municipality is liquid
Total Current assets	63 628 687	30 574 481	
Total Current liabilities	51 251 961	15 179 401	
Acid test ratios	1.12	1.40	The ratio is above 1 which is an indication that the municipality will be able to pay its current liabilities as they come
Currents assets	63 628 687	30 574 481	
Less inventory	7 101 793	9 314 911	
	56 526 894	21 259 570	
/Current liabilities	50 640 569	15 179 401	
Debt ratio	3	6	For the year under review as well as the budgeted 2021/22 financials years the total assets are above the municipality's debt. This is an indication of a solvent municipality.
Total assets	156 871 131	122 671 784	
Total current Assets	63 628 687	30 574 481	
Total non current Assets	93 242 444	92 097 303	
Total liabilities	57 320 961	21 197 401	
Total current liabilities	51 251 961	15 179 401	
Total non current liabilities	6 069 000	6 018 000	
Net Revenue to Net expenditure			Municipality spent within the revenue generated. This is an indication of tough economic environment.
Revenue	127 835 041	113 637 901	
Total revenue from exchange transaction	4 252 273	4 170 967	
Total revenue from non-exchange transaction	123 582 768	109 466 934	
Expenditure	-129 559 682	-110 344 610	
Employee related benefits	-71 456 263	-69 555 051	
Remunerations of Councillors	-5 447 245	-5 179 268	
Depreciation and amortisation	-4 895 388	-3 849 153	
Finance charges	-1 295 545	-581 353	
Debt impairment	-1 486 177	-113 755	
Contract costs	-10 078 013	-	
Transfers and subsidies	-18 000	-78 115	
Other Expenditure	-34 883 051	-30 987 915	
Other Financial liabilities	-	-	The municipality has no loan obligations.
Indications of financial support			The Municipality is expecting 95 279 000 for the 2022/23 financial year from various departments including the national treasury.
Budgeted operating cash flows			Based on the budget expenditure incurred by the municipality is expected to be less than the total revenue received.
Council or management intentions to liquidate the municipality or cease operations			No resolution
Key Management positions			MM's contract ended in 31 July 2022 and director:LED is acting
other issues			
Pending legal or regulatory proceedings			Estimated costs on pending legal or regulatory proceedings against the municipality amount is R 3 881 280.6
Changes in law that is likely to affect the municipality adversely			There are no expected changes in law that are likely to impact the municipality.
Conclusion			
Based on the above analysis the municipality is liquid and solvent, even though the expenditure is above the revenue. The most significant indicator of going concern issues for the municipality is an intention by government to merge a municipality. Of which there are no indications that JTG will be merged. Further there is no indication that the government intends to close the municipality. In case the municipality experiences the difficulties, provincial government usually intervenes by placing the municipality under			

Description	2021/22											2020/21			
	Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates															
Service charges															
Investment revenue	152	62	214			214	191		(23)	89%	126%				2 511
Transfers recognised - operational	105 578	2 262	107 840			107 840	107 705		(135)	100%	102%				100 941
Contracted Services		50 973	50 973			50 973	11 590								
Other own revenue	5 122	(1 322)	3 800			3 800	4 061		261	107%	79%				2 445
Total Revenue (excluding capital transfers and contributions)	110 852	51 976	162 827			162 827	123 547								105 897
Employee costs	73 256	(2 121)	71 135			71 135	71 456		(322)	76%	111%				64 431
Remuneration of councillors	5 350	78	5 428			5 428	5 447		19	100%	102%				5 150
Debt impairment	104		104			104	1 486		1 382	0%	0%				109
Depreciation & asset impairment	3 325		3 325			3 325	4 895		1 570	147%	147%				4 075
Finance charges	19	312	331			331	1 296		965	0%	0%				658
Materials and bulk purchases										0%	0%				
Contracted Services		50 973	50 973			50 973	10 078		(40 895)						
Transfers and grants	200	(104)	96			96	18		(78)	0%	9%				208
Other expenditure	27 901	4 722	32 624			32 624	34 883		2 259	107%	125%				31 645
Total Expenditure	110 155	53 859	164 015			164 015	129 560								106 277
Surplus/(Deficit)	696	(1 884)	(1 187)			(1 187)	(6 012)								(380)
Transfers recognised - capital										0%	0%				
Contributions recognised - capital & contributed assets		3 889	3 889			3 889	4 288		399	0%	0%				
Surplus/(Deficit) after capital transfers & contributions		3 889	3 889			3 889	4 288								
Share of surplus/ (deficit) of associate									399	0%	0%				
Surplus/(Deficit) for the year	696	2 005	2 702			2 702	(1 725)								(380)
Capital expenditure & funds sources															
Capital expenditure	696	2 304	3 001			3 001	1 405		(1 596)	0%	0%				967
Transfers recognised - capital							568		(568)	0%	0%				
Public contributions & donations	10	558								0%	0%				
Borrowing										0%	0%				
Internally generated funds	686	1 746	2 433			1 737	1 405		(332)	58%	205%				967
Total sources of capital funds	696	2 304	3 001			3 001	1 405								967
Cash flows															
Net cash from (used) operating	2 708	(2)	2 705			2 705	34 769		32 063	1285%	1284%				8 075
Net cash from (used) investing	(696)	(2 304)	(3 001)			(3 001)	(670)		2 130	29%	125%				(967)
Net cash from (used) financing	(407)	407					(204)		(204)	#DIV/0!	0%				(731)
Cash/cash equivalents at the year end	1 604	(1 899)	(295)			(295)	33 694								6 377

T 5.1.1

From the table above, it is clear that the budget as adopted by Council for the 2021/22 financial year, implemented and monitored, was credible. This due to the fact that 76% of the budgeted revenue was recognised for the year, with 79% of the budgeted expenditure being spent.

Only realistically anticipated revenue sources were budgeted for, with improved controls on cashflow and expenditure management processes.

SYNOPSIS FINANCIAL PERFORMANCE	FINANCIAL YEAR		% (Increase)/decrease
	2022	2021	
Total Revenue	127 835 041.00	113 637 901.00	-12.49%
Grants	107 705 302.00	105 071 264.00	-2.51%
Contract Revenue	11 589 715.00	-	100.00%
Donations	4 287 751.00	4 395 670.00	2.46%
Grants as a % of revenue	84.25%	92.46%	
Contract revenue as a % of revenue	9.07%	0.00%	
Donation as a % of revenue	3.35%	3.87%	
Total Expenditure	129 559 682.00	110 344 610.00	-17.41%
Employee Related Costs	71 456 263.00	69 555 051.00	-2.73%
Councillors Remuneration	5 445 710.00	5 179 268.00	-5.14%
Generals Expenses	34 883 051.00	30 987 915.00	-12.57%
%Employee Costs	59.36%	67.73%	
Expenses	26.92%	28.08%	
Surplus/(Deficit)	-2 692 746.00	4 375 244.00	161.55%

Revenue Management

As per the analysis above, the municipal revenue increased by 12.49% as compared to the prior year. It is evident that for the period under review, 84% of the total municipal revenue is from grants and subsidies, 3.35% related to donation received, 9% is the contact revenue and the remaining is the municipality's own generated revenue. This is mainly due to the fact that John Taolo Gaetsewe District is a district municipality with limited revenue streams.

Expenditure Management

Though the employee related costs continued to be one of the two key cost drivers at 59% (2021: 68%) during the financial year 2021/22 there was decrease of 8%. In spite of the 8% increase employee related costs and remuneration of councilors have increase per line by 3% and 5 % respectively for 2021/22.

The second highest cost driver is the operational costs/general expenses at 27% (2021: 28%). Cost containment measures continued to be implemented during the year under review.

Surplus/Deficit

The municipality recorded a deficit of R 2 692 746 for the year under review.

5.2 Grants

Grant Performance							R' 000
Description	2020/21	2021/22		2021/22			
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	104 569	105 578	107 426	107 291	500%	527%	
Equitable share	93 279	95 976	95 976	95 976	100%	100%	
Finance Management Grant	1 000	1 000	1 000	1 000	100%	100%	
Infrastructure Skills Development Grant	4 150	5 500	5 500	5 500	100%	100%	
Rural Road Asset Management Grant	2 000	2 027	2 027	2 027	100%	100%	
Extended Public Works Programme Grant	1 000	1 075	1 075	1 075	100%	100%	
Municipal disaster Relief Grant	–	–	–	–	0%	0%	
LG SETA	36	–	185	50	0%	27%	
COVID-19 Grant	3 104	–	1 663	1 663	0%	100%	
Municipal Housing Emergency Grant	–	–	–	–	0%	0%	
Provincial Government:	502	–	414	414	–	0	
HIV and AIDS Council	497	–	114	114	0%	100%	
Housing	–	–	300	300	0%	100%	
Sports and Recreation	–	–	–	–	0%	0%	
NEAR Grant	–	–	–	–	0%	0%	
Khotso Pula Nala Grant	–	–	–	–	0%	0%	
FIRE Grant	5	–	0	0	0%	100%	
District Municipality:	–	–	–	–			
<i>[insert description]</i>							
Other grant providers:	–	–	–	–	0%	0%	
<i>Municipal disaster Grant</i>	–	–	–	–	0%	0%	
Total Operating Transfers and Grants	105 071	105 578	107 840	107 705	102%	100%	

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of

T 5.2.1

Comment on operating transfers and grants

Based on Table 5.2.1 above, the municipality recognized 99.87% of its budgeted grants revenue for the 2021/22 financial year, conditional grants were fully spent. This constitutes 93% (2021: restated 92%) of the total municipal revenue, which is a clear indication that the municipality continued to be fully grant dependent.

5.3 Asset Management

During the year the municipality acquired the office equipment aimed at enabling and improving efficiency of operations. Management also continued to manage and safeguard the municipal assets in line with the approved Municipal Assets Management Policy and report on a quarterly basis.

The municipality acquired a total of R 1.5m assets. The largest assets procured during the year under review, IT equipment (computer equipment).

The table below highlight the three largest assets procured by the municipality during the year under review:

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2020/21				
Asset 1				
Name	Laptop			
Description	Dell			
Asset Type	Computer Equipment			
Key Staff Involved	Molusi MW			
Staff Responsibilities	Key Performance area			
Asset Value	134 370.00			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
Asset 2				
Name	Laptop			
Description	Dell			
Asset Type	Computer Equipment			
Key Staff Involved	Molusi MW			
Staff Responsibilities	Key Performance area			
Asset Value	69 440.00			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
Asset 3				
Name	Laptop			
Description	Dell			
Asset Type	Computer Equipment			
Key Staff Involved	Molusi MW			
Staff Responsibilities	Key Performance area			
Asset Value	47 151.94			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
				T 5.3.2

The municipality also has an Asset Management Steering Committee, being the structure tasked with, amongst others, ensuring the safeguards of the municipal assets. Functionality of this structure was effective in the 2021/22 financial year and the same will be ensured fully in the 2022/23 financial year.

No additions and refurbishments were made to existing office buildings that increased the asset value of said buildings, and no property was purchased during the year under review.

The municipality investment property appreciated in value from R 6 580 000 to R 7 110 000 for the 2021/22 of the financial year, as per the valuation done by an Independent Valuer.

The municipality is recorded a loss on biological assets of R 1 370 480.

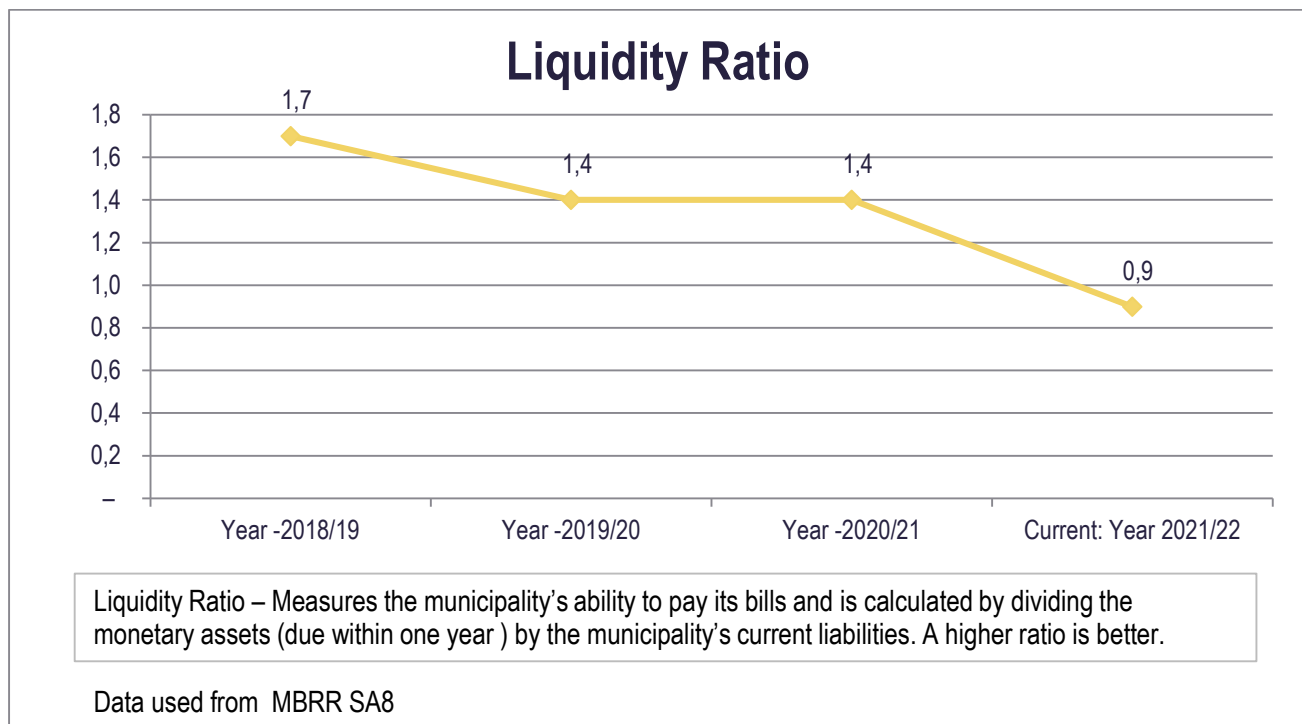
Comment on repair and maintenance expenditure

Repairs and maintenance were mostly related to the maintenance of buildings, vehicles and equipment. High % rate is an indication that municipal assets are aged and may soon require renewal/replenishment/replacement.

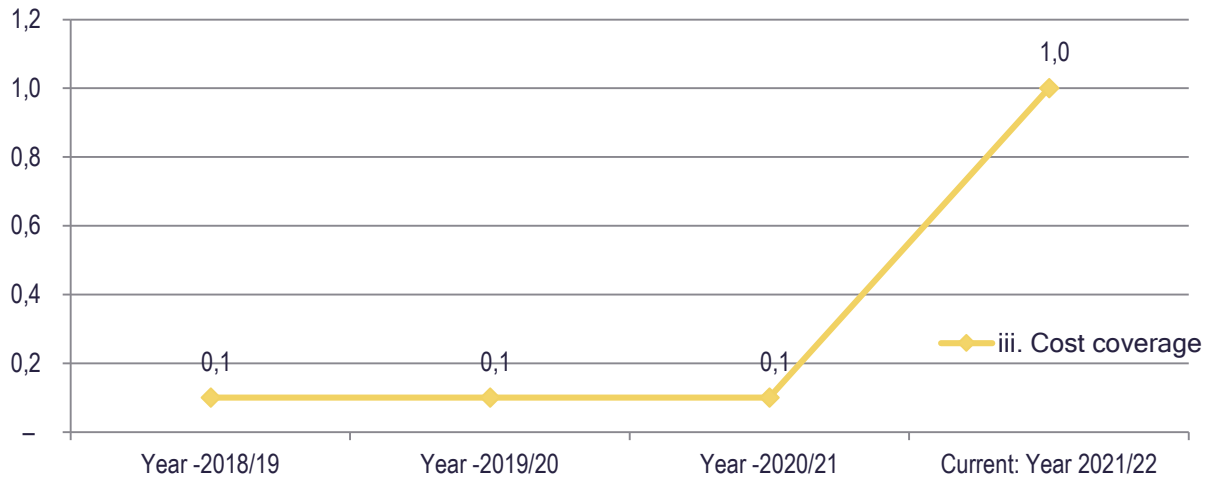
Repair and Maintenance Expenditure: Year 2021/22				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	354	548	566	155%
<i>T 5.3.4</i>				

5.4 Financial Ratios based on Key Performance Indicators

A detailed analysis of the following ratios, amongst others, is provided under 5.0.1 above.



Cost Coverage

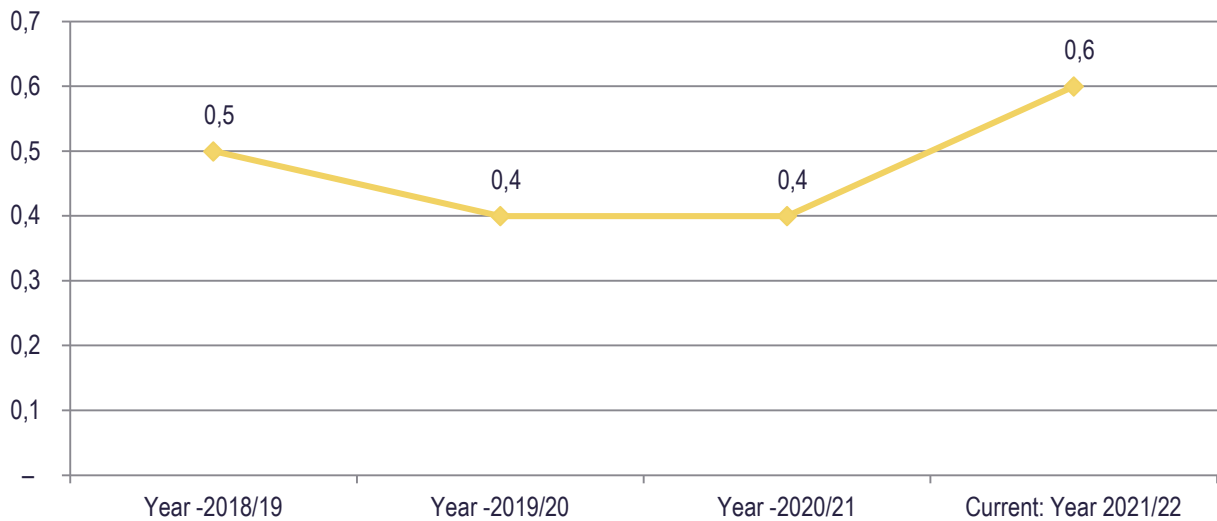


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

The Municipality did not have any service debtors in 2021/22 or the prior years.

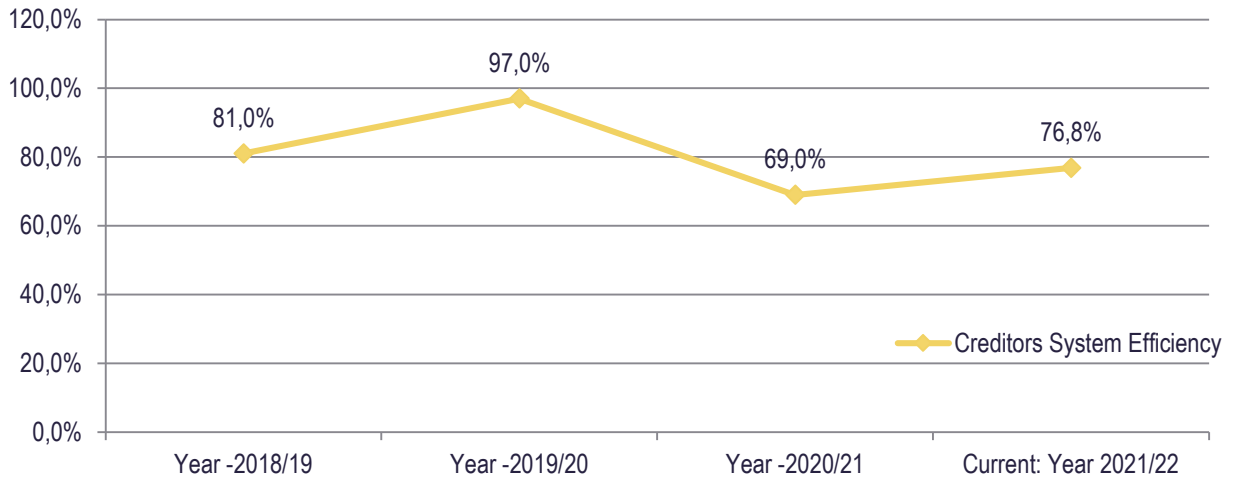
Debt Coverage



Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

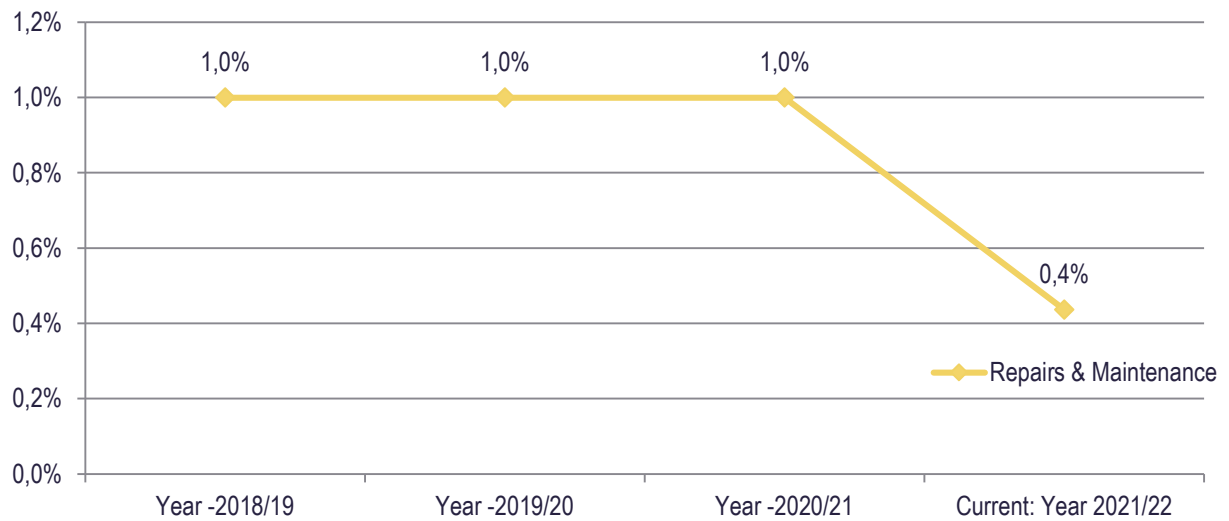
Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

Repair & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance

Comment on financial ratios

The cash reserves were increased significantly as compared to prior periods mainly due to the improved cash flow management processes implemented during the year.

The municipality continued to maintain a positive liquidity ratio. Improved measures to collect debt were explored during the 2021/22 financial year.

1. **The liquidity ratio** is slightly higher than the norm of 2, and indicates that the municipality has sufficient current assets to cover its current liabilities, i.e. that it is factually solvent. It is noted that a significant value of current assets relates to receivables from exchange and inventory (being properties held for disposal with no proceeds).
2. **Cost Coverage ratio** - It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants
3. **Creditor System Efficiency ratio** - Creditor payments were monitored during the year so as to minimize instances of non-compliance. The municipality has

improved in this area. The ratio has improved in comparison to the preceding three years. This is an area in which the municipality still aims to improve its efficiency, and the handling of supplier documentation.

4. **Capital Charges to Operations ratio** - The municipality currently has one source of debt which is serviced monthly
 - a. Finance leases for office equipment.

These debts are relatively small based on the scale of the municipalities' operations and, therefore, this ratio indicates that the municipality is able to service these debts comfortably.

5. **Debt Coverage ratio** - The debt of the municipality is relatively low in relation to the scale of its operations. The debt relates to finance leases on office equipment.
6. **Employee Costs ratio** - The employee costs relative to operating revenue has decreased as compared to the prior years. The decrease is largely attributable to
 - a. the review and change in approach on management of the organizational structure.
 - b. the economic changes and decrease in the post-retirement medical aid benefit obligation (based on the valuation by an independent actuary).

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure was not related to major infrastructure projects, as very limited allocation was made for capital projects on the budget. Capital expenditure was mostly related to the acquisition of new core financial management system, office equipment, computer hard- and software.

5.5 Capital Expenditure

John Taolo Gaetsewe District Municipality's assigned functions are mainly service-oriented e.g. Disaster Management, Environmental Health, Planning etc. therefore the most portion of the budgeted expenses are operational.

5.6 Sources of finance

Capital Expenditure - Funding Sources: Year - 2020/21 to Year 2021/22							R' 000
Details	Year 2020/21	Year 2021/22					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans							
Public contributions and donations							
Grants and subsidies							
Other	1 405 033.00	696 464.00	3 000 611.00	1 538 216.00	430.8%	220.9%	
Total	1 405 033.00	696 464.00	3 000 611.00	1 538 216.00	430.84%	220.86%	
<i>Percentage of finance</i>							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital expenditure							
Water and sanitation							
Electricity							
Housing							
Roads and storm water							
Other	1 405 033.00	696 464.00	3 000 611.00	1 538 216.00	430.8%	220.9%	
Total	1 405 033.00	696 464.00	3 000 611.00	1 538 216.00	430.84%	220.86%	
<i>Percentage of expenditure</i>							
Water and sanitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Electricity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

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Comment on sources of funding

JTGDM is essentially dependent on grants and is not able to generate revenue as a District Municipality. Funds utilized for capital expenditure were sourced from internal revenue.

5.7 Capital spending on 5 largest projects

Comment on capital projects

The Municipality did not have any large capital infrastructure projects. Only computer equipment, as indicated under 5.3 Assets Management.

5.8 Basic Services and Infrastructure backlog - overview

This function is provided by the Local Municipalities and is not reported on.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow and investments is regarded as extremely important, because it affects the operations and service delivery of the Municipality. This is managed in terms of the policies of Council in this regard, as well as the Cash and Investment Regulations of the MFMA.

5.9 Cashflow

Statement of Cash Flow

	Note(s)	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		190 975	2 270 889
Grants		106 925 744	106 601 380
Interest income		2 311 608	1 846 389
Construction Contracts		50 973 000	-
		<u>160 401 327</u>	<u>110 718 618</u>
Payments			
Employee costs		(76 226 095)	(75 966 062)
Suppliers		(48 675 959)	(28 845 297)
Finance costs		(730 545)	(207 353)
		<u>(125 632 599)</u>	<u>(105 018 712)</u>
Net cash flows from operating activities	35	<u>34 768 728</u>	<u>5 699 906</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(1 137 382)	(1 337 021)
Proceeds from sale of property, plant and equipment	10	-	23 374
Purchase of other intangible assets	11	(400 834)	(68 012)
Proceeds from sale of biological assets	8	667 745	-
Net cash flows from investing activities		<u>(870 471)</u>	<u>(1 381 659)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of other financial liabilities		-	(703 344)
Finance lease payments		(203 763)	(268 012)
Net cash flows from financing activities		<u>(203 763)</u>	<u>(971 356)</u>
Net increase in cash and cash equivalents		33 694 494	3 346 891
Cash and cash equivalents at the beginning of the year		12 091 027	8 744 136
Cash and cash equivalents at the end of the year	3	<u>45 785 521</u>	<u>12 091 027</u>

As indicated above, on an extract of the audited 2021/22 Annual Financial Statements i.e. the Cash Flow Statement, the municipality recorded a 73.59% increase in terms of the cash and cash equivalents for the 2021/22 financial year.

Further to note are the following:

- a. there is an overall 30.97% increase recorded for the cash receipted during the year under review
- b. of the receipted cash:
 - i. cash outflows from operating activities constituted 83.61%(2021: -41.67%)
 - ii. net cash flows from Investing activities constituted -58.73% (2021: 30.51%)
 - iii. net cash flows from financing activities constituted -376.71% (2021: 24.74%)

Cash Flow Outcomes				
R'000				
Description	Year - 2020/21	Current: Year 2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	2 271	2 937	3 672	1 380
Government - operating	106 601	105 578	157 451	157 899
Government - capital	-	-	-	-
Interest	1 846	-	-	1 975
Dividends				
Payments				
Suppliers and employees	(104 811)	(105 588)	(110 100)	(128 484)
Finance charges	(207)	(19)	(331)	(731)
Transfers and Grants		(200)	(96)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 700	2 708	50 597	32 039
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	23	-	-	-
Proceeds on sale of biological assets	-			668
Purchase of property, plant and equipment	(1 337)	-	-	(1 111)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables		-		
Decrease (increase) in non-current investments		-	-	
purchase of other intangible assets	(68)	-	-	(178)
Payments				
Capital assets		(696)	(3 001)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1 382)	(696)	(3 001)	(621)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-			
Borrowing long term/refinancing	-	-		
Increase (decrease) in consumer deposits	-			
Payments				
Repayment of borrowing	(703)	(407)	-	-
Finance lease payments	(268)	-	-	(560)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(971)	(407)	-	(560)
NET INCREASE/ (DECREASE) IN CASH HELD	3 347	1 604	47 596	30 858
Cash/cash equivalents at the year begin:	8 744	8 744	12 091	12 091
Cash/cash equivalents at the year end:	12 091	10 348	59 687	42 949
Source: MBRR A7				T 5.9.1

Comment on cash flow outcomes

There is a significant improvement on cash and cash equivalents balance at year end. The municipality's cash is tied up in the receivables by organs of state, namely local municipalities within the District. Improved cash flow management principles and practices were employed during the year under review, which led to the municipality recording an improved cash flow position.

5.10 Borrowing and Investments

No new loans were made and reserves were invested in terms of the appropriate policy of Council and the MFMA Regulations in this regard.

Actual Borrowings: Year -2019/20to Year 2021/22			
R' 000			
Instrument	Year -2019/20	Year 2020/21	Year 2021/22
Municipality			
Long-Term Loans (annuity/reducing balance)	811		
Financial Leases	268		
Municipality Total	1 078 557	0	0
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0
			T 5.10.2

Investments were only made in line with the Municipal Cash and Investment Management Policy i.e. at registered banks in terms of the Banks Act, with balances on the accounts as indicated on the table below:

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	8	969
Bank balance	3 139 802	9 681 231
Short-term deposits	42 645 711	2 408 827
	45 785 521	12 091 027

The municipality had the following bank accounts and cash on hand:

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
STD BANK - Call Account 508871603-020	-	17 821	17 207	-	17 821	17 207
STD BANK - Call Account - 048463353-007	-	-	86 421	-	-	-
STD BANK - Main Account - 240923804	3 139 802	9 681 231	8 728 886	3 139 802	9 681 231	8 728 886
STD BANK - Call Account - 048463353-025	-	435 414	-	-	435 414	-
STD BANK - Call Account - 048463353-027	-	1 955 592	-	-	1 955 592	-
Cash on Hand	8	969	43	8	969	43
ABSA - Fixed Deposit- 9370995821	2 798 359	-	-	2 798 359	-	-
ABSA Bank -Fixed Deposit 9370194405	39 847 353	-	-	39 847 353	-	-
Total	45 785 522	12 091 027	8 832 557	45 785 522	12 091 027	8 744 136

Comment on investments

From the table above it is evident that the municipality ensured that it maintains a separate investment account for each grant received. This was to ensure that any unspent portion of grants will be fully cash backed.

5.11 Public Private Partnerships

The Municipality does not have any public private partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 Supply Chain Management

Officials in the Supply Chain Unit comply with the minimum competency requirements.

All issues of non-compliance of policies and regulations raised in prior periods were addressed in the audit action plan in response to the Auditor General's Report. Further details are provided as per section 2.8 of this report.

5.13 GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP

compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The Municipality is GRAP compliant. As part of addressing capacity challenges experienced in Budget and Treasury Office, for the year under review, officials in the Budget and Treasury Office were assigned to work with the team appointed to assist in compiling the Annual Financial Statements. This was done as part of the Consultants Reduction Plan and is to continue in the foreseeable future.

5.14 Municipal Budget and Reporting Regulations (MBRR) Compliance

The municipality is to strengthen further MBRR compliance and continued to implement the updates and notices communicated from time to time by National Treasury.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Upon conclusion of auditing the Auditor General audited the financial and performance information for the 2021/22 Financial Year and the Auditor General's opinion is enclosed in Volume IV.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2020/21

6.1 AUDITOR GENERAL REPORTS YEAR – 2020/21 (PREVIOUS YEAR)

The Municipality received an unqualified without findings audit opinion for the 2020/21 Financial Year. Management compiled and implemented the Audit Action Plan as adopted. The Plan was implemented during the year with confirmed success.

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2021/22 CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 2021/22

The Municipality received an unqualified with findings audit opinion for the 2021/22 Financial Year. The report of the Auditor General is attached hereto as Volume IV. Management compiled an Audit Action Plan to implement remedial actions, and ensure its success.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” 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 “ <i>what we do</i> ”.
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 performance indicators	Key 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 performance areas	Key <ul style="list-style-type: none"> • 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:	<p>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.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> 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

This is discussed in Chapter 2 under Governance and no additional information is provided here.

APPENDIX B - COMMITTEES AND COMMITTEE PURPOSES

This is discussed in Chapter 2 under Governance and no additional information is provided here.

APPENDIX C -THIRD TIER ADMINISTRATIVE STRUCTURE

This is discussed in Chapter 2 under Governance and no additional information is provided here.

APPENDIX D - FUNCTIONS OF MUNICIPALITY / ENTITY

Positioning of the functions and responsibilities of district municipalities in relation to the integrated municipal governance framework

Function in schedules 4 and 5 of the Constitution	Integrated Planning and Development Facilitation	Promoting bulk infrastructural development and services for the district as a whole	Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking	Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area
Air pollution			✓	
Building regulations			✓	
Electricity and gas reticulation		✓		
Firefighting services		✓		
Local tourism	✓			✓
Municipal airports		✓		
Municipal health services		✓		✓
Municipal public transport		✓		✓
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		✓		✓
Storm water management systems in built-up areas		✓		✓
Trading regulations			✓	

Function in schedules 4 and 5 of the Constitution	Integrated Planning and Development Facilitation	Promoting bulk infrastructural development and services for the district as a whole	Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking	Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems		✓		✓
Billboards and the display of advertisements in public places				
Municipal planning	✓			
Cemeteries, funeral parlours and crematoria		✓		
Cleansing				
Control of public nuisances				
Control of undertakings that sell liquor to the public				
Facilities for the accommodation, care and burial of animals				
Fencing and fences				
Licensing of dogs				
Licensing and control of undertakings that sell food to the public				
Local amenities		✓		✓
Local sport facilities		✓		✓
Markets	✓		✓	✓
Municipal abattoirs		✓		✓
Municipal parks and recreation		✓		✓
Municipal roads		✓		✓
Noise pollution				
Pounds				
Public places				
Refuse removal, refuse dumps and solid waste disposal		✓		✓
Street trading			✓	
Street lighting		✓		✓
Traffic and parking		✓		✓

APPENDIX E - WARD REPORTING

The District Municipality does have ward committees, as this is a function performed by the local municipalities.

APPENDIX F - WARD INFORMATION

The District Municipality does have ward committees, as this is a function performed by the local municipalities. Capital projects is discussed in Chapter 5 of the report.

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendation during the Year 0	Recommendation adopted (enter Yes) If not adopted (provide explanation)
Quarter 2, 3 and 4.	Matter to be referred to the Mayoral Committee for review of:	Yes
	Creditors and debtors analysis.	Yes
	Payments made after 30 June (testing cut off).	Yes
	Review aged items for creditors and debtors and recommend an implementation plan.	Yes
	Internal audit to perform a follow up audit by the 15th of August and report to the next Audit Committee meeting.	Yes
	Report referred to MM to follow up with Corporate Services Manager for his urgent attention (DD 7 August 2015 for input, implementation and action).	Yes
	The report should be presented to the NEXT Audit and Performance Committee together with the Accounting Officer's action plan to turn around the plight of Corporate Services.	Yes
	Report referred to Accounting Officer to ensure it's finalised.	Yes
	All internal audit findings per quarter should be summarised in one document and be monitored for implementation by the Chief Risk Officer for implementation through the office of the MM every fourth night.	Yes
	The Compliance Officer needs to monitor all compliance issues and update the Municipal Manager who will in turn advice the office of the Mayor on all compliance issues.	Yes
	The Compliance Officer and the Accounting Officer must review all the Audit Reports Q1,2,3 and 4 Issued by Internal Audit, and come up with a way forward to manage compliance (Director Internal Audit to facilitate this process).	Yes
	Communications portfolio to be part of this meeting.	Yes
	Management must ensure that Financials are reviewed and presented to Council by the Audit and Performance Committee prior to them being submitted to Auditor General.	Yes

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendation during the Year 0	Recommendation adopted (enter Yes) If not adopted (provide explanation)
	Performance information is also part of the AFS, so the above is also applicable.	Yes

Refer to Volume IV for the Audit and Performance Committee report upon adoption by Council for the year ended 30 June 2021.

APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

No long-term contracts were entered into during 2021/22. There are no public private partnerships.

APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The Municipality has no municipal entities.

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or Unsatisfactory)	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS
BASIC SERVICES DEPARTMENT								
1	Reneilwe Consulting & Planners	Professional Services for RRAMS & ISDG	2020/12/01	2023/11/30	Acceptable	Satisfactory	Satisfactory	
2	Tylee Aria Construction (Pty) Ltd	Provision of 791 Temporary Housing Units (TRU) in JTGDM	2022/03/08	2022/10/31				Works in progress
COMMUNITY DEVELOPMENT SERVICES: CONTRACTS								
3	Multichoic e	DSTV	2014/03/14	Can be terminated any time if not needed	Acceptable	Satisfactory	Satisfactory	

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or Unsatisfactory)	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS
4	ABC Laboratories	Laboratories Analysis	2021/07/01	2023/06/30	Acceptable	Satisfactory	Satisfactory	
BUDGET & TREASURY: CONTRACTS								
5	DDP (Pty) Ltd	Valuation of municipal properties for the period of 24 months – DDP Ltd	2017/08/08	2019/08/07	Acceptable	Satisfactory	Satisfactory	
6	DDP (Pty) Ltd	Valuation of municipal properties for the period of 24 months - DDP Ltd	2020/07/21	2023/07/23	Acceptable	Satisfactory	Satisfactory	
5	Arch Actuaries Consulting	Actuaries for a period of 24 months	2020/07/21	2023/07/23	Acceptable	Satisfactory	Satisfactory	
6	Standard Bank	Provision of Banking	2012/08/01	2017/07/31	Acceptable	Satisfactory	Satisfactory	
7	Maxprof (Pty) Ltd	Professional Services for VAT recovery	2021/06/30	2023/05/31	Acceptable	Satisfactory	Satisfactory	
8	CCG Systems (Pty) Ltd	Provision of ERP Financial Systems that is mSCOA Compliant	2022/05/31	2025/05/30	Acceptable	Satisfactory	Satisfactory	
9	CCG Systems (Pty) Ltd	The appointment of consultants for assistance with the preparation of annual financial statement, quality and GRAP	2019/07/01	2022/06/30	Acceptable	Satisfactory	Satisfactory	

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or Unsatisfactory)	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS
		compliance review of the annual financial statement and provision of assistance with the clearing of findings raised by the internal and external auditors for a period of 36 months on as and when required rate basis						
10	JBFE Consulting Ltd	Verification and valuation of municipal owned biological assets (game species) at Thwane game farm, Van Zylsrus for a period of 36 months	2019/08/01	2022/07/31	Acceptable	Satisfactory	Satisfactory	
11	Kunene Makopo Risk Solution	Provision of Insurance Services of Properties and Liabilities	2020/03/25	2023/03/24	Acceptable	Satisfactory	Satisfactory	
12	CCG Systems (Pty) Ltd	The database hosting Services	2022/05/31	2025/05/30	Acceptable	Satisfactory	Satisfactory	
OFFICE OF THE MM & CORPORATE SERVICES: CONTRACTS								
13	Koikanyang Incorporated	Attorneys	2020/02/10	2023/02/09	Acceptable	Satisfactory	Satisfactory	
14	Telkom	PBX Rental Term Service Agreement	2018/10/29	2021/11/21	Acceptable	Satisfactory	Satisfactory	

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or Unsatisfactory)	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS
15	Telkom	ISDN PRA Service agreement	2018/10/29	2021/11/21	Acceptable	Satisfactory	Satisfactory	
17	JTG Development Trust	Lease of a building	2011/10/01	Extended on a month to month	Marginal	Satisfactory	Satisfactory	
18	Lefetlho Trading (Pty)Ltd	Provision of Cleaning materials	2020/08/01	2023/07/30	Acceptable	Satisfactory	Satisfactory	
19	PAPKR AST Group	Maintenance of Municipal Websites	2020/07/01	2022/06/30	Acceptable	Satisfactory	Satisfactory	
20	Vysyem Traders C.C	Provision of photocopying machines	2021/05/17	2023/05/16	Acceptable	Satisfactory	Satisfactory	
21	Kathu Technical College	Lease of a building	2021/05/01	2023/04/30	Acceptable	Satisfactory	Satisfactory	
22	Vysyem Traders C.C	Supply & Delivery of Stationery	2021/07/01	2023/06/30	Marginal	Satisfactory	Satisfactory	
23	Tshia Logistics (Pty) Ltd	Disinfection of Municipal Offices	2021/07/01	2022/06/30	Acceptable	Satisfactory	Satisfactory	
24	Prosper Business Enterprise (Pty) Ltd	Servicing and Re-gas of Air conditioners	2021/07/01	2023/06/30	Average	Average	Satisfactory	

APPENDIX J - DISCLOSURES OF FINANCIAL INTERESTS

All councillors and senior managers are required to declare their business interests annually. Such business interests are:

DISCLOSURE OF FINANCIAL INTERESTS FOR COUNCILLORS & SNR OFFICIALS		
Period June 2021 to June 2022		
Position	Name	Description of Financial Interests (Nil / Or Details)
Executive Mayor	PQ Mogatle (from Nov 2021)	Pulane Mogatle Trading Enterprise Bomme-Sejo Services and Supply Co-Operative Limited Queen Felicity Fuel and Truck Inn
Speaker	IE Aiseng (from Nov 2021)	Nil
JTG Councillors	KF Masilabele	Nil
	OH Kgopodithata	Faraway Agricultural Refemele Multi-Purpose Primary Co-operative Limited
	NG Ngesi	Joyful Attempt Construction and Projects 99 Bokone Mining Primary C-Operative Limited Nkavutha Transport Service Mpho ya Basadi Supplier and Projects Bangeko Construction and Projects Gamotinye Investment Holding Ditukus Projects Abotype Tulasign Abotrim Batlharo le Batlhaping Mining solutions NC Women Mining Projects Retsogile Mining Resources
	PM Kgosienewang (from Nov 2021)	Kgosienewang Civil and General Construction
	KR Paul	Koklas Catering and Cleaning Service Dikoke Gambling Enterprise and Manufacturing
	AI Eilerd (from Nov 2021)	Nil
	PJ Ohentswe	PJO Contractor Mothisize S.T.P.J. Construction and Manufacturing Hiddekil Mining and Logistics Ohentswe Construction Supply and Training Perth1 Stop Station and Shop

		Letso Investment JTG Logistics JTG Community Development Association SABA Logistics
	TC Moilwe (from Nov 2021)	Nil
Seconded Councillors (Joe Morolong)	I Matebese	Candle Away General Trading Avera General Trading
	N. Tswere (from Nov 2021)	Batho Phuthanang Sand Mining Tsela Kgopo Primary Co-Operative Limited Gabosegangwe Trading
	M Filipo (from Nov 2021)	Nil
	T Mosegedi (from Nov 2021)	Mosegedi Construction and Supply
	G Kaotsane	Hiddekil Mining and Logistics Sili Ya Mama SABA Logistics
	O Etshetshang (from Nov 2021)	OTT Solution Providers
Seconded Councillors (Ga-Segonyana)	G Chere (from Nov 2021)	Nil
	N Mereotlhe (from Nov 2021)	Poplas Restaurant
	ME Valela (from Nov 2021)	Nil
	O Mathibe	Nomisa Enterprise
	K. Setlhodi	Nil
Seconded Councillors (Gamagara)	B Sebege (from Nov 2021)	Mapoteng Community Forum
	T Motsoare (from Nov 2021)	Pharaphama Multi Business Goodness of Umzansi Trading and Projects Gamagara Business Forum Tsantsabane Social and Labour Development Forum

Municipal Manager	D. Molaole	Ga-Ga-Matswiri Mining-Resource Moshu 1640 Mining Company Phimola Keledi Burial Scheme
Chief Financial Officer	GP Moroane	Envision Forthtoo
Director Corporate Services	E. Tshabaemang	JC Chabi Trade and Construction services Kuruman Voice of Hope
Director: Community Development Services	TH Matlhare	Maremane Mining and Projects
Director: Local Economic Development	K Teise	Kuruman Development Corporation Kurara Clap Your Hands01 Kagisano Motlhaping Manganese Mine Kagiso Manganese and Iron Ore Mine KM Manganese and Iron Ore Mine
Director: Basic Services & Infrastructure	M Molusi	BOM Transportation Services

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Revenue collection details are disclosed in the Unaudited Annual Financial Statements and no further information is provided.

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Grant information details are disclosed in the Unaudited Annual Financial Statements and no further information is provided.

APPENDIX M: CAPITAL EXPENDITURE - NEW & UPGRADE/RENEWAL PROGRAMMES

Capital expenditure details are disclosed in the Unaudited Annual Financial Statements and no further information is provided.

APPENDIX N - CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital expenditure details are disclosed in the Unaudited Annual Financial Statements and no further information is provided.

APPENDIX O - CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital expenditure details are disclosed in the Unaudited Annual Financial Statements and no further information is provided. It is however important to note that the District Municipality does not have wards.

APPENDIX P - SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

This function is performed by the local municipalities.

APPENDIX Q - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service backlogs are indicated in the tables below and is based on information from StatsSA Community Survey 2016.

Dwelling type

Housing Types					
Type of main dwelling	Northern Cape	John Taolo Gaetsewe	Joe Morolong	Ga-Segonyana	Gamagara
Formal dwelling/house or brick/concrete block structure on a	920,702	184,071	60940.00	80,831	42,301
Traditional dwelling/hut/structure made of traditional mater	25,457	14,406	10083.00	4,322	-
Flat or apartment in a block of flats	7,754	743	45.00	337	361
Cluster house in complex	1,241	345	0	23	322
Townhouse (semi-detached house in a complex)	3,648	683	27.00	336	320
Semi-detached house	21,423	1,546	129.00	509	908
Formal dwelling/house/flat/room in backyard	58,229	15,567	7608.00	7,069	890
Informal dwelling/shack in backyard	45,013	7,177	2092.00	3,548	1,536
Informal dwelling/shack not in backyard (e.g. in an informal	92,146	11,870	2853.00	3,594	5,423
Room/flatlet on a property or larger dwelling/servants quart	2,875	700	-	655	45
Caravan/tent	862	238	39.00	17	183
Other	14,293	4,917	385.00	3,166	1,366
Unspecified	137	-	-	-	-
Total	1,193,780	242,264	84,201	104,408	53,656

Source: StatsSA 2016

Energy source for cooking

Main Source of Energy for Cooking				
	NC451: Joe Morolong	NC452: Ga-Segonyana	NC453: Gamagara	DC45: John Taolo Gaetsewe
Electricity from mains	49 867	88 951	45 876	184 693
Other source of electricity (e.g. generator; etc.)	54	32	112	197
Gas	2 190	9 310	4 088	15 587
Paraffin	1 038	1 267	1 064	3 370
Wood	30 679	4 594	2 084	37 358
Coal	41	-	-	41
Animal dung	117	4	-	121
Solar	-	-	147	147
Other	61	-	24	84
None	145	114	261	519
Unspecified	9	136	-	145

Access to water sources

Water Sources within JTGDM				
	Joe Morolong	Ga-Segonyana	Gamagara	John Taolo Gaetsewe
Public/communal tap	27 815	28 283	3 006	59 104
Water-carrier/tanker	315	2 364	278	2 956
Borehole outside the yard	1 238	456	185	1 879
Flowing water/stream/river	2 259	-	-	2 259
Well	406	41	-	444
Spring	-	47	-	47
Other	305	937	361	1 602

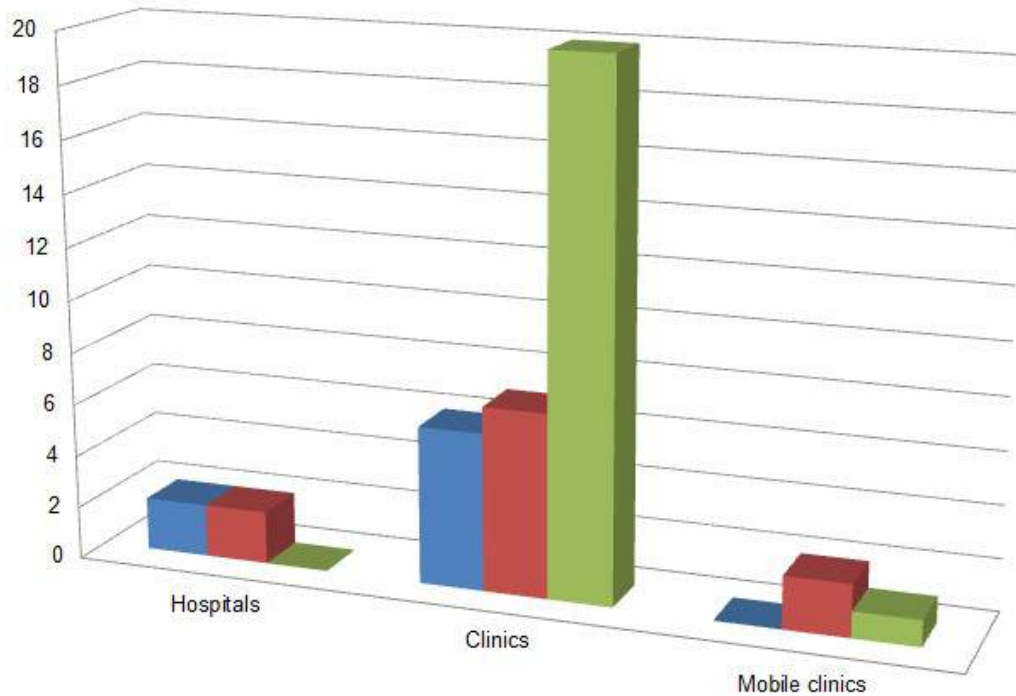
Household access to sanitation (toilet facilities)

Access to sanitation within JTGDM				
	NC451: Joe Morolong	NC452: Ga-Segonyana	NC453: Gamagara	DC45: John Taolo Gaetsewe
Flush toilet connected to a public sewerage system	3 345	18 682	46 505	68 533
Flush toilet connected to a septic tank or conservancy tank	623	4 903	1 766	7 292
Chemical toilet	632	66	27	724

Pit latrine/toilet with ventilation pipe	46 958	22 976	452	70 387
Pit latrine/toilet without ventilation pipe	21 202	48 645	147	69 994
Ecological toilet (e.g. Urine diversion; enviroloo; etc.)	1 880	69	-	1 949
Bucket toilet (collected by municipality)	-	89	-	89
Bucket toilet (emptied by household)	3 311	543	2	3 856
Other	552	1 330	645	2 528
None	5 697	7 104	4 112	16 912

Household level of refuse removal

Refuse removal within JTGDM				
	NC451: Joe Morolong	NC452: Ga-Segonyana	NC453: Gamagara	DC45: John Taolo Gaetsewe
Removed by local authority/private company/community members at least once a week	2 539	12 630	44 489	59 658
Removed by local authority/private company/community members less often than once a week	58	242	1 071	1 372
Communal refuse dump	4 902	4 737	1 125	10 764
Communal container/central collection point	1 320	2 168	409	3 896
Own refuse dump	71 031	77 757	5 402	154 190
Dump or leave rubbish anywhere (no rubbish disposal)	3 002	4 084	567	7 653
Other	1 349	2 790	592	4 731



	Hospitals	Clinics	Mobile clinics
■ Gamagara LM	2	6	0
■ Ga-Segonyana LM	2	7	2
■ Joe Morolong LM	0	20	1

Detail breakdown of educational levels in the District

Figure 20: Highest Level of Education

	Northern Cape	DC45: John Taolo Gaetsewe	NC451: Joe Morolong	NC452: Ga-Segonyana	NC453: Gamagara
No schooling	175 584	42 628	18 569	16 320	7 739
Grade 0	43 087	10 508	4 455	4 758	1 296
Grade 1/Sub A/Class 1	30 584	7 323	3 880	2 576	867
Grade 2/Sub B/Class 2	25 270	6 046	2 769	2 537	740
Grade 3/Standard 1/ABET 1	44 975	11 165	5 057	4 468	1 640
Grade 4/Standard 2	46 382	10 886	4 988	4 214	1 685
Grade 5/Standard 3/ABET 2	47 613	9 996	4 546	3 533	1 917
Grade 6/Standard 4	59 918	11 604	4 571	4 580	2 453
Grade 7/Standard 5/ABET 3	66 386	11 966	4 542	4 917	2 507
Grade 8/Standard 6/Form 1	84 813	13 606	5 055	5 927	2 624
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	84 188	15 446	5 067	6 817	3 562

Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	109 531	19 191	5 501	8 575	5 115
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	83 298	18 533	4 909	9 661	3 964
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	212 153	36 578	6 802	18 144	11 631
NTC I/N1	663	279	12	88	179
NTCII/N2	1 569	576	98	153	325
NTCIII/N3	2 098	695	124	210	360
N4/NTC 4/Occupational certificate NQF Level 5	3 173	1 112	130	444	538
N5/NTC 5/Occupational certificate NQF Level 5	2 244	851	82	285	484
N6/NTC 6/Occupational certificate NQF Level 5	3 707	1 283	263	418	602
Certificate with less than Grade 12/Std 10	499	79	-	36	43
Diploma with less than Grade 12/Std 10	1 301	310	20	132	157
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	5 007	727	207	199	322
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	13 728	1 899	262	1 046	590
Higher Diploma/Occupational certificate NQF Level 7	5 120	979	272	234	474
Post-Higher Diploma (Master's	2 578	439	129	201	109
Bachelor's degree/Occupational certificate NQF Level 7	10 910	1 297	215	789	293
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	5 091	795	96	459	240
Master's/Professional Master's at NQF Level 9 degree	1 318	210	80	63	66
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	505	113	10	29	74
Other	3 988	1 127	147	618	363
Do not know	14 582	3 722	1 149	1 878	696
Unspecified	1 917	296	193	103	-

APPENDIX R - DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY
No additional information is disclosed other than what is contained in the Unaudited Annual Financial Statements.

APPENDIX S - NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT
The Integrated Development Plan of the Municipality is structured to include the National Outcomes and Key Performance Areas for Local Government. The Unaudited Annual Performance Report of the Municipality contains information in this regard. No additional information is disclosed.

VOLUME II: ANNUAL FINANCIAL STATEMENTS

The Audited Annual Financial Statements for the 2021/22 Financial Year is enclosed hereto.

VOLUME III: ANNUAL PERFORMANCE REPORT

The Audited Annual Performance Report for the 2021/22 Financial Year is enclosed hereto.

VOLUME IV: AUDIT AND PERFORMANCE COMMITTEE REPORT

The Audit and Performance Committee Report for the 2021/22 Financial Year is enclosed hereto.

VOLUME V: AUDITOR-GENERAL'S REPORT

The Auditor-General's report for the 2021/22 Financial Year is enclosed hereto.

VOLUME VI: SPECIAL ADJUSTMENT BUDGET

The Special Adjustment Budget for the 2021/22 Financial Year is enclosed hereto.



John Taolo Gaetsewe

DISTRICT MUNICIPALITY

SPECIAL ADJUSTMENT BUDGET 2021/22

PURPOSE

To submit the special adjustment budget 2021/22 to Council for approval.

BACKGROUND INFORMATION

The Auditor-General has highlighted an escalating trend in unauthorised, irregular, fruitless and wasteful expenditure in municipalities over recent years, evident in audit opinions and summarised in the annual reports on local government. Circular 68 aims to provide clarity in this regard so that there is a common understanding on the process to be followed in dealing with these categories of expenditure.

Section 15 of the MFMA deals with appropriation of funds for expenditure and provides that a municipality may, except where otherwise provided in the MFMA, incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget. During the 2021/22 audit, the Auditor-General audited the municipality's disclosure and further added unauthorised expenditure identified in the audit process.

STRATEGIC INTENT

Good governance and compliance with applicable legislation.



John Taolo Gaetsewe

DISTRICT MUNICIPALITY

IMPLICATIONS

Legal

Section 28 of Municipal Finance Management Act requires that a municipality may revise an approved annual budget through an adjustments budget:

In terms of regulation 23(6)(b) of the MBRR, council may authorise unauthorised expenditure in a special adjustments budget tabled in council when the mayor tables the annual report in terms of section 127(2) of the MFMA. These special adjustments budget “may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.” These special adjustments budget therefore deals with:

- ***unauthorised expenditure that occurred in the second half of the previous financial year, and***
- ***any unauthorised expenditure identified by the Auditor-General during the annual audit process***

ANNEXURE: SPECIAL ADJUSTMENT BUDGET 2021/22



DC45 B Schedule
2021-22.xlsm



John Taolo Gaetsewe

DISTRICT MUNICIPALITY

RECOMMENDED BY BTO TO FINANCE & CORPORATE COMMITTEE TO THE MAYORAL

1. That Council approves the Special Adjustment Budget 2021/22.
2. That it be noted that there are no changes effected on municipal taxes and tariffs.
3. That the approved Special Adjustment Budget be send to both National and Provincial Treasuries.



AUDITED ANNUAL FINANCIAL STATEMENTS 2021/2022 VOL.2

John Taolo Gaetsewe District Municipality

Email: mmsec@taologaetsewe.gov.za

Website: www.taologaetsewe.gov.za

Tel: 053-712-8700

4 Federale Mynbou, Kuruman, NC, 8460



JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

General Information

Legal form of entity	The entity is a category C Municipality (District Municipality) as defined by the Municipal Structures Act (Act 117 of 1998).
Nature of business and principal activities	John Taolo Gaetsewe Municipality is a district municipality performing the functions as set out in the Constitution (Act no 108 of 1996).
Jurisdiction	The John Taolo Gaetsewe Municipality includes the municipality areas of Gamagara Municipality, Ga-Segonyana Municipality and Joe Morolong Municipality. Demarcation Code - D45 John Gaetsewe
Mayoral committee	
Executive Mayor	Mogatle P.Q. (from 9 November 2021) Mosikatsi S. (up to 8 November 2021)
Executive Councillors	Aiseng I. Matebese I. Masilabele K.F. Kgopodithata O.H. Kgosienewang P.M. Monaki O.G. (up to 8 November 2021) Assegaai G.C. (up to 8 November 2021) Anthony T.G (up to 8 November 2021)
Councillors	Ngesi N. Moiwe T.C. Tswere K.N. Etshetsang O.A Sebego B.I. Motsoare T.M. Kaotsane G.G. Chere G.M. Mereotlhe N. Valela M.E. Setlhodi K.S. Mathibe O.D. Mosegedi T.G. Filipo M.P. Ohentswe P.J. Paul K.R. Abraham I.E. Eilerd A.I.
Grading of local authority	3
Speaker	Aiseng I. (from 9 November 2021) Mogatle P.Q (up to 8 November 2021)
Accounting Officer	Molaole D.H. (up to 31 July 2022) KK Teise (Acting from 1 August 2022)
Chief Financial Officer	Moroane G.P. Acting from 1 July 2022
Registered office	P.O. Box 1480 Kuruman

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

General Information

	8460
Business address	4 Federale Mynbou Street Kuruman 8460
Primary bankers	The Standard Bank of South Africa Limited
Auditors	Auditor-General of South Africa
Attorneys	Koikanyang Incorporated

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Index

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

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DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 period and the results of its operations and cash flows for the period then ended.

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

The Accounting Officer has reviewed the municipality's cash flow forecast for the year to 30 June 2023 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 largely dependent on the Government for continued funding of operations. The Annual 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 the Municipality.

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements.

The annual financial statements have been prepared on the going concern basis, were approved by the Accounting Officer on August 31, 2022 and were signed on its behalf by:

K.K Teise
Acting Municipal Manager

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2022.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year, 6 meetings were held.

Name of member	Number of meetings attended
Tshimomola R. (Chairperson)	6
Buys F.	5
Mashati M.	1

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

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

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed the entities compliance with legal and regulatory provisions;

The audit committee concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson of the Audit Committee

Date: _____

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Accounting Officer's Report

The Accounting Officer submits his report for the year ended 30 June 2022.

1. Review of activities

Main business and operations

John Taolo Gaetsewe District Municipality is a district municipality performing the functions as set out in the constitution (act no 108 of 1996) and operates principally in South Africa.

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.

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.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is the ability of the Accounting Officer to continue procuring funding for the ongoing operations of the municipality.

3. Subsequent events

The Municipality is currently undergoing some investigations at the time of the signing of the financial statements due to allegations levelled against the Municipality.

4. Municipal Manager's interest in contracts

The Municipal Manager did not have an interest in any of the contracts entered into during the current financial year.

5. Accounting policies

The annual financial statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board and as per the prescribed framework by National Treasury.

6. Non-current assets

No major changes in the nature or the policy relating to the use of the non-current assets of the Municipality occurred during the year.

7. Accounting Officer

The Accounting Officer of the municipality during the year and to the date of this report is as follows:

D.H. Molaole	South Africa	Presiding MM up to 31 July 2022
K.K Teise	South Africa	Acting MM from 1 August 2022

8. Bankers

Accounts were held with The Standard Bank of South Africa Limited (being the primary bankers), as well as investment accounts with Standard Bank of South Africa and ABSA during the year.

9. Auditors

Auditor-General of South Africa will continue in office for the next financial period.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Statement of Financial Position as at 30 June 2022

	Note(s)	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents	3	45 785 521	12 091 027
Receivables from exchange transactions	4	8 203 723	7 958 297
Receivables from non-exchange transactions	5	-	94 055
Inventories	6	7 101 793	9 314 911
Statutory receivables	7	2 537 650	1 116 191
		63 628 687	30 574 481
Non-Current Assets			
Biological assets	8	4 185 653	5 264 916
Investment property	9	7 110 000	6 580 000
Property, plant and equipment	10	80 503 825	78 637 237
Intangible assets	11	1 423 216	1 595 399
Heritage assets	12	19 750	19 750
		93 242 444	92 097 302
Total Assets		156 871 131	122 671 783
LIABILITIES			
Current Liabilities			
Finance lease obligation	13	560 063	-
Payables from exchange transactions	14	9 166 672	12 695 900
Employee benefit obligation	15	1 045 000	607 000
Unspent conditional grants and receipts	16	1 096 941	1 876 499
Contract advances	50	39 383 285	-
		51 251 961	15 179 399
Non-Current Liabilities			
Employee benefit obligation	15	6 069 000	6 018 000
Total Liabilities		57 320 961	21 197 399
Net Assets		99 550 170	101 474 384
Revaluation reserve	17	62 024 719	62 024 719
Accumulated Surplus		37 525 451	39 449 665
TOTAL NET ASSETS		99 550 170	101 474 384

* See Note 49

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Statement of Financial Performance

	Note(s)	2022	2021
REVENUE			
Revenue from exchange transactions			
Rental of facilities	18	191 239	139 924
Other income	19	-	314 743
Administration and management fees	20	1 749 426	1 869 911
Interest received	21	2 311 608	1 846 389
Total revenue from exchange transactions		4 252 273	4 170 967
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	22	107 705 302	105 071 264
Contract revenue	50	11 589 715	-
Donations received	23	4 287 751	4 395 670
Total revenue from non-exchange transactions		123 582 768	109 466 934
Total revenue		127 835 041	113 637 901
EXPENDITURE			
Employee related costs	24	(71 456 263)	(69 555 051)
Remuneration of councillors	25	(5 447 245)	(5 179 268)
Depreciation and amortisation	26	(4 895 388)	(3 849 153)
Finance costs	27	(1 295 545)	(581 353)
Debt Impairment	28	(1 486 177)	(113 755)
Contract costs	50	(10 078 013)	-
Transfers and subsidies	30	(18 000)	(78 115)
Operational costs	31	(34 883 051)	(30 987 914)
Total expenditure		(129 559 682)	(110 344 609)
Operating Surplus/(Deficit)		(1 724 641)	3 293 292
Gain/(Loss) on disposal of assets	32	(1 370 480)	(197 974)
Fair value adjustments	33	1 391 921	1 100 725
Actuarial (losses)/gains	15	(93 000)	(1 214 000)
Gains/(Loss) on biological assets	34	97 041	1 393 201
Loss on non-current assets held for transfer	6	(2 302 904)	-
Gain from reversal of impairment	28	1 309 317	-
		(968 105)	1 081 952
Operating Surplus for the period		(2 692 746)	4 375 244

* See Note 49

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Statement of Changes in Net Assets

	Revaluation reserve	Accumulated Surplus	Total net assets
Balance at 01 July 2020	63 703 719	35 074 421	98 778 140
Revaluation of land and buildings	(1 679 000)	-	(1 679 000)
Net income recognised directly in net assets	(1 679 000)	-	(1 679 000)
Surplus for the year	-	4 375 244	4 375 244
Total recognised income and expenses for the year	(1 679 000)	4 375 244	2 696 244
Total changes	(1 679 000)	4 375 244	2 696 244
Opening balance as previously reported	62 024 719	39 449 666	101 474 385
Adjustments			
Prior year adjustments	-	768 531	768 531
Restated* Balance at 01 July 2021 as restated*	62 024 719	40 218 197	102 242 916
Changes in net assets			
Surplus/(Deficit) for the year	-	(2 692 746)	(2 692 746)
Total changes	-	(2 692 746)	(2 692 746)
Balance at 30 June 2022	62 024 719	37 525 451	99 550 170
Note(s)	17		

* See Note 49

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Statement of Cash Flow

	Note(s)	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		190 975	2 270 869
Grants		106 925 744	106 601 360
Interest income		2 311 608	1 846 389
Construction Contracts		50 973 000	-
		<u>160 401 327</u>	<u>110 718 618</u>
Payments			
Employee costs		(76 226 095)	(75 966 062)
Suppliers		(48 675 959)	(28 845 297)
Finance costs		(730 545)	(207 353)
		<u>(125 632 599)</u>	<u>(105 018 712)</u>
Net cash flows from operating activities	35	<u>34 768 728</u>	<u>5 699 906</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(1 137 382)	(1 337 021)
Proceeds from sale of property, plant and equipment	10	-	23 374
Purchase of other intangible assets	11	(400 834)	(68 012)
Proceeds from sale of biological assets	8	667 745	-
		<u>(870 471)</u>	<u>(1 381 659)</u>
Net cash flows from investing activities		<u>(870 471)</u>	<u>(1 381 659)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of other financial liabilities		-	(703 344)
Finance lease payments		(203 763)	(268 012)
		<u>(203 763)</u>	<u>(971 356)</u>
Net cash flows from financing activities		<u>(203 763)</u>	<u>(971 356)</u>
Net increase in cash and cash equivalents		33 694 494	3 346 891
Cash and cash equivalents at the beginning of the year		12 091 027	8 744 136
Cash and cash equivalents at the end of the year	3	<u>45 785 521</u>	<u>12 091 027</u>

* See Note 49

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
Revenue from exchange transactions						
Rental of facilities	152 278	62 152	214 430	191 239	(23 191)	1
Administration and management fees	2 340 150	(642 717)	1 697 433	1 749 426	51 993	2
Other income	309 254	-	309 254	-	(309 254)	3
Interest received	2 472 100	(679 121)	1 792 979	2 311 608	518 629	4
Total revenue from exchange transactions	5 273 782	(1 259 686)	4 014 096	4 252 273	238 177	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	105 578 000	2 262 297	107 840 297	107 705 302	(134 995)	5
Donations received	-	3 888 750	3 888 750	4 287 751	399 001	6
Contract revenue	-	50 973 000	50 973 000	11 589 715	(39 383 285)	
Total revenue from non-exchange transactions	105 578 000	57 124 047	162 702 047	123 582 768	(39 119 279)	
Total revenue	110 851 782	55 864 361	166 716 143	127 835 041	(38 881 102)	
EXPENDITURE						
Employee related costs	(73 255 546)	2 120 998	(71 134 548)	(71 456 263)	(321 715)	7
Remuneration of councillors	(5 350 209)	(77 711)	(5 427 920)	(5 447 245)	(19 325)	8
Depreciation and amortisation	(3 325 027)	-	(3 325 027)	(4 895 388)	(1 570 361)	9
Finance costs	(19 296)	(311 680)	(330 976)	(1 295 545)	(964 569)	10
Debt Impairment	(103 900)	-	(103 900)	(1 486 177)	(1 382 277)	11
Contract costs	-	(50 973 000)	(50 973 000)	(10 078 013)	40 894 987	
Transfers and Subsidies	(200 000)	104 497	(95 503)	(18 000)	77 503	13
Operational costs	(27 901 340)	(4 722 393)	(32 623 733)	(34 883 051)	(2 259 318)	14
Total expenditure	(110 155 318)	(53 859 289)	(164 014 607)	(129 559 682)	34 454 925	
Operating deficit	696 464	2 005 072	2 701 536	(1 724 641)	(4 426 177)	
Gain/(Loss) on disposal of assets	-	2 400 000	2 400 000	(1 370 480)	(3 770 480)	15
Fair value adjustment	-	-	-	1 391 921	1 391 921	16
Actuarial gains/(losses)	-	-	-	(93 000)	(93 000)	17
Loss on biological assets	-	-	-	97 041	97 041	18
Loss on non-current assets held for sale or disposal groups	-	(2 302 904)	(2 302 904)	(2 302 904)	-	
	-	97 096	97 096	(2 277 422)	(2 374 518)	
Surplus/(deficit) for the year	696 464	2 102 168	2 798 632	(4 002 063)	(6 800 695)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	696 464	2 102 168	2 798 632	(4 002 063)	(6 800 695)	

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
STATEMENT OF FINANCIAL POSITION						
Assets						
Current Assets						
Inventories	8 784 360	(281 579)	8 502 781	7 101 793	(1 400 988)	1
Receivables from exchange transactions	8 840 659	(794 142)	8 046 517	8 203 723	157 206	2
Receivables from non-exchange transactions	100 135	-	100 135	-	(100 135)	
Statutory receivables	-	-	-	2 537 650	2 537 650	3
Cash and cash equivalents	9 231 636	15 813 879	25 045 515	45 785 521	20 740 006	4
	26 956 790	14 738 158	41 694 948	63 628 687	21 933 739	
Non-Current Assets						
Biological assets	2 780 990	2 483 926	5 264 916	4 185 653	(1 079 263)	5
Investment property	6 570 000	-	6 570 000	7 110 000	540 000	6
Property, plant and equipment	78 760 173	4 939 667	83 699 840	80 503 825	(3 196 015)	7
Intangible assets	2 234 670	2 673 878	4 908 548	1 423 216	(3 485 332)	8
Heritage assets	19 750	-	19 750	19 750	-	
	90 365 583	10 097 471	100 463 054	93 242 444	(7 220 610)	
Total Assets	117 322 373	24 835 629	142 158 002	156 871 131	14 713 129	
Liabilities						
Current Liabilities						
Finance lease obligation	-	570 000	570 000	560 063	(9 937)	
Payables from exchange transactions	6 553 514	1 258 944	7 812 458	9 166 668	1 354 210	
Employee benefit obligation	-	-	-	1 045 000	1 045 000	
Unspent conditional grants and receipts	-	-	-	1 096 941	1 096 941	
Contract advances	-	-	-	39 383 285	39 383 285	
	6 553 514	1 828 944	8 382 458	51 251 957	42 869 499	
Non-Current Liabilities						
Other financial liabilities	367 938	(367 938)	-	-	-	
Employee benefit obligation	9 148 134	51 000	9 199 134	6 069 000	(3 130 134)	6
	9 516 072	(316 938)	9 199 134	6 069 000	(3 130 134)	
Total Liabilities	16 069 586	1 512 006	17 581 592	57 320 957	39 739 365	
Net Assets	101 252 787	23 323 623	124 576 410	99 550 174	(25 026 236)	
Reserves						
Revaluation reserve	63 703 719	-	63 703 719	62 024 719	(1 679 000)	
Accumulated Surplus	37 549 068	23 323 623	60 872 691	37 525 454	(23 347 237)	
Total Net Assets	101 252 787	23 323 623	124 576 410	99 550 173	(25 026 237)	

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Accounting Policies

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.

1.1 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.

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

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.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

An independent, qualified valuer will be appointed where necessary, for example in estimating the fair value of investment property or biological assets.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Accounting Policies

1.2 Significant judgements 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.

Value in use of cash generating 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. In addition, goodwill is tested on an annual basis for impairment. 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. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest rates.

Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

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 1.14 - Provisions.

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimate is based on industry norms and on the pattern in which an asset's future economic benefit or service potential is expected to be consumed by the municipality. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease depreciation charge where useful lives are more than previously estimated useful lives.

Post retirement benefits and other long-term 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 post retirement and long-term benefit obligations. In determining the appropriate discount rate, the municipality considers the market yields at the reporting date on government 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 or other long-term liability. Where there is no market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

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 except for long term borrowings or finance leases, where the contractually agreed or implied interest rate is used.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Allowance for impairment of financial assets

On receivables 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.

1.3 Biological assets

The Municipality recognises biological assets or agricultural produce when, and only when:

- the Municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Accounting Policies

1.4 Investment property (continued)

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

managements' intended usage of the property; and
the extent to which it is owner occupied.

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.

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.

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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, buildings and community assets which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Accounting Policies

1.5 Property, plant and equipment (continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

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

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

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

Item	Depreciation method	Average useful life
Buildings	Straight line	20 - 30 years
Community assets - buildings	Straight line	20 - 30 years
Community assets - land	Straight line	Indefinite
Disaster unit - buildings	Straight line	5 - 30 years
Furniture and fittings	Straight line	5 - 30 years
IT equipment	Straight line	5 - 30 years
Land	Straight line	Indefinite
Leased assets	Straight line	3 - 8 years
Motor vehicles	Straight line	5 - 15 years
Office equipment	Straight line	5 - 30 years
Other property, plant and equipment	Straight line	2 - 25 years

The municipality assesses at each reporting date whether there is any indication that the municipality's 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 in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors. The municipality has re-assessed the useful lives of property, plant and equipment.

Assets of the municipality 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.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Accounting Policies

1.6 Intangible assets

An asset is identifiable if it either:

is separable, i.e. is capable of being separated or divided from an Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality 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.

Intangible assets are initially measured at cost

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

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets to their residual values. The amortisation charge for each period is recognised in surplus or deficit.

The useful lives of items of intangible assets have been assessed as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	5 - 10 years

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 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Accounting Policies

1.7 Heritage assets (continued)

The Municipality recognises heritage assets as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value can be measured reliably.

When the Municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information of such heritage asset is disclosed in note 12 - Heritage assets.

Heritage assets are initially measured at cost.

When a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

The Municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

The Municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its used or disposal.

The gain or loss arising from the derecognition of a heritage asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

1.8 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented municipality.

Criteria developed by the Municipality to distinguish cash-generating assets from non-cash-generating assets are as follows: as the Municipality is a district Municipality, it does not hold assets which are specifically used to generate revenue (e.g. infrastructure relating to utilities), other than the farm used to hold biological assets. Other revenue generated by the Municipality is in exchange for services provided, for which the related assets (furniture, office equipment, etc.) are interchangeable with the assets used for non-cash generating activities.

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

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.

Accounting Policies

1.8 Impairment of cash-generating assets (continued)

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.

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.

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.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Accounting Policies

1.8 Impairment of cash-generating assets (continued)

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 municipality 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.

1.9 Impairment of non-cash-generating assets

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

Criteria developed by the Municipality to distinguish non-cash-generating assets from cash-generating assets are as follow: as the municipality is a district Municipality, it does not hold assets which are specifically used to generate revenue (e.g. infrastructure relating to utilities), other than the farm used to hold biological assets. Revenue generated by the Municipality is in exchange for services provided, for which the related assets (furniture, office equipment, etc.) are interchangeable with the assets used for non-cash generating activities; all such interchangeable assets are deemed to be 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.

Accounting Policies

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

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

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.

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.

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.

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Accounting Policies

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

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.

1.10 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.

Classification

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

Class	Category
Cash and Cash equivalents	Financial asset measured at amortised cost
Receivables from Exchange transactions (Trade debtors)	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:

Class	Category
Payables from Exchange transactions (Trade Payables)	Financial liability measured at amortised cost
Finance lease obligations	Financial liability measured at amortised cost
Unspent conditional grants and receipts, grant receivable	Financial liability measured at amortised cost

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.

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.

Accounting Policies

1.10 Financial instruments (continued)

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 municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-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, an entity 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.

Short-term receivables and payables are not discounted when the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

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.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Accounting Policies

1.10 Financial instruments (continued)

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.

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.

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.

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).

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, 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.

Current replacement cost is the cost the entity 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 weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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Accounting Policies

1.11 Inventories (continued)

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 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.

1.12 Value added taxation

The Municipality is registered with the South African Revenue Services (SARS) for VAT on the invoice basis, in accordance with Section 15(1) of the VAT Act No.89 of 1991.

1.13 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the 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 municipality during a reporting period, the municipality recognise 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 recognise 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 municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise 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 municipality has no realistic alternative but to make the payments.

Accounting Policies

1.13 Employee benefits (continued)

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 recognise 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 recognise 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.

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 long-term employee benefits

The Municipality has an obligation to provide other long-term service allowance benefits to the majority of its employees.

The Municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method to determine the present value of the obligations.

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;
- actuarial gains and losses, which shall all be recognised immediately;

Accounting Policies

1.14 Provisions and contingencies

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.

If an Municipality 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 36.

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The amounts disclosed as contingent liabilities or assets shall be the best estimate of the expenditure required to settle the obligation, or benefits to be obtained at the reporting date. The estimate may be based on guidance from experts, such as attorneys. Where it is not practicable to engage an expert, and it is not practicable to determine expected values with any certainty, the gross amount of a claim or dispute will be disclosed.

1.15 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited / debited against accumulated surplus / deficit. Prior year adjustments, relating to income and expenditure, are credited / debited against accumulated surplus when retrospective adjustments are made.

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Accounting Policies

1.16 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve.

On disposal, the net revaluation surplus is transferred to the accumulated surplus / deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.17 Accounting by principals and agents

Identification

A principal-agent arrangement results from a binding arrangement in which one municipality (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another municipality (the principal).

Identifying whether an entity is a principal or an agent

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another municipality or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.18 Revenue from exchange transactions

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Accounting Policies

1.18 Revenue from exchange transactions (continued)

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 entity;
- 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.

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.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest

Revenue arising from the use by others of municipality assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- and
- The amount of the revenue can be measured reliably.

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

1.19 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-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.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Measurement

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

When, as a result of a non-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.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an Municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 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 municipality assesses the classification of each element separately.

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Accounting Policies

1.21 Leases (continued)

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the Municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

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

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

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

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

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

1.22 Grant in aid

The Municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase of sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given raise to the transfer occurred.

1.23 Comparative figures

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

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Accounting Policies

1.24 Commitments

Items are classified as commitments when an municipality 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 municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.25 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.

1.26 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.

1.27 Irregular expenditure

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 municipality'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.

1.28 Budget information

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 1 July 2021 to 30 June 2022.

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.

1.29 Related parties

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

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Accounting Policies

1.29 Related parties (continued)

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 considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

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

1.30 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 are 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.

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.

1.31 Statutory receivables

Identification

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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Accounting Policies

1.31 Statutory receivables (continued)

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.

- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.

- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).

- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:
the rights to the cash flows from the receivable are settled, expire or are waived;

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Accounting Policies

1.31 Statutory receivables (continued)

the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable 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 receivable; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.32 Construction contracts

The municipality received a level two accreditation in terms of the National Housing Code during March 2022 for its participation in the National Housing Programme. It is a project developer in terms of arrangements related to the construction and transfer houses to the beneficiaries of the National Housing Programme.

Grants received to implement the National Housing Programme are recognised as contract revenue

Contract revenue comprises:

- a) the initial amount of revenue agreed in the contract; and
- b) variations in contract work, claims and incentive payments to the extent that:
- c) it is probable that they will result in revenue; and
- d) they are capable of being reliably measured.

Contract revenue is measured at the fair value of the consideration received or receivable.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised as revenue by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is assessed with reference to a review of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

The outcome of a construction contract can be estimated reliably when all the following conditions are satisfied:

- a) total contract revenue, if any, can be measured reliably;
- b) it is probable that the economic benefits or service potential associated with the contract will flow to the entity
- c) such other costs as are specifically chargeable to the customer under the terms of the contract.

Contract costs include the costs attributable to a contract for the period from the date of securing the contract to the final completion of the contract. Costs that cannot be attributed to contract activity or cannot be allocated to a contract are excluded from the costs of a construction contract.

Such costs include:

- a) general administration costs for which reimbursement is not specified in the contract;
- b) selling costs;
- c) research and development costs for which reimbursement is not specified in the contract; and
- d) depreciation of idle plant and equipment that is not used on a particular contract.

As with contract revenue, contract costs are recognised as expenses when the outcome of a construction contract can be estimated reliably, by reference to the stage of completion of the contract activity at the reporting date.

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

There are no new standards that were issued and effective in the current year. The municipality has applied all standards and interpretations that were issued by the accounting standards board that are applicable to the municipality consistently with prior year.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2022 or later periods:

Standard Interpretation	Effective date: years beginning on or after	Expected Impact
GRAP 104: Financial Instruments (Revised 2019)	1 April 2025	The impact of the standard is not material
GRAP 25: Employee Benefits	1 April 2023	The impact of the standard is not material
iGRAP 21: Effects of Past Decisions on Materiality	1 April 2023	The impact of the standard is not material
iGRAP 7 (revised): The limit on a defined benefit asset, minimum funding requirements and their interaction	1 April 2022	The impact of the standard is not material

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	8	969
Bank balance	3 139 802	9 681 231
Short-term deposits	42 645 711	2 408 827
	45 785 521	12 091 027

The municipality had the following bank accounts and cash on hand:

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
STD BANK - Call Account 508871603-020	-	17 821	17 207	-	17 821	17 207
STD BANK - Call Account - 048463353-007	-	-	86 421	-	-	-
STD BANK - Main Account - 240923804	3 139 802	9 681 231	8 728 886	3 139 802	9 681 231	8 726 886
STD BANK - Call Account - 048463353-025	-	435 414	-	-	435 414	-
STD BANK - Call Account - 048463353-027	-	1 955 592	-	-	1 955 592	-
Cash on Hand	8	969	43	8	969	43
ABSA - Fixed Deposit- 9370995821	2 798 359	-	-	2 798 359	-	-
ABSA Bank -Fixed Deposit 9370194405	39 847 353	-	-	39 847 353	-	-
Total	45 785 522	12 091 027	8 832 557	45 785 522	12 091 027	8 744 136

The following investment accounts matured during the financial period (i.e. the opening and closing balances at the respective reporting dates were nil):

Standard Bank	Call Account	048463353-02
Standard Bank	Call Account	508871603-020
Standard Bank	Call Account	048463353-025
Standard Bank	Call Account	048463353-032
Standard Bank	Call Account	048463353-033
Standard Bank	Call Account	048463353-034
Standard Bank	Call Account	048463353-035
Standard Bank	Call Account	048463353-036
Standard Bank	Call Account	048463353-037
Standard Bank	Call Account	048463353-038
Standard Bank	Call Account	048463353-039
Standard Bank	Call Account	048463353-040
Standard Bank	Call Account	048463353-041
ABSA Bank	Fixed Deposit	93657504787

The following bank accounts were opened during 2021/22 financial year.

Standard Bank	Call Account	048463353-032
Standard Bank	Call Account	048463353-033
Standard Bank	Call Account	048463353-034
Standard Bank	Call Account	048463353-035
Standard Bank	Call Account	048463353-036

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	2022	2021	
3. Cash and cash equivalents (continued)			
Standard Bank Call Account	048463353-037		
Standard Bank Call Account	048463353-038		
Standard Bank Call Account	048463353-039		
Standard Bank Call Account	048463353-040		
Standard Bank Call Account	048463353-041		
ABSA Bank Fixed Deposit	9365750478		
ABSA Bank Fixed Deposit	9370194405		
ABSA Bank Fixed Deposit	9370995821		
4. Receivables from exchange transactions			
Trade debtors	7 487 199	7 182 217	
Prepaid expenses	712 844	771 200	
Bursary repayment	3 680	4 880	
	8 203 723	7 958 297	
Trade and other receivables pledged as security			
Trade and other receivables were not pledged as security.			
Current (0 - 30 days)	1 550 026	1 258 563	
31 - 60 Days	25 216	63 089	
61 - 90 Days	132 503	57 269	
+ 90 Days	6 851 533	8 244 247	
Allowance for impairment	(355 555)	(1 664 872)	
	8 203 723	7 958 296	
Summary of receivables by customer classification			
	Other	Organs of state	Total
31 June 2022			
Current (0 - 30 days)	939 156	610 870	1 550 026
31 - 60 Days	16 981	8 235	25 216
61 - 90 Days	47 342	85 161	132 503
+ 90 Days	340 373	6 511 160	6 851 533
Allowance for impairment	(355 555)	-	(355 555)
	988 297	7 215 426	8 203 723
Summary of receivables by customer classification			
	Other	Organs of state	Total
30 June 2021			
Current (0 - 30 days)	799 027	459 536	1 258 563
31 - 60 Days	23 943	39 146	63 089
61 - 90 Days	17 898	39 371	57 269
+ 90 Days	1 667 854	6 576 393	8 244 247
Allowance for impairment	(1 664 872)	-	(1 664 872)
	843 850	7 114 446	7 958 296

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2022 2021

4. Receivables from exchange transactions (continued)

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

Trade and other receivables past due but not impaired

Impairment is provided for on all individual accounts which are more than one month past due. The full amount is not impaired and variable rates are used on each individual account depending on the risk profile of the account. National and Provincial Government accounts and other receivables are not impaired. At 31 June 2022 R 6 619 855 (June 2021: R 6 654 910) trade receivables were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	22 608	39 146
2 months past due	92 707	39 371
3 months past due	6 506 259	6 576 393

Trade and other receivables impaired

As of 30 June 2022, trade receivables of R406 901 - (June 2021: R 1 732 642) were impaired and provided for, excluding organs of state, prepaid expenses, and the bursary repayment.

The amount of the allowance for impairment was R 357 347 as of 30 June 2022 (June 2021: R 1 664 872).

5. Receivables from non-exchange transactions

Receivable from grants	-	94 055
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Receivables from non exchange transactions are in relation to amounts owed to the municipality by Provincial and National Treasury for Rural Road and Asset Management Grants. The amount was written off in the current year see note 29.

6. Inventories

Consumable stores	705 315	628 940
Properties to be transferred	6 188 442	8 491 346
Bricks	203 176	189 765
Crusher dust	4 860	4 860
	7 101 793	9 314 911

Land inventory with a value of R 2 302 904 was transferred during the year.

Inventory pledged as security

Inventory was not pledged as security.

7. Statutory receivables

VAT receivable	2 537 650	1 116 191
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Notes to the Annual Financial Statements

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7. Statutory receivables (continued)

VAT receivable is a statutory debtor as it arises from legislation (Value-added Tax Act) and requires settlement by another entity in cash. This receivable arises whenever the municipality enters into vat-able transactions and is recognised at 15% on the transaction amount.

Pledged as security

The statutory receivables have not been pledged as security.

8. Biological assets

	2022		2021	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Biological assets - game	4 185 653	-	4 185 653	5 264 916

Reconciliation of biological assets - 2022

	Opening balance	Additions	Disposals	Gains or losses arising from changes in fair value	Total
Biological assets - game	5 264 916	97 042	(2 038 226)	861 921	4 185 653

Reconciliation of biological assets - 2021

	Opening balance	Additions	Gains or losses arising from changes in fair value	Total
Biological assets - game	2 780 990	1 393 201	1 090 725	5 264 916

Non-financial information

Quantities of each biological asset

Blesbok	-	9
Blue wildebeest	126	409
Duiker	11	22
Eland	30	48
Gemsbok	93	130
Greater Kudu	2	-
Ostrich	50	71
Red hartebeest	25	14
Springbuck	336	398
Zebra	18	24
	691	1 125

The biological assets were valued by JBFE Consulting (PTY) Ltd, an independent professional valuer.

Game is valued using officially listed and publicised game auction and numbers. An active market exists for game but some species have no commercial value and are counted but not valued for trading. These are reflected in the listing below.

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Notes to the Annual Financial Statements

	2022	2021
8. Biological assets (continued)		
Non-Biological assets with no commercial value		
Bat-eared fox	21	-
Black backed jackal	4	1
Vultures	-	36
Domestic cattle	35	72
Domestic horses	10	10
Warthog	10	-
Steenbok (Ibex)	14	-
	94	119

Domestic animals on the farm are known to belong to members of the community, and are not considered to be assets of the municipality.

The key assumption in the valuation method used is that genetic variation in species are excluded from the valuation. This means that rare species types sales values are excluded as their pricing is not a fair reflection of the game populations value.

The increase could be due to changes in environmental factors such as rainfall, which resulted in an incline in population numbers.

A register containing the information required by section 63 of MFMA is available for inspection at the registered office of the municipality.

Pledged as security

The biological assets have not been pledged as security.

Methods and assumptions used in determining fair value

The fair value represents the market values for biological assets that are traded on active markets in the Northern Cape.

9. Investment property

	2022			2021		
	Cost / Valuation	Gains or losses arising from changes in fair value	Carrying value	Cost / Valuation	Gains or losses arising from changes in fair value	Carrying value
Investment property	6 580 000	530 000	7 110 000	6 570 000	10 000	6 580 000

Reconciliation of investment property - 2022

	Opening balance	Fair value adjustments	Total
Investment property	6 580 000	530 000	7 110 000

Reconciliation of investment property - 2021

	Opening balance	Fair value adjustments	Total
Investment property	6 570 000	10 000	6 580 000

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

2022 2021

9. Investment property (continued)

Pledged as security

Investment properties are not pledged as security.

The deficit for the period includes rental income of R191 239 generated from the investment property.

Details of property

Erf 2617 - Kuruman - Campus

Freehold ownership property in the Kuruman registration division. Site area is 1190 m square. Title deed No. T1049/1993, previously T610/1978. Registration date is 15 June 1978 with conditions and servitudes in accordance with Erf 2617 which is a consolidation of erven 1105 and 1106.

- Valuation	2 360 000	2 180 000
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Erf 938 Kuruman - Offices let to the John Taolo Gaetsewe Development Trust

Property in the Northern Cape province with title deed number T416/1996. Site area is 1190m².

- Valuation	2 030 000	1 690 000
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Erf 4439 Kuruman - Vacant stand

Property in the Northern Cape province with title deed number T26/2011 previously T25/2011. Site area is 17052m

- Valuation	2 720 000	2 710 000
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The effective date of the revaluations of investment property was Thursday, 30 June 2022. Revaluations were performed by independent valuers, DDP Property Evaluation Experts. DDP Property Evaluation Experts are not connected to the municipality.

The method of valuation entailed the comparison of recent sales of land and buildings with similar value forming attributes in comparison to the subject property, situated in the surrounding area of the subject property. The market value was determined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

These assumptions were based on current market conditions.

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 entity.

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10. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	45 560 000	-	45 560 000	45 560 000	-	45 560 000
Buildings	23 477 229	(2 676 225)	20 801 004	23 477 228	(1 312 972)	22 164 256
Furniture and office equipment	5 768 022	(4 008 646)	1 759 376	5 502 022	(3 599 467)	1 902 555
Transport assets	13 378 116	(6 771 761)	6 606 355	10 319 107	(5 624 610)	4 694 497
Computer equipment	8 615 898	(6 050 231)	2 565 667	7 048 997	(5 153 698)	1 895 299
Community assets	622 000	(65 792)	556 208	622 000	(32 737)	589 263
Other property, plant and equipment	3 242 721	(587 506)	2 655 215	1 944 440	(113 073)	1 831 367
Total	100 663 986	(20 160 161)	80 503 825	94 473 794	(15 836 557)	78 637 237

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Land	45 560 000	-	-	45 560 000
Buildings	22 164 258	-	(1 363 273)	20 801 004
Furniture and office equipment	1 902 556	266 002	(409 179)	1 759 379
Transport assets	4 694 498	3 059 009	(1 147 151)	6 606 356
Computer equipment	1 895 262	1 565 766	(895 360)	2 565 668
Community assets	589 263	-	(33 055)	556 208
Other property, plant and equipment	1 831 366	1 298 297	(474 433)	2 655 230
	78 637 203	6 189 074	(4 322 451)	80 503 845

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Land	46 540 000	-	-	(980 000)	-	45 560 000
Buildings	24 158 793	-	-	(700 000)	(1 294 536)	22 164 258
Furniture and office equipment	2 567 331	95 869	(155 283)	-	(605 361)	1 902 556
Transport assets	2 103 774	3 284 860	-	-	(694 136)	4 694 498
Computer equipment	1 904 259	549 621	(37 077)	-	(521 541)	1 895 262
Community assets	621 000	-	-	1 000	(32 737)	589 263
Other property, plant and equipment	61 605	1 803 383	(44)	-	(33 578)	1 831 366
	77 956 762	5 733 733	(192 404)	(1 679 000)	(3 181 889)	78 637 203

Change in accounting estimate

The expected useful lives of property, plant and equipment has increased as a result of the re-assessment. The re-assessment has resulted in a decrease in depreciation of R259 365 in current period and an increase in depreciation by the same amount in the future period:

None of the above property, plants and equipment have been pledged as security.

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Notes to the Annual Financial Statements

2022 2021

10. Property, plant and equipment (continued)

Revaluations

The effective date of the revaluations of land and buildings was Thursday, 30 June 2022. Revaluations were performed by independent valuers, DDP Property Evaluation Experts. DDP Property Evaluation Experts are not connected to the entity.

The method of valuation entailed the comparison of recent sales of land and buildings with similar value forming attributes in comparison to the subject property, situated in the surrounding area of the subject property. The market value was determined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

These assumptions were based on current market conditions.

Additions

Of the assets additions, a total of R4 287 751 (June 2021: R4 395 670) are donated assets not purchased for cash. Assets purchased for cash amounted to R 1 246 607 (June 2021: R 1 338 063).

Expenditure incurred to repair and maintain property, plant and equipment

Maintenance of equipment	565 842	564 450
Repairs of community owned properties	1 022 824	1 194 667
	1 588 666	1 759 117

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.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

	2022	2021
11. Intangible assets		
	2022	2021
	Cost / Valuation	Accumulated amortisation and accumulated impairment
	Carrying value	Cost / Valuation
	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3 791 975	(2 368 759)
	1 423 216	3 391 141
	(1 795 742)	1 595 399

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	1 595 399	400 834	(573 017)	1 423 216

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	2 224 670	68 012	(29 984)	(667 299)	1 595 399

Pledged as security

The intangible assets are not pledged as security.

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	2022	2021				
12. Heritage assets						
	2022	2021				
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayoral chain	19 750	-	19 750	19 750	-	19 750

Reconciliation of heritage assets 2022

	Opening balance	Total
Mayoral chain	19 750	19 750

Reconciliation of heritage assets 2021

	Opening balance	Total
Mayoral chain	19 750	19 750

Assessment for Impairment of Heritage assets

The Mayoral chain was assessed for impairment and there were no indications of impairment noted.

Pledged as security

The heritage assets are not pledged as security.

Expenditure incurred to repair maintain heritage assets

No such expenditure was incurred in relation to heritage assets.

Other information

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

13. Finance lease obligation

Minimum lease payments due

- within one year	928 696	-
	928 696	-
less: future finance charges	(368 633)	-
Present value of minimum lease payments	560 063	-

Present value of minimum lease payments due

- within one year	560 063	-
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It is entity policy to lease office equipment such as photocopying and printing machines under finance leases.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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	2022	2021
14. Payables from exchange transactions		
Trade payables	901 819	4 423 071
Payments received in advanced- contract in process	-	862 744
Payroll related liabilities at year end	473 447	83 961
Leave accrual	5 941 416	5 538 579
Bonus accrual	1 792 820	1 738 731
Debtors with Credit Balances	57 170	48 814
	9 166 672	12 695 900

Payroll related liabilities include payroll taxes due to SARS and bonus installments.

Payables are recognised net of any discounts.

As far as possible, payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation.

15. Employee benefit obligations

The employee benefit obligation relate to post-retirement medical aid benefits provided and long service awards.

Impact of COVID-19:

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

Post-retirement Medical Aid Benefit and Long Service Award

The municipality provides post-employment medical aid benefits upon retirement to some retirees. The entitlement to post-employment medical aid benefits is based on special resolution by the council. The municipality operates an unfunded defined benefit plan for these qualifying individuals. No other post-retirement benefit are provided to these individuals.

The actuarial valuation of the present value of the obligation at 30 June 2022 was carried out by Arch Actuarial Consulting. The present value of the obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

Carrying value

Present value of unfunded obligation at the beginning of the year	6 625 000	5 185 000
Net actuarial (gains)/ losses	93 000	1 214 000
Difference between expected and actual current service costs	(169 000)	(148 000)
Interest cost	565 000	374 000
	7 114 000	6 625 000
Non-current liabilities	6 069 000	6 018 000
Current liabilities	1 045 000	607 000
	7 114 000	6 625 000

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Notes to the Annual Financial Statements

2022 2021

15. Employee benefit obligations (continued)

Medical Aid Benefit- Key Assumptions used

The Municipality provides post-employment medical aid benefits upon retirement to some retirees. The entitlement to post-employment medical aid benefits is based on special resolution by the council, or the terms of employment prevailing at the time the employees retired. The Municipality operates an unfunded defined benefit plan for these qualifying individuals. No other post-retirement benefit are provided to these individuals. The actuarial valuation of the present value of the obligation at 30 June 2022 was carried out by Arch Actuarial Consulting. The present value of the obligation, the related current service cost and past service cost, were measured using the projected unit credit method. Assumptions used at the reporting date for Medical Aid Benefit:

Discount rate	10,35 %	8,70 %
Health Care cost Inflation	7,35 %	6,14 %
Net Discount rate	2,62 %	2,41 %
Present value of unfunded obligation at the beginning of the year	3 002 000	1 694 000
Actuarial (gains)/losses	84 000	1 363 000
Expected subsidy (benefit) payments	(304 000)	-
Difference between expected and actual current service costs	-	(190 000)
Interest cost	248 000	135 000
	3 030 000	3 002 000
Non-current liabilities	2 705 000	2 698 000
Current liabilities	325 000	304 000
	3 030 000	3 002 000

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

	2022	2021
15. Employee benefit obligations (continued)		
Long Service Awards- Key Assumptions		
Discount Rate	10,60 %	9,13 %
General Earnings Inflation Rate	7,04 %	5,77 %
Net effective discount rate	3,33 %	3,18 %
Long service awards		
<p>The municipality has an obligation to provide long service awards benefits to all its permanent employees. In terms of the municipalities policies and practice, permanent employees other than section 57 managers are entitled to a cash allowance, calculated in terms of the rules of the scheme, after 5, 10, 15, 20, 25, 30, 40 and 45 years of continued service. The municipality operates an unfunded defined benefit plan for these qualifying employees.</p> <p>The actuarial valuation of the present value of the obligation at 30 June 2022 was carried out by Arch Actuarial Consulting CC. The present value of the obligation, the related current service cost and past service cost, were measured using the projected unit credit method.</p>		
Present value of unfunded obligation at the beginning of the year	3 623 000	3 491 000
Actuarial (gains)/losses	9 000	(149 000)
Difference between expected and actual current service costs	135 000	42 000
Interest cost	317 000	239 000
	4 084 000	3 623 000
Non-current liabilities	3 364 000	3 320 000
Current liabilities	720 000	303 000
	4 084 000	3 623 000
		-
16. Unspent conditional grants and receipts		
Khotso Pula Nala grant	30 197	30 197
Fire grant	-	5
COVID-19 grant	-	1 663 048
LG SETA grant	204 000	69 000
HIV and AIDS council	-	114 249
CoGHSTA Housing Grant	862 744	-
	1 096 941	1 876 499
<p>The nature and extent of government grants recognised on these annual financial statements are an indication of other forms of government assistance from which the municipality has directly benefited.</p>		
17. Revaluation reserve		
Opening balance	62 024 719	63 703 719
Revaluation of land and buildings - current year	-	(1 679 000)
	62 024 719	62 024 719

The revaluation reserve is created by surplus arising from the revaluation of property, plant and equipment. The fair value assessment of land and buildings was performed by DDP Valuers as at 30 June 2022.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

	2022	2021
18. Rental of facilities and equipment		
Premises	191 239	139 924
19. Other income		
Insurance refunds	-	314 743
20. Administration and management fees		
Product related services	1 626 751	1 756 080
Training (LGSETA)	122 675	113 831
	1 749 426	1 869 911
21. Interest received		
Interest revenue		
Receivables from exchange transactions	585 729	685 988
Bank	1 725 879	1 160 401
	2 311 608	1 846 389

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

	2022	2021
22. Government grants and subsidies		
Operating grants		
Equitable share	95 976 000	93 279 000
LG SETA	50 000	36 360
Fire grant	5	5 000
Financial management grant	1 000 000	1 000 000
Expanded public works program	1 075 000	1 000 000
Rural roads asset management grant	2 027 000	2 000 000
HIV/AIDS grant	114 249	496 952
COVID-19 grant	1 663 048	3 103 952
Infrastructure skills development grant	5 500 000	4 150 000
Housing accreditation grant	300 000	-
	107 705 302	105 071 264

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

	2022	2021
22. Government grants and subsidies (continued)		
Equitable share		
The equitable share is a financial allocation from National Treasury in the form of an unconditional grant that enables municipalities to provide basic services to poor households, and to enable municipalities with limited own resources to afford basic administrative and governance capacity and perform core municipal functions.		
Current-year receipts	95 976 000	93 279 000
Conditions met - transferred to revenue	(95 976 000)	(93 279 000)
Net grant receivable	-	-
Financial management grant		
Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
Net of unspent grants	-	-
The Financial management grant is paid by National Treasury to municipalities to help implement the financial reforms required by the MFMA.		
Fire grant		
Balance unspent at beginning of year	5	5 005
Conditions met - transferred to revenue	(5)	(5 000)
Net of unspent grants	-	5
Kuruman is prone to natural disasters, mainly fires. This grant was used to assist local municipalities to upgrade and render a fire service.		
Housing accreditation grant		
Current-year receipts	300 000	-
Conditions met - transferred to revenue	(300 000)	-
Net of (unspent)/receivable grants	-	-
The housing grant was utilised for the development of erven and the erection of top structures.		
Khotso Pula Nala		
Balance unspent at beginning of year	30 197	30 197
The grant related to disaster relief projects at the local municipalities in the district.		
Expanded public works programme - incentive grant		
Current-year receipts	1 075 000	1 000 000
Conditions met - transferred to revenue	(1 075 000)	(1 000 000)
Net of unspent/(unpaid) grants	-	-
The grant was used for debushing, fencing of graveyards as well as to address issues of unemployment as it is labour intensive.		
HIV and AIDS council		
Balance unspent at beginning of year	114 249	311 201

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

	2022	2021
22. Government grants and subsidies (continued)		
Current-year receipts	-	300 000
Conditions met - transferred to revenue	(114 249)	(496 952)
Net of unspent grants	-	114 249

The grant was used for HIV and AIDS awareness programmes.

Infrastructure skill development grant

Current-year receipts	5 500 000	4 150 000
Conditions met - transferred to revenue	(5 500 000)	(4 150 000)
Net of unspent grants	-	-

The grant was used to employ interns for training in civil engineering, building inspections and town planning.

Rural road asset management grant

Current-year receipts	2 027 000	2 000 000
Conditions met - transferred to revenue	(2 027 000)	(2 000 000)
Net of unspent/(unpaid) grants	-	-

This grant is gazetted in the DORA to establish a road asset management system. The municipality uses these funds to employ interns to analyse and report on road usage.

Covid 19 Grant

Balance unspent at beginning of year	1 663 048	-
Current-year receipts	-	4 767 000
Conditions met - transferred to revenue	(1 663 048)	(3 103 952)
	-	1 663 048

The grant was used for Covid 19 related expenditure.

LG SETA

Balance unspent at beginning of year	69 000	-
Current-year receipts	185 000	105 360
Conditions met - transferred to revenue	(50 000)	(36 360)
	204 000	69 000

The grant is used for learning interventions within the district

CoGHSTA - Housing development project

Transfer from	862 744	-

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

	2022	2021
23. Donations in kind		
Assmang Black Rock Mine	4 287 751	4 395 670

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

24. Employee related costs

Basic salary	47 599 551	46 431 793
Bonus	4 084 322	3 133 149
Medical aid - company contributions	3 615 430	3 452 764
Unemployment insurance fund	265 563	222 697
Skills development levy	590 988	476 855
Leave	3 163 437	3 987 037
Remote Allowance	432 968	432 968
Non-Pension allowance	312 000	-
Inconvenience allowance	121 942	117 818
Nightshift allowance	548 676	626 421
Long-service awards	125 373	271 759
Acting allowance	45 916	54 366
Travel allowance	1 363 244	1 407 174
Housing benefits and allowances	1 794 438	1 826 400
Contribution provident fund	609 051	445 939
Contribution pension fund	6 703 456	6 561 095
Contribution industrial council	12 144	11 777
Change in valuation of employee benefit obligations	(169 000)	(148 000)
Cellular phone allowance	236 764	243 039
	71 456 263	69 555 051

Remuneration Municipal Management DH Molaole

Annual Remuneration	1 267 066	1 267 066
Car Allowance	28 800	28 800
Remote Allowance	88 695	88 695
Cellular phone allowance	19 200	19 200
Performance bonus	177 389	-
Leave Payout	76 024	76 024
	-	-
	-	-
	1 657 174	1 479 785

Remuneration of director of infrastructure: M.W. Molusi

Annual Remuneration	920 327	920 327
Car Allowance	120 000	110 000
Additional transport allowance	28 800	28 800
Cellular phone allowance	19 200	19 200
Remote Allowance	72 823	72 823
Performance bonus	145 646	-
Leave Payout	62 420	455 491
	1 369 216	1 606 641

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

24. Employee related costs (continued)

Remuneration of Acting Director of Community Services: T.H. Matlhare

Annual Remuneration	850 107	850 107
Car Allowance	100 800	100 800
Additional transport allowance	28 800	28 800
Performance Bonuses	133 127	-
Remote Allowance	66 564	66 564
Cellular phone allowance	19 200	19 200
Leave payout	38 036	438 253
	1 236 634	1 503 724

Appointed as Acting Director of Community Services from 1 July 2021.

Remuneration of director of development and planning: K.K. Teise

Annual Remuneration	899 363	899 363
Car Allowance	140 964	140 964
Additional transport allowance	28 800	28 800
Performance Bonuses	145 646	-
Remote Allowance	72 823	72 823
Cellular phone allowance	19 200	19 200
Leave Payout	62 420	297 883
	1 369 216	1 459 033

Remuneration of Acting Chief Financial Officer GP Moroane

Annual Remuneration	956 327	956 327
Car Allowance	84 000	84 000
Additional transport allowance	28 800	28 800
Performance Bonuses	145 646	-
Remote Allowance	72 823	72 823
Cellular phone allowance	19 200	19 200
Leave Payout	41 613	400 170
	1 348 409	1 561 320

Appointed as Acting Chief Financial Officer on 1 July 2021.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

24. Employee related costs (continued)

Director Corporate services E Tshabaemang

Annual Remuneration	666 307	666 307
Car Allowance	180 000	180 000
Additional transport allowance	28 800	28 800
Performance Bonuses	118 483	-
Remote Allowance	59 241	59 242
Cellular phone allowance	19 200	19 200
Leave payout	50 778	50 779
	1 122 809	1 004 328

The senior manager remuneration is in line with the upper limits as per the Government Gazette.

25. Remuneration of councillors

Mayor, Speaker and Councillors	5 447 245	5 179 268
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JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

25. Remuneration of councillors (continued)

In-kind benefits

The executive mayor, speaker and mayoral committee members are full-time. Each is provided with an office and secretarial support at the cost of the council.

The executive mayor has use of a council owned vehicle for official duties.

The remuneration of councillors is in line with the 2022 upper limits as per the Government Gazette.

Executive mayor: S Mosikatsi

Terminated 8 November 2021

Annual remuneration	236 392	647 060
Car Allowance	30 789	84 670
Pension fund contributions	43 043	129 129
Skills development levy	2 265	5 271
Cell phone allowance	14 836	40 800
Mobile data	1 309	3 600
	328 634	910 530

Executive Mayor: PQ Mogatle

Appointed 8 November 2021

Annual remuneration	478 952	-
Municipal Contribution to funds	37 663	-
Skills development levy	4 554	-
Cell phone allowance	25 964	-
Mobile data	2 291	-
	549 424	-

Speaker: PQ Mogatle

Terminated 8 November 2021

Annual remuneration	197 838	541 527
Car Allowance	34 731	95 510
Skills development levy	2 165	4 989
Cell phone allowance	14 836	40 800
Pension fund contributions	17 217	51 652
Mobile data	1 309	3 600
	268 096	738 078

Speaker: IE Aiseng

Appointed 9 November 2021

Annual remuneration	416 182	-
Skills development levy	4 303	-
Cell phone allowance	23 800	-
Backpay Cellphone Allowance	2 164	-
Mobile data	2 291	-
	448 740	-

Member of the mayoral committee: OG Monaki

Terminated 8 November 2021

Annual remuneration	218 186	596 232
Pension Fund contributions	16 141	49 414
Cell phone allowance	14 836	40 800
Mobile data	1 309	3 600
Skills Development Levy	2 101	4 833
	252 573	694 879

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

25. Remuneration of councillors (continued)

Member of the mayoral committee: TG Anthony
Terminated 8 November 2021

Annual remuneration	235 876	645 646
Skills development levy	2 440	5 650
Cell phone allowance	14 836	40 800
Mobile data	1 309	3 600
	254 461	695 696

MPAC Chairperson: OH Kgopodithata
Terminated 8 November 2021

Annual remuneration	28 199	77 188
Skills development levy	322	778
Cell phone allowance	7 418	20 400
Mobile data	655	1 800
	36 594	100 166

Member of the mayoral committee: GC Assegaai
Terminated 8 November 2021

Annual remuneration	136 348	373 216
Cell phone allowance	7 418	20 400
Mobile data	655	1 800
Skills development Levy	1 438	3 339
	145 859	398 755

Councillor (MPAC committee member): PJ Ohentswe
Reappointed 9 November 2021

Annual remuneration	243 111	214 216
Car Allowance	13 739	37 782
Municipal Contribution to funds	15 324	20 432
Skills development levy	2 610	2 137
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
	319 184	318 967

Councillor: TF Molwagae
Resigned on 30 November 2020

Annual remuneration	-	104 999
Pension fund contributions	-	8 514
Skills development levy	-	719
Cell phone allowance	-	17 000
Mobile data	-	1 500
	-	-
	-	132 732

Councillor: KR Paul
Reappointed 9 November 2021

Annual remuneration	225 177	188 430
Skills development levy	2 855	2 400
Car Allowance	47 572	84 000
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
	320 004	319 230

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

25. Remuneration of councillors (continued)

Member of mayoral committee: KF Masilabele

Reappointed 9 November 2021

Annual Remuneration	601 189	597 223
Backpay annual remuneration	-	-
Skills Development levy	5 991	4 843
Cell phone Allowance	40 800	40 800
Municipal contribution to fund	24 212	48 423
Mobile Data	3 600	3 600
	675 792	694 889

Member of Mayoral Committee: OH Kgopodithata

Appointed 9 November 2021

Annual Remuneration	366 862	-
Skills development levy	3 568	-
Cell phone allowance	25 963	-
Mobile Data	2 291	-
Municipal contribution to funds	24 212	-
	422 896	-

Member of Mayoral Committee: I Matebese

Appointed on 9 November 2021

Basic Salary	227 824	-
Skills development levy	2 278	-
	230 102	-

Member of Mayoral Committee: PM Kgosiengewang

Appointed 9 November 2021

Annual remuneration	391 074	-
Skills development levy	4 052	-
Cell phone allowance	25 964	-
Backpay Cell phone allowance	-	-
Mobile data	2 291	-
Pension fund contributions	-	-
	423 381	-

MPAC Chairperson: TM Motsoare

Appointed 9 November 2021

Annual remuneration	45 026	-
Skills development levy	450	-
	45 476	-

Councillor: NG Ngesi

Appointed 9 November 2021

Annual remuneration	164 851	-
Skills development levy	1 705	-
Cell phone allowance	23 800	-
Backpay Cell phone allowance	2 164	-
Mobile Data	2 291	-
Municipal contribution	8 513	-
	203 324	-

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

25. Remuneration of councillors (continued)

Councillor: KS Setlhodi

Reappointed 9 November 2021

Annual remuneration	92 063	129 404
Pension fund contributions	6 811	6 811
Skills development levy	211	634
Cell phone allowance	-	22 100
Mobile data	14 836	1 950
	1 309	14 447
	115 230	175 346

Councillor: TC Moilwe

Appointed 9 November 2021

Annual remuneration	161 446	-
Municipal contribution to funds	11 919	-
Skills development levy	1 637	-
Cell phone allowance	25 964	-
Mobile data	2 291	-
	203 257	-

Councillor: AI Eilerd

Appointed 9 November 2021

Annual remuneration	173 365	-
Skills development levy	1 875	-
Cell phone allowance	25 964	-
Mobile data	2 291	-
	203 495	-

26. Depreciation and amortisation

Property, plant and equipment	4 322 371	3 181 854
Intangible assets	573 017	667 299
	4 895 388	3 849 153

27. Finance costs

Unwinding cost - DBSA	-	16 560
Interest on overdue accounts	5 612	79 696
Finance leases	724 933	51 105
Non-current borrowings	-	59 992
Interest on employee benefit obligations	565 000	374 000
	1 295 545	581 353

28. Debt impairment

Additional amounts impaired/ Reduction of debt impairment	(1 309 205)	113 755
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In 2022, debt impairment decreased resulting in income of R 1 309 205 (2021: expense R113 755)

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

29. Bad Debts Written off

The council approved write-offs of R94 055 of organs of state and R1 392 123 of trade receivables. The amounts had been long outstanding and included interest.

Approved Bad Debts Written Off	1 486 177	-
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30. Transfers and subsidies

Bursaries to non-employees	18 000	78 115
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31. Operational costs

Advertising	358 505	400 870
Assessment rates	1 133	-
Auditors remuneration	3 007 782	2 686 883
Bank charges	168 556	138 668
Business Advisory Services	5 566 292	3 690 691
Maintenance of Equipment	565 842	564 450
Catering	765 033	800 968
Hire	162 492	86 315
Insurance premiums	74 254	1 639 048
Community development and training	1 530 800	36 360
Conferences and seminars	840 748	380 726
Maintenance of buildings and facilities	300 000	-
IT expenses	1 301 085	3 157 914
Legal fees	879 208	2 332 575
Call centre - disaster management	1 956 060	1 112 462
Municipal services	1 879 881	1 336 911
Postage and Courier Services	3 148	288
Printing and stationery	356 449	17 619
Inventory Consumed	612 350	571 367
Repairs of community owned properties	1 022 824	1 194 667
Security services	2 671 347	1 367 094
Membership fees	820 375	744 780
Telephone	436 552	540 181
Travel, subsistence and accommodation	4 341 191	3 144 280
Water quality monitoring	126 626	41 080
Uniforms	112 314	119 183
Study assistance	62 927	84 535
Training and Professional fees	2 774 442	2 648 155
Imbizo events	75 890	14 961
Cleaning Services	2 073 838	1 885 844
Communications	35 107	5 520
Capacity building	-	243 520
	34 883 051	30 987 915

32. Gain/(Loss) on disposal of asset

Property, plant and equipment	-	(167 991)
Intangible assets	-	(29 983)
Biological assets	(1 370 480)	-
	(1 370 480)	(197 974)

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

33. Fair value adjustments

Fair value adjustment on Investment property	530 000	10 000
Fair value adjustment on Biological assets	861 921	1 090 725
	1 391 921	1 100 725

34. Gains/(Loss) on biological assets

Gain on biological assets	97 041	1 393 201

35. Cash generated from operations

(Deficit) surplus	(2 692 746)	4 375 244
Adjustments for:		
Depreciation and amortisation	4 895 388	3 849 153
Other non cash adjustment	768 659	-
Donations	(4 287 751)	(4 395 671)
Transfer of Land	2 302 904	-
Gain/Loss on disposal of assets	1 370 481	197 974
Fair value adjustments	(1 391 921)	(1 100 725)
Gains/(Loss) on biological assets	(97 168)	(1 393 201)
Debt impairment	(1 309 317)	113 755
Bad debts written off	1 486 178	-
Movements in retirement benefit assets and liabilities	489 000	1 440 000
Changes in working capital:		
Inventories	(89 786)	(530 551)
Receivables from exchange transactions	(328 230)	774 687
Payables from exchange transactions	(3 529 231)	1 667 541
VAT	(1 421 459)	(828 396)
Unspent conditional grants and receipts	(779 558)	1 530 096
Contract advances	39 383 285	-
	34 768 728	5 699 906

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
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Notes to the Annual Financial Statements

36. Contingencies

Matters disclosed in 2022

Zitshunele Trading & contracting CC VS John Taolo Gaetswe District Municipality litigation claim of R2 214 604 plus R 100 000 (legal fees). The matter is still at a preliminary stage but there is a possibility that the matter may go to court.

John Taolo Gaetswe District Municipality VS Edith Tshabaemang labour litigation claim of between R300 000 and R500 000 including legal fees. The matter is currently under review at labour court.

John Taolo Gaetswe District Municipality VS SAMWU obo T Mathabathe litigation claim of R300 000-R500 000 (legal fees)The matter is currently under appeal at the labour court.

John Taolo Gatswe District Municipality VS Public protector litigation claim of R 50 000-R100 000 including legal fees.

Matters of disclosure 2021.

Case No: JS229/17: Imatu obo Rossouw & Van Der Westhuizen V John Taolo Gaetswe Municipality, alleged unfair labour amounting to R66 676.6.

Case No: JR1464/17: Mathabathe V John Taolo Gaetswe Municipality, alleged unfair dismissal amounting to R119 259.20.1

Zitshunele V John Taolo Gaetswe District Municipality, litigation claim which could amount to a total cost of R2 314 603.79 including legal costs

The municipality is in a dispute with SEBATA, with regards to the invoices raised for the periods April 2018, May 2018, September 2018, October 2018, January 2019, March 2019 and November 2019 which amount to R2 537 480.84. The dispute was as a result of the service provider failing to submit progress reports to the municipality to substantiate the work that was being billed for. As at 30 June 2021, the service provider had not provided the progress reports to this regard. The municipality also engaged Treasury to ensure that they are aware of the dispute and to intervene. The liability due to the service provider could therefore not be measured with sufficient litigation claim of R300 000- R500 000 (legal fees)The matter is currently under appeal at the Labour court.

37. Risk management

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2022	Less than 1 year	Between 1 and 2 years	
Trade and other payables	901 819		-
At 30 June 2021	Less than 1 year	Between 1 and 2 years	
Trade and other payables	3 539 267		-

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Notes to the Annual Financial Statements

2022 2021

37. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial instrument	2022	2021
Trade Receivables from exchange transactions	7 487 199	7 182 217

Market risk

Interest rate risk

The entity's interest rate risk arises from long-term borrowings. Borrowings arises at fixed rates, which expose the Municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the entity to fair value interest rate risk. During 2022 and 2021, the entity's borrowings at variable rate were denominated in the Rand.

The entity analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing. Based on these scenarios, the entity calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Financial Instruments Categories

Financial Assets 2022/2021	At Fair Value through Surplus/Deficit 2022	At Amortised Cost 2022	At Amortised Cost 2021	At Fair Value Through Surplus/deficit 2021
Receivables from exchange		8 203 723	7 958 297	7 958 297
Cash and Cash Equivalents		45 785 521	12 091 027	12 091 027
Financial Liabilities 2022/2021				
Contract advance	39 383 258	-	-	-
Payables from exchange	-	901 819	4 423 071	-
Unspent conditional grants	1 096 941	-	-	1 876 499
Finance Lease obligations	-	560 063	-	-

Price risk

The entity is exposed to equity securities price risk because of investments held by the entity and classified on the consolidated statement of financial position either as available-for-sale or at fair value through surplus or deficit. The entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the entity.

The entity's investments in equity of other entities that are publicly traded and are included in one of the following three equity indexes: DAX equity index, Dow Jones and FTSE 100 UK equity index.

The table below summarises the impact of increases/decreases of the indexes on the entity's post-tax surplus for the year and on equity. The analysis is based on the assumption that the equity indexes has increased/decreased by 5% with all other variables held constant and all the entity's equity instruments moved according to the historical correlation with the index:

Post-tax surplus for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through surplus or deficit. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

2022 2021

38. Going concern

These 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.

Non-compliance (30 days) - The municipality is currently not paying all their creditors within the accepted 30 days. This also resulted in fruitless and wasteful expenditure due to interest on overdue creditors account of R 5 612.

Despite the above negative indicator, the municipality is a going concern because of the following:

It is a state entity set up by the Constitution of the Republic of South Africa to provide basic services to the community and is also funded by the state for that purpose. Failure to provide these services will prompt National Government intervention to ensure it stays functional and able to deliver basic services and consequently comply with the Constitution.

Government Grants	2023
Equitable Share	39 880 000
Infrastructure Skills Development Grant	3 000 000
Rural Roads and Asset Management Grant	1 485 000
	44 365 000

There is no indication of a possibility of default by the government in paying grants under the act. This is also corroborated by experience where National Treasury has met its obligations year on year and has therefore created a constructive obligation. Part of the grants tabled above has already been paid in July 2022 (Equitable share, Rural roads asset management, Infrastructure skills development).

There was an outbreak of COVID-19 which was declared an epidemic by the World Health Organisation and following that, the South Africa Government declared a nationwide lockdown. In spite of the COVID-19 outbreak, the municipality will continue as a going concern as it is part of the institutions that supply critical services to the communities it serves. The President of South Africa also pledged support for all institutions that supply critical services and a fund has also been set up to support these institutions. Unemployment Insurance Fund (UIF) will also be used to support salaries during this period. The municipality has also received their grants (Equitable share) and they will continue to receive grants in the foreseeable future.

39. Events after the reporting date

The Municipality is undergoing some investigations at the time of signing of the annual financial statements

40. Unauthorised expenditure

Opening balance as previously reported	17 063 289	4 820 073
	17 063 289	4 820 073
Add: Current year unauthorised expenditure	12 523 188	12 243 216
Less: Amount written off - current	(17 063 289)	-
Closing balance	12 523 188	17 063 289

Analysed as follows (per vote)

Vote 1 -Executive & Council	748 067	-
Vote 2 - Finance & Administration	11 119 063	2 517 947
Vote 3- Internal Audit	412 298	3 658 732
Vote 4 - Planning & Development	129 318	4 657 204
Vote 6 - Community & Social Services	59 169	-
Vote 8 - Health Services	55 273	-
Vote 13 - Enviromental Protection	-	1 409 333
	12 523 188	12 243 216

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

	2022	2021
41. Fruitless and wasteful expenditure		
Opening balance as previously reported	966	-
	966	-
Add: Current year fruitless and wasteful expenditure	5 612	4 634
Less: Amount written off by council - current	(3 940)	(3 668)
Closing balance	2 638	966
The amounts disclosed for fruitless and wasteful expenditure are exclusive of VAT.		
42. Irregular expenditure		
Opening balance as previously reported	230 254	217 201
	230 254	217 201
Add: Irregular Expenditure - current year	462 387	230 254
Less: Amount written off - prior period	(692 641)	(217 201)
Closing balance	-	230 254
Incidents/cases identified in the current year include those listed below		
Investigations are still in progress for the incident below related to non-compliance with procurement process requirements. The amounts below are inclusive of VAT.		
Competitive bid not advertised for 30 days	462 387	230 254
43. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	771 200	736 386
Amount paid - current year	(771 200)	(736 386)
	-	-
Audit fees		
Opening balance	-	1 748
Current year subscription / fee	3 007 782	2 686 883
Amount paid - current year	(3 007 782)	(2 688 631)
	-	-
SDL and UIF		
Opening balance	-	35 675
Current year subscription / fee	1 153 032	955 623
Amount paid - current year	(1 153 032)	(991 298)
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	10 054 915	9 821 337
Amount paid - current year	(10 054 915)	(9 821 337)
	-	-

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

	2022	2021
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43. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable	2 537 650	1 116 191
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All VAT returns have been submitted by the due date throughout the year.

44. 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 and section 36 of the Supply Chain Management regulations state that a supply management policy may allow the accounting officer -

To dispense with the official procurement process established by the policy and to procure any required goods or services through any convenient process which may include direct negotiations, but only-

- i. In an emergency
- ii. If such goods or services are produced or available from a single provider only
- iii. For acquisition of animals for zoos or
- iv. In any other exceptional case where it is impractical or impossible to follow the official procurement process

The accounting Officer may dispense with the official procurement process in the above circumstances, provided that he records the reasons for any deviations and reports them to **the next meeting of the council** and includes a note to the annual financial statements.

The following tables shows the amounts of deviation and reasons for deviation:

Reason for deviation		
Emergency	50 972 831	680 199
Sole supplier	54 338	472 503
Impractical or impossible to follow procurement process/Expetional case	874 353	2 066 544
Special works of art	-	30 000
	51 901 522	3 249 246

45. Commitments

Authorised expenditure

Already contracted for but not provided for

Property, plant and equipment	1 334 560	-
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	-	-
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JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

2022 2021

46. Related parties

Subject to significant degree of control by a member of key management	John Taolo Gaetsewe Development Trust
Members of key management	Refer to note 24
Councillors	Refer to note 25

Compensation of key management personnel

The compensation of key management personnel is set out in note 24 to the Annual Financial Statements.

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

John Taolo Gaetsewe Development Trust	7 033	12 365
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Irregular expenditure, interest and other amounts recoverable from councillors

T.G. Anthony	-	306
G.C. Assegaai	-	20 959
S.B. Gaobusiwe	-	187 616
O.E. Hantise	-	192 097
E.V. Makoke	-	105 697
M.E. Mochwari	-	230 706
C. Mogodi	-	203 744
S. Mosikatsi	-	221 769
A. Mwembo	-	77 070
J. Rakoi	-	68 825
A. van der Westhuizen	-	74 174

The municipality leases one of its buildings to the John Taolo Gaetsewe Development Trust; interest is charged on overdue amounts.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

2022

2021

46. Related parties (continued)

All councillors and senior managers are required to declare their business interests annually. Such business interests are listed below:

Councillors:

S. Mosikatsi	Gamagara Close Corporation (member) John Taolo Gaetsewe Development Trust (Trustee)
G.C. Assegaai	Gadikgadi, Self-Propelled Trading and Projects, Bomme-Sejo Services and Supply Co-operative Limited
L.L. Kaebis	Sepoane Trading Enterprise, Hemmogo
O.H. Kgopodithata	Faraway Agricultural, Refemele Multi Purpose Primary Co-operative Limited
P.Q. Mogatle	Pulane Mogatle Trading Enterprise, Queen Felicity Fuel and Truck Inn, Bomme-Sejo Services and Supply Co-operative Limited,Annex langdon commodities Smelters,Adonia Kuruman mall
P.J Ohentswe	PJO Contractor, Letso Investment, Perth 1 Shop Station and Shop, Ohentswe Construction supply & Training Construction, S.T.P.J. Construction and Manufacturing Mothisize, JTG Community Development Association, JTG Logistics Hiddekil Mining and Logistics, SABA Logistics
T.G. Athony	Kalahari Rural Events and Projects Co-operative Limited, Maje a Mokgothy Projects
O.G. Monaki	Tshomaki Trading and Projects, Unity and Empowerment
O. Mathibe	Nomisa Enterprise
G. Kaotsane	Asili ya mama, Hiddekil Mining and Logistics, SABA Logistics
N. Ngesi	Joyful attempt and Projects 99, Bakone Mining Primary Coperative Limited, Nkavutha transport Service, Mpho ya Basadi Supplier and Projects, Bangeko Construction and Projects, Gamotinye Investments, Ditukus Projects , Abotype, Tulasign, Abotrim, Batlharo le Batlhaping Mining Solutions, NC Women Mining Projects, Retsogile Mining Resources
M. Itumeleng	Candle Away General Trading, Awera General Trading
O. Gomolemo	Batlharoi Agricultural Co-operation
K Paul	Dikoke Gambling Enterprise and Manufacturing, Koklas Catering & Cleaning Services
P.M Kgosiengewang	Kgosiengewang Civil and General Construction
I Matebese	Candle AwayGeneral Traing,Awara trading
Senior management:	
G.P. Moroane	Envision Forthtoo
T.H. Matlhare	Maremane Mining and Projects ,Moremolemo trading
D.H. Molaole	Ba - Ga - Matswiri Mining - Resource ,Moshu 1640 Mining Company Phimola Keledi Burial Scheme (Pty) Ltd
K. Teise	Kurara Clap Your Hands 01, Kuruman Development Corporation, Kagisano Motlhaping Manganese Mine, Kagisano Manganese and Iron ore Mine, KM Managnese and Iron ore Mine,United powe construction,strong team construction and project 8
E. Tshabaemang	Kuruman Voice of Hope, JC Chabi Trade and Constrcution services
M. Molusi	BOM Transportation Services

Those councillors and senior managers not listed above declared that they had no business interests.

Councillors seconded from local municipalities:

Gamagara Local Municipality

B. Sebegu	Mapoteng Community Forum
T. Motsoare	Pharaphama Multi Business, Goodness of Umzansi Trading and Projects, Gamagara Business Forum, Tsantsabane Social and Labour Development Forum

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

2022 2021

46. Related parties (continued)

Ga-segonyana Local Municipality

G. Chere	
N. Mereotlhe	Poplas Restaurant
M. Elliot Valela	
O. Mathibe	Nomisa Enterprise
K. Setlhodi	

Joe Morolong Local Municipality

I. Matebese	Candle Away Rading, Awera General Trading
N. Tswere	Batho Phuthanag Sand Mining, Tsela Kgopo Primary Co-Operative Limited, Gabosegangwe Trading
M. Filipo	
T. Mosegadi	Mosegedi Construction and Supply
G. Kaotsane	Hiddeki Mining and Logistics, Sli Ya Mama, SABA Logistics
O. Etshetshang	OTT Solution Providers

No transactions were entered in to with these entities during the period.

47. Regulation 45 of the supply chain management regulations

There were no awards to close family members of persons in the service of the state.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

2022

2021

48. Budget differences

Material differences between budget and actual amounts

STATEMENT OF FINANCIAL PERFORMANCE

1. Increase in rental due to escalation increase in rental contracts.
2. Decrease due to limited shared services provided to Municipality
3. Decrease due to delay in receipt of insurance funds.
4. Decrease due to interest rates lower than anticipated and utilising funds for expenditure.
5. Increase due to Emergency Housing Grant allocation.
6. Municipality did not expect to receive any donations. The donations received was from a local mine in the form of donated assets.
7. The variance is due to resignations and vacant positions not yet filled for the year under review.
8. The variance is as a result of Remuneration of S79 and seating allowance being budgeted for under Operational costs.
9. Movement in depreciation calculations
10. The interest for Finance leases.
11. Impairment calculated on debtors
12. Impairment calculated on debtors
13. Actual related to Bursaries paid to non-employees
14. There were actual amounts for other materials for the year under review. Inventory Consumed
15. The nature of this transaction requires the valuation and expert advice
16. The nature of this transaction requires the valuation and expert advice
17. The nature of this transaction requires the valuation and expert advice
18. Actual relates to the land transfers done in Q4 by the appointed attorney.

STATEMENT OF FINANCIAL POSITION

1. There was a loss on transfer of properties to local municipalities which.
2. The budget assumption was as a result of bad debts written-off thus decrease in debtors.
3. The challenge of determining whether the municipality will have a VAT payable or receivable.
4. Increase in investments.
5. The nature of this transaction requires the valuation and expert advice
6. The nature of this transaction requires the valuation and expert advice
7. Current year movement relates to the additions, depreciation, disposals and revaluations.
8. Current year movement relates to the additions and amortisation.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

49. Prior-year adjustments

Presented below are those items contained in the statement of financial position, that have been affected by prior-year adjustments:

Statement of financial position

2022

	Note	As previously reported	Reclassification	Restated
Trade Payables	14	4 471 887	(48 814)	4 423 073
Debtors with credit balances	14	-	48 814	48 814
		4 471 887	-	4 471 887

Errors

The Municipality was issued with a credit note on Insurance expense after year-end June 2021. Insurance expense, Value added tax (statutory receivable) and trade payables have been restated accordingly. The effect on the accumulated surplus is an increase of R 768 531.42

Reclassifications

Trade and Other payables note components:
Reclassification of R48 814, previously recorded within trade payables to debtors with credit balances. The reclassification has no effect on accumulated surplus.

50. Construction contracts

Construction contract (Emergency housing) in progress as at 30 June 2022

	Recognised in current year	Recognised in Prior years	To Date
Amount of Revenue in agreed contract	50 973 000	-	50 973 000
Contract Revenue recognised within revenue	11 589 715	-	11 589 715
Cost recognised within value added tax	1 511 702	-	1 511 702
Cost recognised within expenditure	10 078 013	-	10 078 013
Contract advance	-	-	39 383 285
	-	-	-

The cost basis was utilised to compute the percentage of completion of the contract. The percentage of completion arises from the cost incurred in the current period over the estimated total cost. Contract Revenue is measured at the fair value of the contract revenue received. The revenue measurement is affected by uncertainties that depend on outcomes of future events

There were no retentions withheld relating to the contract as at 30 June 2022

51. Segment information

General information

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Notes to the Annual Financial Statements

51. Segment information (continued)

The Municipality does not have reportable segment information.

John Taolo Gaetsewe District Municipality is located in Kuruman Northern cape ,geographic area inland.

Reporting Segment Reporting factors:

John Taolo Gaetsewe is a district municipality that does not offer a wide variety of services to the public. Due to its limited revenue streams and client base management reports on the municipality's financial health as a whole. The municipality also does not have any designated cost centres for the different revenue streams; and assets and liabilities are not linked to each, thus strengthening the point of reporting on an overall perspective.



AUDITED ANNUAL PERFORMANCE REPORT 2021/2022 VOL.3

John Taolo Gaetsewe District Municipality

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CHAPTER 1

1. Introduction

a. Legislative Requirements:

The **Municipal Planning and Performance Management Regulations (2001)** stipulate that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

The Municipal Planning and Performance Management Regulations (2001), further instructs a municipality to ensure that its performance management system:

- Relates to the municipality’s employee performance management processes.
- Provides for the procedure by which the system is linked to the municipality’s integrated development planning processes.
- Is adopted by the municipality before or at the same time as the commencement of the process of setting key performance indicators and targets in accordance with its integrated development plan.

The **Municipal Systems Act 32 of 2000** determines specifically that individual Municipalities should develop their own performance management systems in the interest of efficient and effective management. This is achieved through planning targets and the achievement and maintenance of quality and accountability in the delivery of projects and services to the communities within the Municipality. The following is required of municipalities in terms of the Act:

Section 38-

- Establish a PMS that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives and targets in the IDP.
- Promote a culture of performance management among its political structures, political office bearers and councillors and in its administration.

Section 41-

- Set appropriate key performance measures (indicators) as a yardstick for measuring performance with regard to the development priorities and objectives in the IDP.
- Set measurable performance targets for each of those development priorities and objectives.
- Monitor performance.

- Measure and evaluate performance at least once per year.
- Take steps to improve performance.
- Establish a process of regular reporting to Council, other political structures, political office bearers and staff of the Municipality; and of the public and appropriate organs of state.

Section 42-

Involve the local community in the development, implementation and review of the Municipality’s PMS, and, in particular, allow the community to participate in the setting of appropriate measures and targets.

Section 44-

Make known, both internal and to the general public, the performance measures and targets set by it for the purposes of its PMS.

Section 45-

Audit the results of the performance measurement as part of internal auditing processes and annually by the Auditor General.

Section 46-

Publish an annual performance report reflecting the performance of the Municipality and of each external service provider; a comparison of the performances with targets; and measures taken to improve performance.

b. Outline of the Report:

This document forms part of the John Taolo Gaetsewe District Municipality’s Annual Report for the 2021-2022 financial year. Combining our report on past accomplishments with our plans for the upcoming year provides the reader a useful, complete, and integrated picture of our performance. It represents a continuing step forward in the efforts of the District Municipality to implement the tenets of performance-based management at the heart of Local Government’s Key Performance Areas-

- **Chapter 1 – Introduction:** This chapter includes summary information about the Legislative Requirements on performance reporting and outlining of the report.
- **Chapter 2 – Annual Performance Information 21/22 Financial Year:** This chapter provides the performance report for the 2021-2022 financial year. The Performance Report provides a comprehensive outlook on the Key Performance Indicators per Key Performance Area of Local Government. It reports on performance measures, achievements, challenges and actual performance for the mentioned financial year as well as the audit outcome. The report also shows the significant changes undertaken on the current performance report to address performance findings and to ensure that there are system improvements.

CHAPTER 2

2. Annual Performance Information 21/22 Financial Year

a. Key Performance Areas:

These areas were clustered according to the 5 National Key Performance Areas for Local Government in South Africa. Each of the Five (5) National Key Performance Areas of Local Government is provided with a short description and its area of focus, namely:

- 1. Basic Service delivery and Infrastructure;**
- 2. Local Economic Development;**
- 3. Good Governance and Public Participation;**
- 4. Institutional Transformation and Development; and**
- 5. Financial Viability and Management.**

b. Audit Outcome 2020/21 and 2021/22:

Clean audit opinion for both financial and performance management was obtained in 2020/21 and for the 2021/22 a clean audit opinion on performance management and unqualified opinion with findings for financial management was obtained.

c. Performance Information:

The current report provides the details of the performance monitoring and reporting system for the John Taolo Gaetsewe District Municipality, an analysis of programme approvals and programme concept endorsements, a presentation of the management effectiveness and efficiency indicators, and an analysis of the Integrated Development Plan (IDP) implementation process to date. The table below provides a summary of key performance for the reporting period.

d. Performance Reporting Process:

Reporting on projects/programmes is important to capture results and implementation progress. It is also an important accountability tool. The following section outlines the specific reporting requirements proposed for the John Taolo Gaetsewe District Municipality. Most of the reporting requirements are embedded in the Organizational Performance Management System (OPMS) Framework, Individual Performance Management (IPMS) Policy, Framework for Managing Programme Performance Information (FMPPI), and the standard legal performance agreement between the Municipal Manager and Senior Managers.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)	
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4								
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To promote integrated human settlement planning	1	Conduct a feasibility study on alternative energy solutions for the District submitted to the Municipal Manager by 30 June	Conduct a feasibility study on alternative energy solutions for the District submitted to the Municipal Manager by 30 June	Date	REPORT	Annually			30-Jun		New KPI	New KPI	New KPI	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	Unavailability of relevant resources to enable a feasibility study.	Target to be discontinued.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To promote integrated human settlement planning	2	Annual progress report on the implementation of the alternative energy solutions feasibility study submitted to the Municipal Manager by 30 June	Annual progress report on the implementation of the alternative energy solutions feasibility study submitted to the Municipal Manager by 30 June	-	-	-	-	-	-		New KPI	New KPI	New KPI	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To promote integrated human settlement planning	3	Number of quarterly progress reports on the eradication of mud houses submitted to the Municipal Manager by 30 June	4 quarterly progress reports on the eradication of mud houses submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	New KPI	New KPI	New KPI	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To promote integrated human settlement planning	4	Number of quarterly progress reports on the construction of a satellite university and mining college submitted to the Municipal Manager by 30 June	4 quarterly progress reports on the construction of a satellite university and mining college submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	New KPI	New KPI	New KPI	1	1	1	1	4	0	ACHIEVED	N/A	N/A	The process is not at implementation stage yet.	The KPI & the target be rephrased to read "4 quarterly progress reports on the planning of the construction of a satellite university and mining college submitted to the Municipal Manager by 30 June"	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To promote integrated human settlement planning	5	Number of quarterly progress reports on the development of a Regional Hospital submitted to the Municipal Manager by 30 June	4 quarterly progress reports on the development of a Regional Hospital submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	New KPI	New KPI	New KPI	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	6	Number of quarterly progress reports on the Extension of the Hotazel – Port Elizabeth railway line submitted to the Municipal Manager by 30 June	4 quarterly progress reports on the Extension of the Hotazel – Port Elizabeth railway line submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	New KPI	New KPI	New KPI	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)		
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4									
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To promote integrated human settlement planning	7	Number of quarterly progress reports on the Improved school infrastructure submitted to the Municipal Manager by 30 June	4 quarterly progress reports on the Improved school infrastructure submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly		1	1	1	1	New KPI	New KPI	New KPI	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	8	Number of quarterly progress reports on the water service authority Municipal Systems Act section 78 assessment submitted to the Municipal Manager by 30 June	4 quarterly progress reports on the water service authority Municipal Systems Act section 78 assessment submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly		1	1	1	1	New KPI	New KPI	New KPI	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To promote integrated human settlement planning	9	Number of quarterly human settlements accreditation implementation progress reports submitted to CoGHSTA by 30 June	4 quarterly human settlements accreditation implementation progress reports submitted to CoGHSTA by 30 June	Number	REPORT	Quarterly		1	1	1	1	New KPI	New KPI	New KPI	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Mandatory reports signed off by the Municipal Manager and are submitted to CoGHSTA – Duplication.	The KPI & the target be rephrased to read “4 quarterly human settlements accreditation implementation progress reports submitted to CoGHSTA”.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	10	Number of biannual progress reports on the Vaal Gamagara water pipe outlet for neighbouring villages submitted to the Municipal Manager by 30 June	2 biannual progress reports on the Vaal Gamagara water pipe outlet for neighbouring villages submitted to the Municipal Manager by 30 June	Number	REPORT	Biannually		-	1	-	1	New KPI	New KPI	New KPI	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To promote integrated human settlement planning	11	Provision of emergency housing report submitted to the Municipal Manager by 30 June	Provision of emergency housing report submitted to the Municipal Manager by 30 June	Date	REPORT	Annually		-	-	-	30-Jun	New KPI	New KPI	New KPI	N/A	N/A	N/A	0	0	0	NOT ACHIEVED	Submission of report not done on time	Management to coordinate submission of report	N/A	N/A	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	12	Number of monthly RRAMS expenditure reports submitted to Department of Transport by 30 June	12 monthly RRAMS expenditure reports submitted to Department of Transport by 30 June	Number	REPORT	Monthly		3	3	3	3	12	No adjustment made	No adjustment made		3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	13	Annual RRAMS Business Plan submitted to Department of Transport by 31 May	Annual RRAMS Business Plan submitted to Department of Transport by 31 May	Date	BUSINESS PLAN	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	31-MAY	31-MAY	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	14	Service Provider appointed to provide support with the updating of the RRAMS by 15 December	Service Provider appointed to provide support with the updating of the RRAMS by 15 December	Date	SIGNED CONTRACT	Annually	-	15-Dec	-	-	15-Dec	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	Service provider appointed for a three-year term that will expire in 2023.	Target to be discontinued.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	15	Number of quarterly RRAMS progress reports submitted to Department of Transport by 30 June	4 quarterly RRAMS progress reports submitted to Department of Transport by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Sustainable Development Orientated Municipality	To enhance the skills capacity of young professionals in the built environment	16	Annual ISDG Business Plan submitted to National Treasury by 31 August	Annual ISDG Business Plan submitted to National Treasury by 31 August	Date	BUSINESS PLAN	Annually	31-Aug	-	-	-	31-Aug	No adjustment made	No adjustment made	31-AUG	N/A	N/A	N/A	31-AUG	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Sustainable Development Orientated Municipality	To enhance the skills capacity of young professionals in the built environment	17	Number of monthly ISDG Grant Implementation reports submitted to National Treasury by 30 June	12 monthly ISDG Grant Implementation reports submitted to National Treasury by 30 June	Number	REPORT	Monthly	3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Sustainable Development Orientated Municipality	To enhance the skills capacity of young professionals in the built environment	18	Number of quarterly ISDG Grant Implementation reports submitted to National Treasury by 30 June	4 quarterly ISDG Grant Implementation reports submitted to National Treasury by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	19	Number of triannual Integrated Transport Plan update progress reports submitted to the Municipal Manager by 30 June	3 triannual Integrated Transport Plan update progress reports submitted to the Municipal Manager by 30 June	Number	REPORT	Triennially	-	1	1	1	3	No adjustment made	No adjustment made	N/A	1	1	1	3	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	20	Draft Updated Integrated Transport Plan annually submitted to the Municipal Manager by 31 May	Draft Updated Integrated Transport Plan annually submitted to the Municipal Manager by 31 May	Date	ITEM AND PLAN	Annually	-	-	-	31-May	27-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	21	Integrated Transport Plan Stakeholder engagement annually completed by 31 March	Integrated Transport Plan Stakeholder engagement annually completed by 31 March	Date	REPORT	Annually	-	-	31-Mar	-	31-Mar	No adjustment made	No adjustment made	N/A	N/A	31-MAR	N/A	31-MAR	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	22	Final updated Integrated Transport Plan annually submitted to the Department of Transport, Safety and Liaison by 30 June	Final updated Integrated Transport Plan annually submitted to the Department of Transport, Safety and Liaison by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	23	District Transport Authority established by 30 June	District Transport Authority established by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	-	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	Target to be discontinued.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	24	Number of quarterly Joe Morolong LM internal road monitoring reports submitted to the Municipal Manager by 30 June	4 quarterly Joe Morolong LM internal road monitoring reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	25	Number of quarterly Gamagara LM internal road monitoring reports submitted to the Municipal Manager by 30 June	4 quarterly Gamagara LM internal road monitoring reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	26	Number of quarterly Ga-Segonyana LM internal road monitoring reports submitted to the Municipal Manager by 30 June	4 quarterly Ga-Segonyana LM internal road monitoring reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	27	Number of quarterly progress reports regarding engagements with key stakeholders for the establishment of the Regional Airport be submitted to the Municipal Manager by 30 June	4 quarterly progress reports regarding engagements with key stakeholders for the establishment of the Regional Airport be submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	The KPI & target to be more specific.	The KPI & the target be rephrased to read "4 quarterly progress reports regarding engagements with key stakeholders for the establishment of the Regional Airport be submitted to the Municipal Manager by 30 June".
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	28	Brickmaking Business Plan annually submitted to the Provincial Department to access funding by 31 October	Brickmaking Business Plan annually submitted to the Provincial Department to access funding by 31 October	Date	PLAN	Annually	-	31-Oct	-	-	31-Oct	No adjustment made	No adjustment made	N/A	28-OCT	N/A	N/A	28-OCT	3	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	29	Water Services Development Plan (WSDP) developed by 30 June	Water Services Development Plan (WSDP) developed by 30 June	-	-	-	-	-	-	-	-	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	30	Water Resource Management Strategy developed by 30 June	Water Resource Management Strategy developed by 30 June	-	-	-	-	-	-	-	-	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated human settlements	To promote integrated human settlement planning	31	Integrated Infrastructure plan reviewed by 31 May	Integrated Infrastructure plan reviewed by 31 May	Date	ITEM AND PLAN	Annually	-	-	-	31-May	27-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	The plan is being reviewed.	Target breakdown to be included.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated human settlements	To provide adequate housing to residents of the District	32	Number of quarterly Neighbourhood Development Partnership Grant (NDPG) reports submitted to the Municipal Manager by 30 June	4 quarterly Neighbourhood Development Partnership Grant (NDPG) reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	33	Identification of cemeteries to be upgraded annually completed by 30 September	Identification of cemeteries to be upgraded annually completed by 30 September	Date	REPORT	Annually	30-Sept	-	-	-	N/A	Target discontinued due to COGHSTA delays in the identification processes	Target discontinued	30-SEPT	N/A	N/A	N/A	30-SEPT	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4								
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	34	Number of quarterly EPWP Evaluation Reports submitted to Public Works by 30 June	4 quarterly EPWP Evaluation Reports submitted to Public Works by 30 June	Number	REPORT	Quarterly		1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	35	2 cemetery upgrade projects completed in Ga-Segonyana LM by 30 June	2 cemetery upgrade projects completed in Ga-Segonyana LM by 30 June	Date	REPORT	Annually				30-Jun	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	0	0	0	0	NOT ACHIEVED	Delays due to regulations halting procurement processes	To be completed in the first quarter of the next financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	36	2 cemetery upgrade projects completed in Joe Morolong LM by 30 June	2 cemetery upgrade projects completed in Joe Morolong LM by 30 June	Date	REPORT	Annually				30-Jun	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	0	0	0	0	NOT ACHIEVED	Delays due to regulations halting procurement processes.	To be completed in the first quarter of the next financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	37	38 cemetery upgrade jobs created in Ga-Segonyana LM by 30 June	38 cemetery upgrade jobs created in Ga-Segonyana LM by 30 June	Date	REPORT	Annually				30-Jun	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	0	ACHIEVED	N/A	N/A	To accommodate the adjusted minimum EPWP FTEs from 13 to 14. The adjustments are of the Department of Public Works.	The KPI & the target be rephrased to read "38 cemetery upgrade jobs created in Ga-Segonyana LM by 30 June".
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	38	38 cemetery upgrade jobs created in Joe Morolong LM by 30 June	38 cemetery upgrade jobs created in Joe Morolong LM by 30 June	Date	REPORT	Annually				30-Jun	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	0	ACHIEVED	N/A	N/A	To accommodate the adjusted minimum EPWP FTEs from 13 to 14. The adjustments are of the Department of Public Works.	The KPI & the target be rephrased to read "38 cemetery upgrade jobs created in Joe Morolong LM by 30 June".
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	39	3 revised Internal Roads Paving EPWP Business Plans submitted to the Provincial Department by 31 October	3 revised Internal Roads Paving EPWP Business Plans submitted to the Provincial Department by 31 October	Date	BUSINESS PLANS	Annually			31-Oct		30-Oct	No adjustment made	No adjustment made	N/A	28-OCT	N/A	N/A	28-OCT	3	3	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	40	Number of monthly EPWP Integrated Grant expenditure reports submitted to the Department of Public Works by 30 June	12 monthly EPWP Integrated Grant expenditure reports submitted to the Department of Public Works by 30 June	Number	REPORT	Monthly		3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	41	Number of quarterly Human Settlement Sector Plan update progress reports submitted to the Municipal Manager by 30 June	4 quarterly Human Settlement Sector Plan update progress reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	42	Human Settlements Sector Plan annually reviewed by 31 May	Human Settlements Sector Plan annually reviewed by 31 May	Date	PLAN	Annually	-	-	-	31-May	31-May	No adjustment made	No adjustment made	N/A	N/A	N/A	30-MAY	30-MAY	1	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	43	Final reviewed Human Settlements Accreditation Business Plan annually submitted to COGHSTA by 30 September	Final reviewed Human Settlements Accreditation Business Plan annually submitted to COGHSTA by 30 September	Date	PLAN	Annually	30-Sept	-	-	-	30-Sept	No adjustment made	No adjustment made	30-SEPT	N/A	N/A	N/A	30-SEPT	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	44	Number of monthly human settlement progress reports submitted to COGHSTA by 30 June	12 monthly human settlement progress reports submitted to COGHSTA by 30 June	Number	REPORT	Monthly	3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Mandatory reports signed off by the Municipal Manager are submitted to COGHSTA.	The KPI & the target be rephrased to read "submitted to COGHSTA by 30 June" from "submitted to Municipal Manager by 30 June".
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	45	Number of quarterly human settlement progress reports submitted to the Municipal Manager by 30 June	4 quarterly human settlement progress reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	Portfolio of evidence description adjusted for alignment with business processes	Adjusted portfolio of evidence from email with item and report to email with report	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	46	Draft reviewed Human Settlements Accreditation Business Plan annually submitted to Council by 31 May	Draft reviewed Human Settlements Accreditation Business Plan annually submitted to Council by 31 May	Date	ITEM AND REPORT	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	47	Number of quarterly Consumer Education Reports submitted to the Municipal Manager by 30 June	4 quarterly Consumer Education Reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	48	Number of quarterly Human Settlement Needs Register Reports submitted to the Municipal Manager by 30 June	4 quarterly Human Settlement Needs Register Reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	49	Human Settlements Register annually updated report by 30 June	Human Settlements Register annually updated report by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	29-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	50	Number of bi-annual Mandela House construction progress reports submitted to the Municipal Manager by 30 June	2 bi-annual Mandela House construction progress reports submitted to the Municipal Manager by 30 June	Number	REPORT	Biannually	-	1	-	1	2	No adjustment made	No adjustment made	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	51	Mandela Day House annually constructed by 30 June	Mandela Day House annually constructed by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	30-Jun	Target date adjusted due to uncertainties of the construction of a house under Special Programmes by COGHSTA for an earlier identified beneficiary stalls the process	Adjusted target date from 30 September to 30 June	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	Unavailability of funding resources. Funding be planned for and the KPI be implemented in the 2022/23 financial year.	Target to be discontinued.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	52	Number of quarterly Human Settlement Business Plan data collection reports submitted to the Municipal Manager by 30 June	4 quarterly Human Settlement Business Plan data collection reports submitted to the Municipal Manager by 30 June	Number	PLAN	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	53	Business Plans annually submitted to the Provincial Department to access human settlement funding by 31 October	Business Plans annually submitted to the Provincial Department to access human settlement funding by 31 October	Date	PLAN	Annually	-	31-Oct	-	-	30-Oct	No adjustment made	No adjustment made	N/A	18-OCT	N/A	N/A	18-OCT	13	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	54	Number of bi-annual Special Interest Groups housing construction progress reports submitted to the Municipal Manager by 30 June	2 bi-annual Special Interest Groups housing construction progress reports submitted to the Municipal Manager by 30 June	Number	REPORT	Biannually	-	1	-	1	2	No adjustment made	No adjustment made	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)	
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4								
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	55	House for Special Interest Groups annually completed by 30 June	House for Special Interest Groups annually completed by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	0	Target date adjusted due to uncertainties of the construction of a house under Special Programmes by COGHSTA for an earlier identified beneficiary stalls the process	Adjusted target date from 30 September to 30 June	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	Unavailability of funding resources. Funding be planned for and the KPI be implemented in the 2022/23 financial year.	Target to be discontinued.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	56	Number of quarterly human settlements projects monitoring reports submitted to COGHSTA by 30 June	4 quarterly human settlements projects monitoring reports submitted to COGHSTA by 30 June	Number	REPORT	Quarterly	1	1	1	1	N/A	Target discontinued due to the implementation protocol not being finalised with COGHSTA	Target discontinued	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	57	Number of quarterly human settlement job creation reports submitted to the Municipal Manager by 30 June	4 quarterly human settlement job creation reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Promotion of Health in the District	To provide municipal health services to the communities of the District	58	Municipal Health Services Strategy reviewed by 30 June	Municipal Health Services Strategy reviewed by 30 June	-	-	-	-	-	-	-	N/A	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Promotion of Health in the District	To provide municipal health services to the communities of the District	59	Municipal health policy annually reviewed as per amendments of National Environmental Health Policy by 30 June	Municipal health policy annually reviewed as per amendments of National Environmental Health Policy by 30 June	Date	ITEM AND POLICY	Quinquennial	-	-	-	30-Jun	30-Jun	Review frequency adjusted to align with IDP 5 year plan	Adjusted reporting cycle from annually to quinquennial	N/A	N/A	N/A	30-Jun	30-Jun	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Promotion of Health in the District	To provide municipal health services to the communities of the District	60	Reviewed Municipal health tariffs annually submitted to BTO by 31 March	Reviewed Municipal health tariffs annually submitted to BTO by 31 March	Date	TARIFFS	Annually	-	-	31-Mar	-	31-Mar	No adjustment made	No adjustment made	N/A	N/A	31-Mar	N/A	31-Mar	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Promotion of Health in the District	To provide municipal health services to the communities of the District	61	Number of Municipal Health Services Actions performed by 30 June	528 Municipal Health Services Actions performed by 30 June	Number	REPORT	Annually	132	132	132	132	856	No adjustment made	No adjustment made	226	149	249	200	824	428	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	62	Integrated Waste Management Plan reviewed by 30 June	Integrated Waste Management Plan reviewed by 30 June	Date	PLAN	Annually	-	-	-	30-Jun	N/A	Delays due to the consultation process and lack of information from Local Municipalities	Target discontinued	N/A	N/A	N/A	0	0	0	0	NOT ACHIEVED	Delays due to the consultation process and lack of information from Local Municipalities	Target to be removed due to non-participation by Local Municipalities	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	63	Air Quality Management Plan reviewed by 30 June	Air Quality Management Plan reviewed by 30 June	-	-	-	-	-	-	N/A	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	64	Number of quarterly Air Quality Management Plan implementation reports submitted to the Municipal Manager by 30 June	4 quarterly Air Quality Management Plan implementation reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	-	1	1	-	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	65	Comprehensive Climate Change Strategy reviewed by 30 June	Comprehensive Climate Change Strategy reviewed by 30 June	-	-	-	-	-	-	4	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	66	Number of quarterly Comprehensive Climate Change Strategy implementation reports submitted to the Municipal Manager by 30 June	4 quarterly Comprehensive Climate Change Strategy implementation reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	-	1	1	-	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	67	Annual report on the Integrated Environmental Management Framework review process submitted to the Municipal Manager by 30 June	Annual report on the Integrated Environmental Management Framework review process submitted to the Municipal Manager by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	4	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	68	Annual report on business plans submitted for funding of Environmental Management projects by 30 June	Annual report on business plans submitted for funding of Environmental Management projects by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	-	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	69	Number of quarterly disaster statistical reports submitted to the Municipal Manager by 30 June	4 quarterly disaster statistical reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	-	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	70	Number of quarterly Joint Operations Centre Forum meetings held by 30 June	4 quarterly Joint Operations Centre Forum meetings held by 30 June	Number	REPORT	Quarterly	-	1	1	1	5	Target description adjusted to align with current status quo	Adjusted target description from Disaster Management Advisory to Joint Operations	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	71	Annual District Disaster Management Report submitted to Northern Cape Province by 30 June	Annual District Disaster Management Report submitted to Northern Cape Province by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	28-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	72	Number of Disaster Management Contingency Plans reviewed by 30 June	4 Disaster Management Contingency Plans reviewed by 30 June	Number	PLAN	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	73	Disaster Management Framework reviewed by 30 June	Disaster Management Framework reviewed by 30 June	Date	FRAMEWORK	Annually	-	-	-	30-Jun	28-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	74	Disaster Management Plan reviewed by 30 June	Disaster Management Plan reviewed by 30 June	Date	PLAN	Annually	-	-	-	30-Jun	28-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	75	Percentage of Disaster Management Volunteers trained by 30 June	100% Disaster Management Volunteers trained by 30 June	Percentage	REPORT	Annually	-	-	-	100%	26	No adjustment made	No adjustment made	N/A	N/A	N/A	0	0	0	NOT ACHIEVED	No provision for training in Disaster budget	Submit report to Director CDS	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	76	Number of quarterly disaster response and recovery inventory replenishment reports submitted to the Municipal Manager by 30 June	4 quarterly disaster response and recovery inventory replenishment reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	77	Annual progress report on the development of a fully-fledged Disaster Management Centre and functional satellite centre submitted to the Municipal Manager by 30 June	Annual progress reports on the development of a fully-fledged Disaster Management Centre and functional satellite centre submitted to the Municipal Manager by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	28-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	78	Number of biannual progress report on the procurement of drones for Disaster Management operations by 30 June	2 biannual progress report on the procurement of drones for Disaster Management operations by 30 June	Number	REPORT	Biannually	-	1	-	1	New KPI	New KPI	New KPI	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	79	Number of biannual progress report on the procurement of vehicles for Disaster Management operations by 30 June	2 biannual progress report on the procurement of vehicles for Disaster Management operations by 30 June	Number	REPORT	Biannually	-	1	-	1	New KPI	New KPI	New KPI	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	80	Number of biannual progress report on the procurement of a helicopter for Disaster Management operations by 30 June	2 biannual progress report on the procurement of helicopter for Disaster Management operations by 30 June	Number	REPORT	Biannually	-	1	-	1	New KPI	New KPI	New KPI	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Delays are foreseen due to the cost associated with acquiring and maintaining a helicopter, as well as the piloting thereof.	Target to be discontinued.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide resources for the daily operations and maintenance of the Municipality	81	Council approved budget for the daily operations and maintenance of the Municipality by 31 May	Council approved budget for the daily operations and maintenance of the Municipality by 31 May	Date	BUDGET	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide auxiliary services	82	Number of quarterly auxiliary services reports submitted to the Municipal Manager by 30 June	4 quarterly auxiliary services reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide auxiliary services	83	Building Alterations (Strongroom) completed by 30 June	Building Alterations (Strongroom) completed by 30 June	-	-	-	-	-	-	-	N/A	Target discontinued due to limited funding	Target discontinued	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide auxiliary services	84	Building renovations completed (Phase 1) by 30 June	Building renovations completed (Phase 1) by 30 June	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide auxiliary services	85	Building renovations completed (Phase 2, including of Tourism Office) by 30 June	Building renovations completed (Phase 2, including of Tourism Office) by 30 June	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To govern municipal affairs	86	Number of quarterly ordinary Council meetings held by 30 June	4 quarterly ordinary Council meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To govern municipal affairs	87	Number of monthly Senior Management meetings held by 30 June	12 monthly Senior Management meetings held by 30 June	Number	REPORT	Monthly	3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To govern municipal affairs	88	Number of monthly Back to Basics reports submitted to COGHSTA by 30 June	12 monthly Back to Basics reports submitted to COGHSTA by 30 June	Number	REPORT	Monthly	3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	89	Annual Audit Action Plan submitted to the Municipal Manager by 31 January	Annual Audit Action Plan submitted to the Municipal Manager by 31 January	Date	PLAN	Annually	-	-	31-Jan	-	N/A	No adjustment made	No adjustment made	N/A	N/A	25-JAN	N/A	25-JAN	6	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	90	Number of quarterly District IGR Forum meetings held by 30 June	4 quarterly District IGR Forum meetings held by 30 June	Number	MUNUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	91	Number of quarterly MM's Forum meetings held by 30 June	4 quarterly MM's Forum meetings held by 30 June	Number	MUNUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	92	Number of quarterly District Financial Viability Forum meetings held by 30 June	4 quarterly District Financial Viability Forum meetings held by 30 June	Number	MUNUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	93	Number of quarterly District Planning and Performance Forum meetings held by 30 June	4 quarterly District Planning and Performance Forum meetings held by 30 June	Number	MUNUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	94	Number of quarterly Waste Management Forum meetings held by 30 June	4 quarterly Waste Management Forum meetings held by 30 June	Number	MUNUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental relation in the District	95	Number of quarterly Integrated Infrastructure Forum meetings held by 30 June	4 quarterly Integrated Infrastructure Forum meetings held by 30 June	Number	MUNUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental relation in the District	96	Number of bi-annual Institutional Transformation and Development Forum meetings held by 30 June	2 bi-annual Institutional Transformation and Development Forum meetings held by 30 June	Number	MUNUTES	Biannually	-	1	-	1	2	Target frequency reduced due to availability of key stakeholders	Adjusted reporting cycle from 4 to 2	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	97	Number of bi-annual District AIDS Council meetings held by 30 June	2 bi-annual District AIDS Council meetings held by 30 June	Number	REPORT	Biannually	-	-	1	1	4	No adjustment made	No adjustment made	0	0	1	1	2	0	ACHIEVED	N/A	N/A	Delays are foreseen due to the non-availability of key stakeholders.	Target number to be reduced from 2 to 4.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure legal compliance	98	Number of monthly compliance monitoring reports submitted to the Municipal Manager by 30 June	12 monthly compliance monitoring reports submitted to the Municipal Manager by 30 June	Number	REPORT	Monthly	3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote oversight and public accountability	99	Number of monthly consolidated Audit Action Plan progress updates submitted to the Municipal Manager by 30 June	12 monthly consolidated Audit Action Plan progress updates submitted to the Municipal Manager by 30 June	Number	REPORT	Monthly	3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	N/A	9	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote oversight and public accountability	100	Number of quarterly MPAC meetings held by 30 June	4 quarterly MPAC meetings held by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	N/A	3	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	101	Number of quarterly internal audit reports issued for all municipalities by 30 June	4 quarterly internal audit reports issued for all municipalities by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	102	Annual Internal Audit Policy approved by Audit and Performance Committee by 30 June	Annual Internal Audit Policy approved by Audit and Performance Committee by 30 June	Date	POLICY	Annually	-	-	-	30-Jun	29-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	28-JUN	28-JUN	2	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	103	Annual Internal Audit Charter approved by Audit and Performance Committee by 30 June	Annual Internal Audit Charter approved by Audit and Performance Committee by 30 June	Date	CHARTER	Annually	-	-	-	30-Jun	29-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	28-JUN	28-JUN	2	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	104	One year audit plans approved by Audit and Performance Committee by 30 June	One year audit plans approved by Audit and Performance Committee by 30 June	Date	PLAN	Annually	-	-	-	30-Jun	29-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	28-JUN	28-JUN	2	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	105	Three year rolling plans approved by Audit and Performance Committee by 30 June	Three year rolling plans approved by Audit and Performance Committee by 30 June	Date	ITEM AND PLAN	Annually	-	-	-	30-Jun	29-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	28-JUN	28-JUN	2	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	106	Number of quarterly Audit Committee meetings held by 30 June	4 quarterly Audit Committee meetings held by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	2	1	1	1	5	1	ACHIEVED	A higher number achieved for the financial year	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	107	Annual Council Approved Audit and Performance Committee Charter by 30 June	Annual Council Approved Audit and Performance Committee Charter by 30 June	Date	ITEM AND CHARTER	Annually	-	-	-	30-Jun	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	29-JUN	29-JUN	1	ACHIEVED	The Municipality's efficiency allowed for an earlier achievement date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	108	Annual Internal Audit Awareness Campaign held by 31 May	Annual Internal Audit Awareness Campaign held by 31 May	Date	REPORT	Annually	-	-	-	31-May	31-May	No adjustment made	No adjustment made	N/A	N/A	N/A	0	0	30	NOT ACHIEVED	This is an indicator for the CAE and the position was vacant for the last 6 months of the financial year	Management to take decision on whether or not to appoint	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	109	Number of triannual Mayor's Forum meetings held by 30 June	3 triannual Mayor's Forum meetings held by 30 June	Number	MUNUTES	Triannual	1	-	1	1	4	No adjustment made	No adjustment made	1	0	1	0	2	1	NOT ACHIEVED	Unavailability of key stakeholders	Engage with key stakeholder on prioritizing attendance	Target not achieved for Q2 due to municipal elections. Delays are foreseen if stakeholders are not available.	Target number reduced from 4 to 3.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	110	Number of bi-annual Speaker's Forum meetings held by 30 June	2 bi-annual Speaker's Forum meetings held by 30 June	Number	MUNUTES	Bi-annually	-	1	-	1	2	No adjustment made	No adjustment made	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	111	Number of bi-annual Traditional Leaders' Forum meetings held by 30 June	2 bi-annual Traditional Leaders' Forum meetings held by 30 June	Number	MUNITES	Biannually	-	1	-	1	N/A	Target discontinued due to unavailability of stakeholders	Target discontinued	N/A	1	N/A	N/A	N/A	0	N/A	N/A	N/A	Target not achieved due to availability of stakeholders, on account of COVID-19 precautions.	Target to be discontinued.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	112	Number of quarterly District Communications Forum meetings held by 30 June	4 quarterly District Communications Forum meetings held by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	Portfolio of evidence adjust to align with current submissions	Adjusted portfolio from email with report to report	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	113	Number of quarterly external newsletters published by 30 June	4 quarterly external newsletters published by 30 June	Number	NEWSLETTER	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	0	3	1	NOT ACHIEVED	Not enough articles for publication	Encourage employees to draft newsletters regularly	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	114	Number of quarterly internal newsletters published on the intranet by 30 June	4 quarterly internal newsletters published on the intranet by 30 June	Number	NEWSLETTER	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	115	Stakeholder register annually updated by 31 July	Stakeholder register annually updated by 31 July	Date	REPORT	Annually	31-Jul	-	-	-	31-Jul	No adjustment made	No adjustment made	31-JUL	N/A	N/A	N/A	31-JUL	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	116	Local Municipalities supported to develop and/or review the respective LM Communication Strategies by 30 June	Local Municipalities supported to develop and/or review the respective LM Communication Strategies by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	N/A	Target discontinued due to lack of progress in the reviewing process by key stakeholders	Target discontinued	30-SEPT	N/A	N/A	N/A	30-SEPT	273	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	117	Public Participation and Communication Strategy annually reviewed by 31 March	Public Participation and Communication Strategy annually reviewed by 31 March	Date	STRATEGY	Annually	-	-	31-Mar	-	0	No adjustment made	No adjustment made	N/A	N/A	0	N/A	0	0	NOT ACHIEVED	Due to postponement consultations	To be concluded in new financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	118	Number of triannual Mayoral engagements with key stakeholders by 30 June	3 triannual Mayoral engagements with key stakeholders by 30 June	Number	REPORT	Triannual	1	-	1	1	4	No adjustment made	No adjustment made	1	-	1	1	3	0	ACHIEVED	N/A	N/A	Target not achieved for Q2 due to municipal elections. Delays are foreseen if stakeholders are not available.	Target number reduced from 4 to 3.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	119	Number of council outreach programmes to communities by 30 June	4 council outreach programmes to communities by 30 June	Number	REPORT	Quarterly		1	1	1	1	4	No adjustment made	No adjustment made	1	1	2	1	5	1	ACHIEVED	A higher number achieved for the financial year	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	120	Annual Mayoral State of the District Address (SODA) by 30 April	Annual Mayoral State of the District Address (SODA) by 30 April	Date	REPORT	Annually				30-Apr	30-Apr	No adjustment made	No adjustment made	N/A	N/A	N/A	0	0	0	61	NOT ACHIEVED	Lack of funding	Programme to be budgeted for adequately	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	121	Annual racial diversity awareness event held by 30 June	Annual racial diversity awareness event held by 30 June								0	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	122	Promotional materials developed by 30 June	Promotional materials developed by 30 June	Date	CALENDAR	Annually				30-Jun	30-Nov	No adjustment made	No adjustment made	N/A	28-FEB	N/A	N/A	28-FEB	124	ACHIEVED	Target was completed before the set date	N/A	Target not achieved due to the municipal elections. Delays are foreseen if stakeholders are not available to take their pictures.	Target date adjusted from 30 November to 30 June.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	123	Community satisfaction survey concluded by 30 June	Community satisfaction survey concluded by 30 June								N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	124	District Service Delivery Charter annually reviewed by 31 May	District Service Delivery Charter annually reviewed by 31 May	Date	CHARTER	Annually				31-May	30-May	No adjustment made	No adjustment made	N/A	N/A	12-FEB	N/A	12-FEB	77	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	125	Number of quarterly targeted group forum meetings held by 30 June	4 quarterly targeted group forum meetings held by 30 June	Number	REPORT	Quarterly		1	1	1	1	N/A	Target discontinued due to COVID-19 regulations and limited funding to implement alternative approaches	Target discontinued	0	0	0	1	1	3	NOT ACHIEVED	Non-attendance by key stakeholders	Stakeholders to be engaged on the importance of the forum	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	126	Number of quarterly targeted group campaigns conducted by 30 June	4 quarterly targeted group campaigns conducted by 30 June	Number	REPORT	Quarterly	1	1	1	1	N/A	Target discontinued due to COVID-19 regulations and limited funding to implement alternative approaches	Target discontinued	0	0	0	1	1	3	NOT ACHIEVED	Campaigns could not be conducted without prior planning forum	Stakeholders to be engaged on the importance of the forum and proper planning to be prioritized	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	127	Number of bi-annual District Disability Council meetings held by 30 June	2 bi-annual District Disability Council meetings held by 30 June	Number	REPORT	Biannually	-	1	-	1	N/A	Target discontinued due to COVID-19 regulations and limited funding to implement alternative approaches	Target discontinued	N/A	1	N/A	0	1	NOT ACHIEVED	Non-attendance by key stakeholders	Stakeholders to be engaged on the importance of the forum	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	128	Percentage of students annually supported by 30 June	100% students annually supported by 30 June	Percentage	REPORT	Annually	-	-	-	100%	100%	Target measurement adjusted due to alignment with status quo	Adjusted unit of measurement from number to percentage	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	129	Number of quarterly Internal Risk Management Committee Meetings held by 30 June	4 quarterly Internal Risk Management Committee Meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	130	Risk assessment annually completed by 30 June	Risk assessment annually completed by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	27-May	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	131	Number of quarterly risk register progress reports submitted to the Municipal Manager by 30 June	4 quarterly risk register progress reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	132	Number of quarterly risk strategy/implementation plan progress reports submitted to the Municipal Manager by 30 June	4 quarterly risk strategy/implementation plan progress reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	133	Risk management policy annually reviewed by 31 May	Risk management policy annually reviewed by 31 May	Date	ITEM AND POLICY	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote ethical behaviour	134	Fraud Prevention Policy Annually reviewed by 31 May	Fraud Prevention Policy Annually reviewed by 31 May	Date	ITEM AND POLICY	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	135	Annual Council approved IDP Framework by 31 August	Annual Council approved IDP Framework by 31 August	Date	ITEM AND PLAN	Annually	31-Aug	-	-	-	31-Aug	No adjustment made	No adjustment made	23-AUG	N/A	N/A	N/A	23-AUG	8	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	136	Draft IDP annually adopted by Council by 31 March	Draft IDP annually adopted by Council by 31 March	Date	ITEM AND PLAN	Annually	-	-	31-Mar	-	29-Mar	No adjustment made	No adjustment made	N/A	N/A	29-MAR	N/A	29-MAR	2	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	137	Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 March	Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 March	Date	ITEM AND PLAN	Annually	-	-	31-Mar	-	29-Mar	No adjustment made	No adjustment made	N/A	N/A	29-MAR	N/A	29-MAR	2	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	138	IDP Lekgotla annually held by 30 June	IDP Lekgotla annually held by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	0	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	35	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	139	Number of IDP and Budget Roadshows annually held by 31 May	3 IDP and Budget Roadshows annually held by 31 May	Number	REPORT	Annually	-	-	-	3	0	No adjustment made	No adjustment made	N/A	N/A	N/A	3	3	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	140	Final IDP annually adopted by Council by 31 May	Final IDP annually adopted by Council by 31 May	Date	ITEM AND PLAN	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	141	Final Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 May	Final Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 May	Date	ITEM AND PLAN	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	142	Annually reviewed Organizational Performance Management Framework approved by Council by 31 May	Annually reviewed Organizational Performance Management Framework approved by Council by 31 May	Date	ITEM AND FRAMEWORK	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	26-MAY	26-MAY	5	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	143	1st Quarter Performance Review Report annually submitted to Council by 30 November	1st Quarter Performance Review Report annually submitted to Council by 30 November	Date	ITEM AND REPORT	Annually	-	30-Nov	-	-	26-Nov	No adjustment made	No adjustment made	N/A	30-NOV	N/A	N/A	30-NOV	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	144	Mid-year performance review report annually submitted to Council by 31 January	Mid-year performance review report annually submitted to Council by 31 January	Date	ITEM AND REPORT	Annually	-	-	31-Jan	-	29-Jan	No adjustment made	No adjustment made	N/A	N/A	25-JAN	N/A	25-JAN	2	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	145	3rd Quarter Performance Review Report annually submitted to Council by 31 May	3rd Quarter Performance Review Report annually submitted to Council by 31 May	Date	ITEM AND REPORT	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	11-MAY	11-MAY	20	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	146	Annual report submitted to Auditor General by 31 August	Annual report submitted to Auditor General by 31 August	Date	REPORT	Annually	31-Aug	-	-	-	30-Oct	Target date adjusted to align with amended submission date legislation	Adjusted target date from 31 August – to 31 October	31-AUG	N/A	N/A	N/A	31-AUG	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To implement the Spatial Planning and Land Use Management Act (SPLUMA)	147	Number of quarterly DMPT progress reports submitted to Local Municipalities by 30 June	4 quarterly DMPT progress reports submitted to Local Municipalities by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	N/A	N/A	N/A	0	N/A	N/A	Target to be removed, because LMs opted to establish their own MPTs.	Target to be removed.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To implement the Spatial Planning and Land Use Management Act (SPLUMA)	148	DMPT Agreement reviewed by 30 June	DMPT Agreement reviewed by 30 June	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Target to be removed, because LMs opted to establish their own MPTs.	Target to be removed.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To implement the Spatial Planning and Land Use Management Act (SPLUMA)	149	Spatial Development Framework reviewed by 30 June	Spatial Development Framework reviewed by 30 June	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	150	DGDS triennially reviewed by 30 June	DGDS triennially reviewed by 30 June	-	-	-	-	-	-	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.		
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	151	Number of quarterly DGDS Implementation monitoring reports submitted to the Municipal Manager by 30 June	4 quarterly DGDS Implementation monitoring reports submitted to the Municipal Manager by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	4	Target portfolio of evidence adjusted to align with current submissions	Adjusted portfolio of evidence from email with report to report and submission register	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	152	LED Strategy triennially reviewed by 31 May	LED Strategy triennially reviewed by 31 May	Date	ITEM AND STRATEGY	Triennially	-	-	-	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	31-MAY	31-MAY	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	153	SMME Strategy triennially reviewed by 30 June	SMME Strategy triennially reviewed by 30 June	-	-	-	-	-	-	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	154	SLP Coordination Strategy triennially reviewed by 30 June	SLP Coordination Strategy triennially reviewed by 30 June	-	-	-	-	-	-	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	155	Manufacturing Strategy triennially reviewed by 31 May	Manufacturing Strategy triennially reviewed by 31 May	-	-	-	-	-	-	N/A	Target discontinued due to delays with the consultation process	Target discontinued	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	156	Number of quarterly LED Strategy Implementation monitoring reports submitted by 30 June	4 quarterly LED Strategy Implementation monitoring reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	157	Number of quarterly LED Forum meetings held by 30 June	4 quarterly LED Forum meetings held by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	158	Regional Development Agency (multi-sectorial and multi-stakeholder) established by 30 June	Regional Development Agency (multi-sectorial and multi-stakeholder) established by 30 June	Date	REPORT AND SUBMISSION REGISTER	Annually	-	-	-	30-Jun	N/A	Target discontinued due to lack of participation from key stakeholders	Target discontinued	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	Delays are foreseen if there is inadequate buy-in by stakeholders.	Target to be discontinued.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	159	Number of quarterly Mining Forum meetings held by 30 June	4 quarterly Mining Forum meetings held by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote employment opportunities in the District	160	Number of quarterly District SMME Database update reports submitted to the Municipal Manager by 30 June	4 quarterly District SMME Database update reports submitted to the Municipal Manager by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To facilitate increased LED capacity in the District	161	Number of quarterly Local Municipalities LED support reports submitted to the Municipal Manager by 30 June	4 quarterly Local Municipalities LED support reports submitted to the Municipal Manager by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	162	Number of quarterly Tourism Statistic reports submitted to the Municipal Manager by 30 June	4 quarterly Tourism Statistic reports submitted to the Municipal Manager by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	The function has been devolved to Local Municipalities.	Target to be removed.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	163	Tourism Marketing Strategy triennially reviewed by 31 May	Tourism Marketing Strategy triennially reviewed by 31 May	-	-	-	-	-	-	-	31-May	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	164	Number of quarterly Tourism Marketing Strategy Implementation Reports submitted to the Municipal Manager by 30 June	4 quarterly Tourism Marketing Strategy Implementation Reports submitted to the Municipal Manager by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	165	2 tourism promotion events participated in by 30 June	2 tourism promotion events participated in by 30 June	Date	REPORT AND SUBMISSION REGISTER	Annually	-	-	-	30-Jun	30-Jun	Target description adjusted to align with status quo	Adjust unit of measurement from number to date	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

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									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	166	District Tourism Festival Concept Document reviewed by 31 May	District Tourism Festival Concept Document reviewed by 31 May	Date	ITEM AND PLAN	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	31-MAY	31-MAY	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	167	District Tourism Festival held by 30 September	District Tourism Festival held by 30 September	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	168	Conduct a feasibility study for the development of a special economic zone submitted to the Municipal Manager by 30 June	Conduct a feasibility study for the development of a special economic zone submitted to the Municipal Manager by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	New KPI	New KPI	New KPI	N/A	N/A	N/A	0	0	0	NOT ACHIEVED	Draft terms of reference submitted but not finalized	Target to be concluded next financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	169	Annual progress report on the implementation of the special economic zone feasibility study submitted to the Municipal Manager by 30 June	Annual progress report on the implementation of the special economic zone feasibility study submitted to the Municipal Manager by 30 June	-	-	-	-	-	-	-	New KPI	New KPI	New KPI	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	170	Commonage farms refurbished by 30 June	Commonage farms refurbished by 30 June	Date	REPORT AND SUBMISSION REGISTER	Annually	-	-	-	30-Jun	N/A	Target discontinued due to limited funding	Target discontinued	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	171	Commonage Management policy annually reviewed by 31 May	Commonage Management policy annually reviewed by 31 May	Date	ITEM AND PLAN	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	31-MAY	31-MAY	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	172	Commonage tariff structure annually reviewed by 31 May	Commonage tariff structure annually reviewed by 31 May	Date	ITEM AND PLAN	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	31-MAY	31-MAY	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	173	Number of quarterly commonage management implementation reports submitted to the Municipal Manager by 30 June	4 quarterly commonage management implementation reports submitted to the Municipal Manager by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To facilitate the co-ordination of CRDP	174	Number of quarterly agricultural programme reports submitted to the Municipal Manager by 30 June	4 quarterly agricultural programme reports submitted to the Municipal Manager by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	Target description adjusted to align with status quo	Adjusted target description from agri-park facilitation to agricultural programme	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote the conservation and development of heritage resources	175	Heritage Resource conservation and management strategy developed by 30 June	Heritage Resource conservation and management strategy developed by 30 June	Date	ITEM AND PLAN	Annually	-	-	-	30-Jun	N/A	Target discontinued due to complexities with the drafting of strategy	Target discontinued	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote the conservation and development of heritage resources	176	Comprehensive heritage resource conservation and development plan for the District developed by 30 June	Comprehensive heritage resource conservation and development plan for the District developed by 30 June	Date	REPORT AND SUBMISSION REGISTER	Annually	-	-	-	30-Jun	N/A	Target discontinued due to complexities with the drafting of plan	Target discontinued	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	177	Number of triannual Budget and IDP Steering Committee meetings held by 30 June	3 triannual Budget and IDP Steering Committee meetings held by 30 June	Number	MINUTES	Triannual	1	-	1	1	4	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to minutes	1	N/A	1	0	2	1	NOT ACHIEVED	Unavailability of key stakeholders	Meeting to be held in Q1 of 2022/2023	Means of verification to be amended. Current POEs are not adequately aligned. Due to dissolution of council and elections, meetings scheduled for Q2 could not take place.	POEs description amended. Target number reduced from 4 to 3.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	178	Number of monthly MFMA Section 71 data strings validation report in the LG Portal within the prescribed timeframe	12 monthly MFMA Section 71 data strings validation report in the LG Portal within the prescribed timeframe	Number	VALIDATION REPORT	Monthly	3	3	3	3	12	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to validation report	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	179	Number of monthly MFMA Section 71 reports submitted to the Mayor within the prescribe timeframe	12 monthly MFMA Section 71 reports submitted to the Mayor within the prescribe timeframe	Number	REPORT	Monthly	3	3	3	3	4	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	180	Number of quarterly Consolidated Municipal financial reports (MFMA Section 11, 52 and 66 reports) submitted by 30 June	4 quarterly Consolidated Municipal financial reports (MFMA Section 11, 52 and 66 reports) submitted by 30 June	Number	ITEM TO COUNCIL	Quarterly	1	1	1	1	4	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with item and report to email with item to council	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	181	Number of quarterly borrowing and investment monitoring data strings uploaded on the LG Portal by 30 June	4 quarterly borrowing and investment monitoring data strings uploaded on the LG Portal by 30 June	Number	VALIDATION REPORT	Quarterly	1	1	1	1	4	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to validation report	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	182	Annual Financial Statements submitted to Auditor General by 31 August	Annual Financial Statements submitted to Auditor General by 31 August	Date	REPORT	Annually	31-Aug	-	-	-	30-Oct	Target date adjusted to align with amended submission date legislation	Adjusted target date from 31 August – to 31 October	31-AUG	N/A	N/A	N/A	31-AUG	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	183	Number of quarterly reports on internal audit findings responded to within the prescribed timeframe by 30 June	4 quarterly reports on internal audit findings responded to within the prescribed timeframe by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with item and report to report	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	184	Pre-audit data strings to the Annual Financial Statements uploaded to the LG Portal by 30 November	Pre-audit data strings to the Annual Financial Statements uploaded to the LG Portal by 30 November	Date	VALIDATION REPORT	Annually	-	30-Nov	-	-	30-Nov	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to validation report	N/A	30-NOV	N/A	N/A	30-NOV	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	185	Number of bi-annual reports on external audit findings responded to within the prescribed timeframe by 30 June	2 bi-annual reports on external audit findings responded to within the prescribed timeframe by 30 June	Number	REPORT	Biannually	-	1	1	-	2	Target date adjusted to align with amended commencement date of audit	Adjusted target number breakdown moved from Q1 and Q2 to Q2 and Q3	N/A	1	1	N/A	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	186	Post-audit data strings to the Annual Financial Statements uploaded to the LG Portal by 31 March	Post-audit data strings to the Annual Financial Statements uploaded to the LG Portal by 31 March	Date	VALIDATION REPORT	Annually	-	-	31-Mar	-	31-Mar	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to validation report	N/A	N/A	31-MAR	N/A	31-MAR	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	187	Annual Mid-year budget report submitted to the Executive Mayor by 25 January	Annual Mid-year budget report submitted to the Executive Mayor by 25 January	Date	ITEM TO COUNCIL	Annually	-	-	25-Jan	-	25-Jan	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with item and report to email with item to council	N/A	N/A	25-JAN	N/A	25-JAN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	188	Adjustment Budget submitted to Council by 28 February	Adjustment Budget submitted to Council by 28 February	Date	ITEM TO COUNCIL	Annually	-	-	28-Feb	-	26-Feb	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with item and report to email with item to council	N/A	N/A	28-FEB	N/A	28-FEB	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	189	Adjustment Budget data strings uploaded to the LG Portal by 31 March	Adjustment Budget data strings uploaded to the LG Portal by 31 March	Date	VALIDATION REPORT	Annually	-	-	31-Mar	-	11-Mar	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to validation report	N/A	N/A	29-MAR	N/A	29-MAR	2	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	190	Medium Term Revenue and Expenditure Framework submitted to the Municipal Manager by 31 May	Medium Term Revenue and Expenditure Framework submitted to the Municipal Manager by 31 May	Date	REPORT	Annually	-	-	31-May	-	28-May	No adjustment made	No adjustment made	N/A	N/A	30-MAY	30-MAY	1	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	191	Number of procedure manuals annually reviewed by 31 May	3 procedure manuals annually reviewed by 31 May	Number	MANUALS	Annually	-	-	-	3	4	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	192	Budget data strings uploaded to the LG Portal by 30 June	Budget data strings uploaded to the LG Portal by 30 June	Date	VALIDATION REPORT	Annually	-	-	30-Jun	-	31-May	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from plans to manuals	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	193	Number of biannual financial statements submitted to Audit and Performance Committee by 30 June	2 biannual financial statements submitted to Audit and Performance Committee by 30 June	Number	REPORT	Quarterly	1	-	1	-	2	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to validation report	1	N/A	1	N/A	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	194	Number of monthly financial performance reports submitted to Senior Management by 30 June	8 monthly financial performance reports submitted to Senior Management by 30 June	Number	REPORT	Quarterly	2	2	2	2	8	No adjustment made	No adjustment made	2	2	2	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	195	Number of quarterly Back to Basics reports submitted to the Municipal Manager by 30 June	4 quarterly Back to Basics reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	12	No adjustment made	No adjustment made	3	3	1	1	4	ACHIEVED	The target was a monthly target in the Q1 & Q2, target adjusted to a quarterly target	N/A	Means of verification to be amended. Current POEs are not adequately aligned. Back to Basics reporting requirement requested on a quarterly basis.	POEs description amended. Target number reduced from 12 to 4.	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	196	Revenue enhancement strategy developed and annually reviewed by 30 June	Revenue enhancement strategy developed and annually reviewed by 30 June	Date	ITEM AND STRATEGY	Annually	-	-	-	30-Jun	0	No adjustment made	No adjustment made	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	197	Number of quarterly Financial Management Capability Maturity Model (FMCM) reports submitted to the Municipal Manager by 30 June	4 quarterly Financial Management Capability Maturity Model (FMCM) reports submitted by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	0	3	1	NOT ACHIEVED	Implementation of the new web based FMCM	The web base FMCM to be concluded by end of first quarter	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	198	Annual Procurement Plan reviewed and submitted to the Municipal Manager by 30 June	Annual Procurement Plan reviewed and submitted to the Municipal Manager by 30 June	Date	PLAN	Annually	-	-	-	30-Jun	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	199	Number of quarterly progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries by 30 June	4 quarterly progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	200	Number of quarterly reports on implementation of the Supply Chain Management policy submitted to the Executive Mayor and Council by 30 June	4 quarterly reports on implementation of the Supply Chain Management policy submitted to the Executive Mayor and Council by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	201	Contract management report submitted to the Municipal Manager by 30 June	Contract management report submitted to the Municipal Manager by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	30-Jun	No adjustment made	No adjustment made	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To ensure that the municipal assets are properly safeguarded	202	Percentage of assets insured by 30 June	100% of assets insured by 30 June	Percentage	REPORT	Quarterly	100%	100%	100%	100%	100%	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to report	100%	100%	100%	100%	100%	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To ensure that the municipal assets are properly safeguarded	203	Number of quarterly Asset Management Policy implementation reports submitted to the Municipal Manager by 30 June	4 quarterly Asset Management Policy implementation reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To ensure that the municipal assets are properly safeguarded	204	Number of quarterly Functional Assets Management Steering Committee meetings held by 30 June	4 quarterly Functional Assets Management Steering Committee meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	205	Comprehensive HR Strategy reviewed by 30 June	Comprehensive HR Strategy reviewed by 30 June	-	-	-	-	-	-	-	N/A	Portfolio of evidence adjusted to align to current submission	Adjusted portfolio of evidence from email with report to minutes	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	206	Number of bi-annual HR Strategy implementation monitoring reports submitted to Council by 30 June	2 bi-annual HR Strategy implementation monitoring reports submitted to Council by 30 June	Number	ITEM AND REPORT	Biannually	-	1	-	1	2	No adjustment made	No adjustment made	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	207	Council approved staff structure annually reviewed by 30 June	Council approved staff structure annually reviewed by 30 June	Date	ITEM AND ORGANIGRAM	Annually	-	-	-	30-Jun	28-May	Target date adjusted to align with current submission date	Adjusted target date from 31 May to 30 June	N/A	N/A	N/A	30-JUN	30-JUN	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	208	Number of quarterly HR status reports submitted to the Municipal Manager by 30 June	4 quarterly HR status reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To provide integrated human resource service	209	Quinquennially reviewed Employment Equity Plan by 31 May	Quinquennially reviewed Employment Equity Plan by 31 May	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	210	20 HR policies annually reviewed by 30 June	20 HR policies annually reviewed by 30 June	Date	ITEM AND POLICIES	Annually	-	-	-	30-Jun	20	Target date adjusted to align with current submission date	Adjusted target date from 31 May to 30 June	N/A	N/A	N/A	0	0	0	NOT ACHIEVED	Policies were referred back by Council	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	211	Senior Management annual performance assessment panel facilitated by 30 September	Senior Management annual performance assessment panel facilitated by 30 September	Date	ITEM AND PLAN	Annually	30-Sept	-	-	-	0	No adjustment made	No adjustment made	30-Sept	N/A	N/A	N/A	30-Sept	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	212	Number of bi-annual Individual Performance Committee meetings held by 30 June	2 bi-annual Individual Performance Committee meetings held by 30 June	Number	REPORT	Biannually	-	1	-	1	2	Target number reduced due to unavailability of key stakeholders	Adjusted target number from 4 to 2	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	213	Electronic Performance Management System implemented by 30 June	Electronic Performance Management System implemented by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	N/A	Target discontinued due to slow progress in the customization of the current performance module	Target discontinued	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	Delays in the implementation of the electronic system due to inadequate infrastructure.	Target to be discontinued.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	214	Annually reviewed WSP submitted to LGSETA by 30 April	Annually reviewed WSP submitted to LGSETA by 30 April	Date	PLAN	Annually	-	-	-	30-Apr	30-Apr	No adjustment made	No adjustment made	N/A	N/A	N/A	29-APR	29-APR	1	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	215	Annual training report submitted to LGSETA by 30 April	Annual training report submitted to LGSETA by 30 April	Date	REPORT	Annually	-	-	-	30-Apr	30-Apr	No adjustment made	No adjustment made	N/A	N/A	N/A	29-APR	29-APR	1	ACHIEVED	Target was completed before the set date	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	216	Number of bi-annual Training Committee meetings held by 30 June	2 bi-annual Training Committee meetings held by 30 June	Number	REPORT	Biannually	-	1	-	1	2	Target number reduced due to unavailability of key stakeholders	Adjusted target number from 4 to 2	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	217	IT Strategy biennially reviewed by 31 May	IT Strategy biennially reviewed by 31 May	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	Target is not applicable for this financial year	Target to be reported on during the applicable financial year	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.	
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	218	IT Policy annually reviewed by 31 May	IT Policy annually reviewed by 31 May	Date	ITEM AND POLICY	Annually	-	-	-	31-May	28-May	No adjustment made	No adjustment made	N/A	N/A	N/A	0	0	30	NOT ACHIEVED	Policies were referred back by Council	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	219	Number of bi-annual internal IT Steering Committee meetings held by 30 June	2 bi-annual internal IT Steering Committee meetings held by 30 June	Number	REPORT	Biannually	-	1	-	1	2	Target number reduced due to unavailability of key stakeholders	Adjusted target number from 4 to 2	N/A	1	N/A	1	2	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	220	Number of monthly IT Support and IT Services Management reports submitted to the Municipal Manager by 30 June	12 monthly IT Support and IT Services Management reports submitted to the Municipal Manager by 30 June	Number	REPORT	Monthly	3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2020/2021)	MOTIVATION FOR ADJUSTMENT (2020/2021)	PROPOSED PERFORMANCE ADJUSTMENT (2020/2021)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2021-2022)	VARIANCE	ACHIEVED / NOT ACHIEVED (2021-2022)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2021-2022)	CORRECTIVE MEASURES TO BE TAKEN (2021-2022)	MOTIVATION FOR ADJUSTMENT (2021-2022)	PROPOSED PERFORMANCE ADJUSTMENT (2021-2022)
									Q1	Q2	Q3	Q4				Q1	Q2	Q3	Q4							
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	221	Disaster Recovery and Business Continuity Plan reviewed by 31 March	Disaster Recovery and Business Continuity Plan reviewed by 31 March	Date	ITEM AND PLAN	Annually	-	-	31-Mar	-	29-Mar	No adjustment made	No adjustment made	N/A	N/A	31-MAR	N/A	31-MAR	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	222	Number of quarterly Disaster Recovery and Business Continuity implementation reports submitted to the Municipal Manager by 30 June	4 quarterly Disaster Recovery and Business Continuity implementation reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	2	System established and implementation taking place, target number reduced on the submissions	Adjusted target number from 4 to 2	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	223	Number of monthly website maintenance reports submitted to the Municipal Manager by 30 June	12 monthly website maintenance reports submitted to the Municipal Manager by 30 June	Number	REPORT	Monthly	3	3	3	3	12	No adjustment made	No adjustment made	3	3	3	3	12	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	224	Annual website upgrading and redesigning completed by 31 March	Annual website upgrading and redesigning completed by 31 March	Date	REPORT	Annually	-	-	31-Mar	-	N/A	Target discontinued since the municipal website has redesigned and upgraded	Target discontinued	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	Website upgrading completed and the website is maintained on a daily basis.	Target to be removed.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide record management services	225	Record Management Policy annually reviewed by 30 June	Record Management Policy annually reviewed by 30 June	Date	ITEM AND POLICY	Annually	-	-	-	30-Jun	30-Jun	Target date adjusted to align with current submission date	Adjusted target date from 31 May to 30 June	N/A	N/A	N/A	0	0	0	NOT ACHIEVED	Policies were referred back by Council	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide record management services	226	Number of quarterly record management reports submitted to the Municipal Manager by 30 June	4 quarterly record management reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	4	No adjustment made	No adjustment made	1	1	1	1	4	0	ACHIEVED	N/A	N/A	Means of verification to be amended. Current POEs are not adequately aligned.	POEs description amended.

e. Lessons Learned:

- **Reward and Recognition** – Meaningful reward and recognition systems can only operate in an environment where there is an accurate and visible process of performance feedback and discussions. Continuous performance management enables management to identify activity and efforts worthy of praise or reward. In turn, this promotes a growth mindset amongst your employees.
- **Employee Engagement and Productivity** – Engaged employees stay longer, actively involve themselves in the workplace and produce better results. Improving levels of employee engagement is key to boosting productivity and maximising output. Performance management, done well, is a vital tool for having engaged employees.
- **Employee Development Strategies** – Proactively developing employees by covering their development needs. With regular catch-ups, Management can pursue continuous performance improvement, as Management frequently meet to discuss each employee's performance, possible development opportunities and development plans.
- **Clarification Concerning SMART Goals** – The right performance management processes can eliminate ambiguity and confusion about goal setting.



AUDIT AND PERFORMANCE COMMITTEE ANNUAL REPORT 2021/2022 VOL.4

John Taolo Gaetsewe District Municipality

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JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY AUDIT, RISK AND PERFORMANCE COMMITTEE ANNUAL REPORT FOR THE PERIOD ENDING 30 JUNE 2022

The Committee is honoured to present its report for the financial period ending 30 June 2022.

Audit, Risk and Performance Committee consisted of Members listed below and should meet at least 4 times during the financial year as per its approved Terms of Reference. Audit, Risk and Performance Committee held four meetings during 2021/2022 financial year and attendances were as follows:

Name of Member	Meetings attended
R. Tshimomola: Chairperson	4
F. Buys: Member	4
M. Mashati: Member	1

Responsibilities of Audit, Risk and Performance Committee

Audit, Risk and Performance Committee had formally adopted its Terms of Reference and discharged its responsibilities during the year in compliance with its charter and section 166 of the MFMA as follows:

- Reviewed and adopted Audit, Risk and Performance Committee Charter as approved by council.
- Reviewed and approved Internal Audit Charter and Methodology.
- Reviewed and approved the three year rolling risk-based Internal Audit Plan and Annual Operational Audit Plan and monitored their implementations.
- Reviewed Risk Management documents presented by management and made appropriate recommendations for management to implement.
- Evaluated the findings raised by internal and external auditors and made recommendations on addressing the root cause of findings for management to implement.
- Reviewed monthly and quarterly financial information reports presented by management and made recommendations on financial management improvements and reporting.
- Reviewed quarterly and annual performance information reports presented by management and made recommendations on performance management improvements and reporting.
- Reviewed quarterly and annual financial statements and gave council the credible view of the financial position, financial performance and cash flow information of the municipality.
- Reviewed conditional grants, unconditional grants, deviations, information and communications technology, contingent liabilities, human resources management reports presented by management and recommended appropriate actions for management to implement.
- Reviewed audit action plans emanating from internal and external audit findings and recommended appropriate actions for management to implement.
- Liaised with the Auditor-General South Africa to discuss and resolve external audit matters.
- Prepared and presented quarterly reports to the council to comply with oversight reporting roles.

Internal Audit

Audit, Risk and Performance Committee is satisfied that internal audit functions were performed independently and objectively in line with the approved annual internal audit risk-based plan and Section 165 of MFMA. Internal Audit functionally reported to audit committee during 2021/2022 financial year.

Effectiveness of Internal control system

Audit, Risk and Performance Committee reviewed internal control system and recommended improvements on control environment during the financial year. Internal control system is effective.

Audit, Risk and Performance Committee concurs with and accept the Auditor-General South Africa's Audit Report on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the Report of the Auditor-General South Africa.



R. Tshimomola (Mr)
Chairperson of the Audit, Risk and Performance Committee
Date: 31 August 2022



AUDITOR-GENERAL'S AUDIT REPORT REPORT 2021/2022 VOL.5

John Taolo Gaetsewe District Municipality

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Report of the auditor-general to Northern cape Provincial Legislature and the council on John Taole District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the John Taole District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the John Taole District Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (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 matter

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

An uncertainty relating to the future outcome of litigation

7. With reference to note 36 to the financial statements, the municipality is the defendant in a litigation claim. The municipality is opposing the claim, as it believes that the claim is groundless. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.

Other matter

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

Unaudited supplementary schedules

9. 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 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

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA, 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.
11. 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

12. 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.
13. 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

14. 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 key

performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

15. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
16. 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 key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

Key Performance Area	Pages in the annual performance report
KPA 1 – Basic services and infrastructure development	x – x

17. 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.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this selected key performance area:
- Basic services and infrastructure development

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

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

Report on the audit of compliance with legislation

Introduction and scope

21. 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.
22. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

23. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R12 523 189, as disclosed in note 40 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA.

Procurement and contract management

24. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1) (a) and (c).

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 those selected key performance area 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 key performance area 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
30. There's lack of monitoring of implementation of internal controls regarding compliance within the district municipality which resulted in material non-compliance with laws and regulations

Other reports

31. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
32. The municipality is currently under going investigation which is conducted by the South African Police Services under the directorate for Priority, Crime, Investigation, Serious Commercial Crime Unit. The investigation is regarding the procurement processes of the temporary housing structure.

Auditor General

Kimberley

30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the John Taole District Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



SPECIAL ADJUSTMENT BUDGET 2021/2022 VOL.6

John Taolo Gaetsewe District Municipality

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John Taolo Gaetsewe

DISTRICT MUNICIPALITY

SPECIAL ADJUSTMENT BUDGET 2021/22

PURPOSE

To submit the special adjustment budget 2021/22 to Council for approval.

BACKGROUND INFORMATION

The Auditor-General has highlighted an escalating trend in unauthorised, irregular, fruitless and wasteful expenditure in municipalities over recent years, evident in audit opinions and summarised in the annual reports on local government. Circular 68 aims to provide clarity in this regard so that there is a common understanding on the process to be followed in dealing with these categories of expenditure.

Section 15 of the MFMA deals with appropriation of funds for expenditure and provides that a municipality may, except where otherwise provided in the MFMA, incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget. During the 2021/22 audit, the Auditor-General audited the municipality's disclosure and further added unauthorised expenditure identified in the audit process.

STRATEGIC INTENT

Good governance and compliance with applicable legislation.



John Taolo Gaetsewe

DISTRICT MUNICIPALITY

IMPLICATIONS

Legal

Section 28 of Municipal Finance Management Act requires that a municipality may revise an approved annual budget through an adjustments budget:

In terms of regulation 23(6)(b) of the MBRR, council may authorise unauthorised expenditure in a special adjustments budget tabled in council when the mayor tables the annual report in terms of section 127(2) of the MFMA. These special adjustments budget “may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.” These special adjustments budget therefore deals with:

- ***unauthorised expenditure that occurred in the second half of the previous financial year, and***
- ***any unauthorised expenditure identified by the Auditor-General during the annual audit process***

ANNEXURE: SPECIAL ADJUSTMENT BUDGET 2021/22



DC45 B Schedule
2021-22.xlsm



John Taolo Gaetsewe

DISTRICT MUNICIPALITY

RECOMMENDED BY BTO TO FINANCE & CORPORATE COMMITTEE TO THE MAYORAL

1. That Council approves the Special Adjustment Budget 2021/22.
2. That it be noted that there are no changes effected on municipal taxes and tariffs.
3. That the approved Special Adjustment Budget be send to both National and Provincial Treasuries.



AUDIT ACTION PLAN 2021/2022 VOL.7

John Taolo Gaetsewe District Municipality

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Project OPCAR (Operation Clean Audit Report) - 2021/2022		Task identified	0
Joint Action Item List (JAIL)		Work in progress	0
Municipality: John Taolo Gaetsewe District Municipality		Completed	0
Date: 31/01/2023			

Purpose: The purpose of the JAIL is to track the allocation and status of project actions

EX No.	Item	Rating/Impact on Audit Report	Internal Control Deficiency	Actions to be taken	COMPLETION STATUS	Target Date	Revised Date	Prog%	Responsibility	Department within the Municipality	Remarks
1	<p>ISS.12</p> <p>Compliance: Special adjustment budget It was identified that the municipality passed a special adjustment budget which is dated 30/05/2022 and it was tabled to the council on the 30 May 2022. We noted that the request for budget adjustment which was approved by the council as presented by the mayor, did not comply with the requirements of circular 68 which states the following: Unforeseen and unavoidable expenditure is discussed in section 29 of the MFMA and reads as follows: (1) The mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget. (2) Any such expenditure— (a) must be in accordance with any framework that may be prescribed; (b) may not exceed a prescribed percentage of the approved annual budget; (c) must be reported by the mayor to the municipal council at its next meeting; and (d) must be appropriated in an adjustments budget. (3) If such adjustments budget is not passed within 60 days after the expenditure was incurred, the expenditure is unauthorised and section 32 applies.</p>	Non-compliance with municipal budget and reporting regulation	Management did not review and monitor compliance with applicable laws and regulations.	The most effective processes are inclusive, transparent, and efficient. Management will improve on the budgeting processes: 1. Project managers would be required to commit to the project's operations during the budget development stage, where senior management may exercise greater oversight and then uphold that policy direction through budget controls. 2. Identifying projects/objectives that take precedence to be included in the budget.	0	30/06/2023		0%	Manager: Budget, Reporting & Compliance	Budget and Treasury Office (BTO)	
2	<p>ISS.16</p> <p>SCM Policy not followed (Quotations) During the audit of John Taolo Gaetsewe Municipality under testing of SCM it was determined that the municipality did not follow the SCM regulation of obtaining three formal written price quotations, in addition the municipality did not advertise for at least seven days for the following awards awarded during the current year under review: 1. Arena Holdings (PO1241, Amount R72588) 2. Arena Holdings (PO1117, Amount R72588) 3. Arena Holdings (PO1028, Amount R72588)</p>	Non-compliance with SCM reg. 12(1)(c); 16(a) & 17(a)	Leadership Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	Management will re-advertise the service through competitive bidding processes in Q3 of 2022/23	0	30/06/2023		0%	Head: SCM	Budget and Treasury Office (BTO)	

TOTAL PROGRESS

0%

Allocation of points to completion of task:

5	Task completed	100%
4	Satisfactory progress	75% - 99%
3	Progress being made	50% - 74%
2	Slow progress	25% - 49%
1	No progress	0% - 24%

1. Description of finding

RESPONSIBLE PERSON: Manager: Budget, Reporting & Compliance

Internal Control Deficiency: Financial and performance management

Due Date:

30/06/2023

Finding
<p>Compliance: Special adjustment Budget</p> <p>It was identified that the municipality passed a special adjustment budget which is dated 30/05/2022 and it was tabled to the council on the 30 May 2022. We noted that the request for budget adjustment which was approved by the council as presented by the may, did not comply with the requirements of circular 68 which states the following: Unforeseen and unavoidable expenditure is discussed in section 29 of the MFMA and reads as follows: (1) The mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget. (2) Any such expenditure—</p>

Proposed Solution	Resources to be used
<p>(a) The most effective processes are inclusive, transparent, and efficient. Management will improve on the budgeting processes: 1. Project managers would be required to commit to the project's operations during the budget development stage, where senior management may exercise greater oversight and then uphold that policy direction through budget controls. 2. Identifying projects/objectives that take precedence to be included in the budget. 3. Obtaining buy-in across departments by ensuring that employees at all levels are involved from the start of the budget planning process and can readily cooperate on budget requests and adjustments. 4. Reviewing key steps of the budget process on an annual and/bi-annual basis. 5. Quartely reviews on the spending of the budget. 6. Ensuring that the budget controls are effectively implemented.</p>	<p>(a) Municipal budget and reporting regulations MFMA National Treasury circulars IDP System generated budget reports</p>
(b)	(b)
(c)	(c)
(d)	(d)

Progress (from last reporting date)
<p>(a) Progress has ben updated, during the preparation of the QFS and continues to be updated while preparation of the AFS is underway.</p>
(b)
(c)
(d)

2. Description of finding	RESPONSIBLE PERSON: Head: SCM
Internal Control Deficiency: Financial and performance management re 	Due Date: 30/06/2023

Finding
<p>SCM Policy not followed (Quotations)</p> <p>During the audit of John Taolo Gaetsewe Municipality under testing of SCM it was determined that the municipality did not follow the SCM regulation of obtaining three formal written price quotations, in addition the municipality did not advertise for at least seven days for the following awards awarded during the current year under review:</p> <p>1. Arena Holdings (PO1241, Amount R72588) 2. Arena Holdings (PO1117, Amount R72588) 3. Arena Holdings (PO1028, Amount R72588)</p>

Proposed Solution	Resources to be used
(a) Management will re-advertise the service through competitive bidding processes in Q3 of 2022/23	(a)
(b)	(b)
(c)	(c)
(d)	(d)

Progress (from last reporting date)
<p>(a) {A} The policy was tabled in the Council Meeting of 28 May 2021 for 2021/22. {C} the Mid-year performance reviews have been completed for non-section 57 employees. {D} Individual Performance Plan for each employee for the year under review have been corrected.</p>
(b)
(c)
(d)